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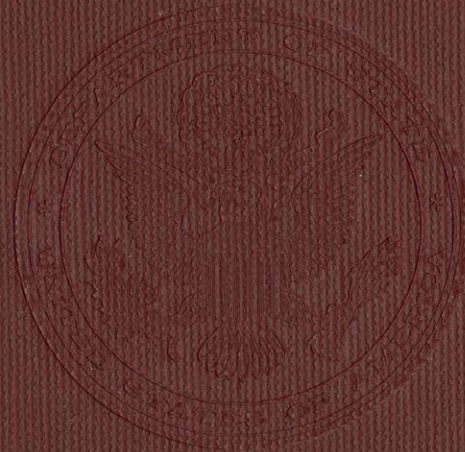
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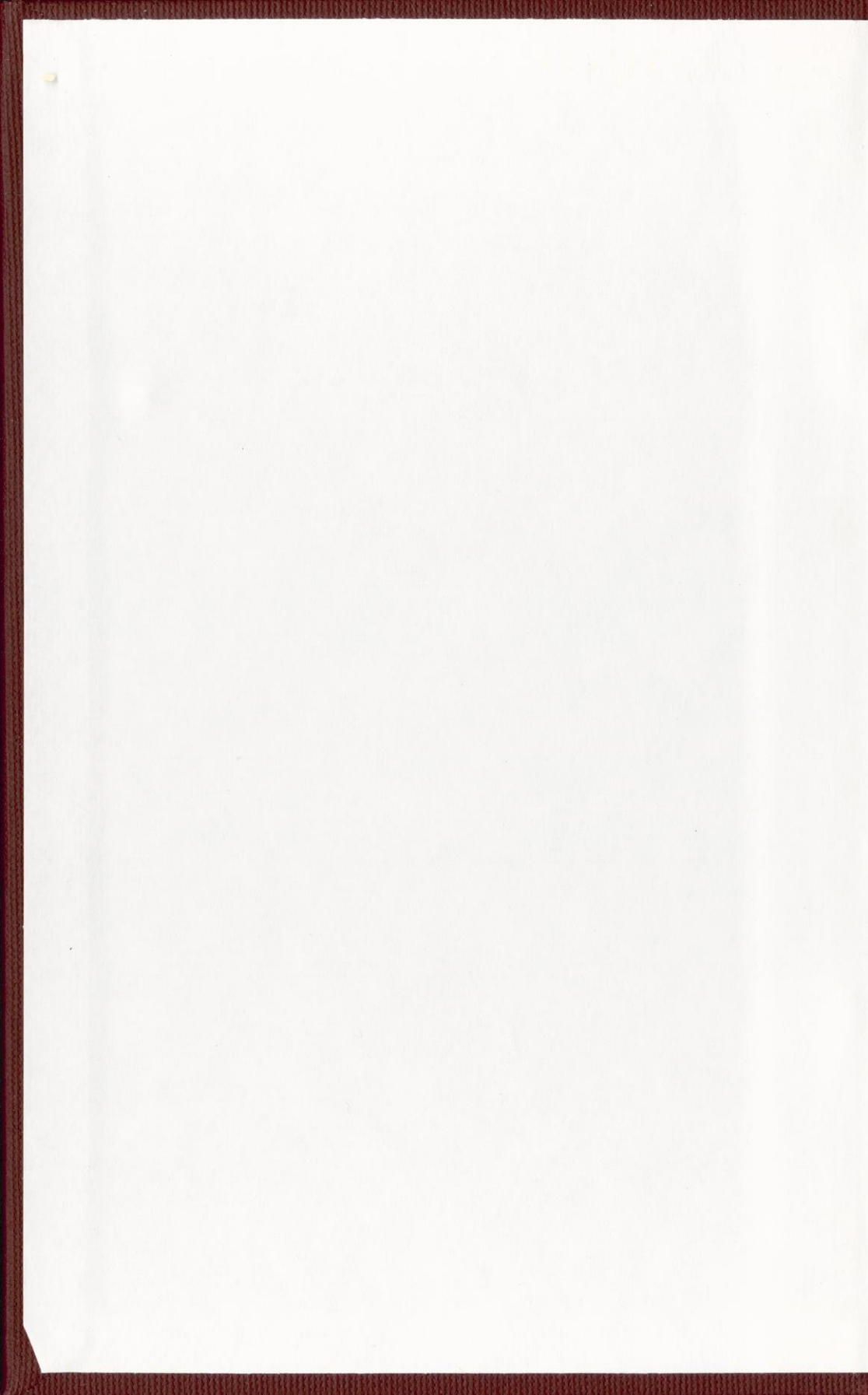


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# Foreign Relations of the United States, 1955-1957

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Volume XXI

## East Asian Security; Cambodia; Laos

*Editor in Chief* John P. Glennon

*Editors* Edward C. Keefer  
David W. Mabon



DEPARTMENT OF STATE PUBLICATION 9760

OFFICE OF THE HISTORIAN

BUREAU OF PUBLIC AFFAIRS

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For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C. 20402

# Preface

The publication *Foreign Relations of the United States* constitutes the official record of the foreign policy of the United States. The volumes in the series include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States together with appropriate materials concerning the facts that contributed to the formulation of policies. Documents in the files of the Department of State are supplemented by papers from other government agencies involved in the formulation of foreign policy.

The basic documentary diplomatic record printed in the volumes of the series *Foreign Relations of the United States* is edited by the Office of the Historian, Bureau of Public Affairs, Department of State. The editing is guided by the principles of historical objectivity and in accordance with the following official guidance first promulgated by Secretary of State Frank B. Kellogg on March 26, 1925:

There may be no alteration of the text, no deletions without indicating the place in the text where the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy. However, certain omissions of documents are permissible for the following reasons:

- a. To avoid publication of matters that would tend to impede current diplomatic negotiations or other business.
- b. To condense the record and avoid repetition of needless details.
- c. To preserve the confidence reposed in the Department by individuals and by foreign governments.
- d. To avoid giving needless offense to other nationalities or individuals.
- e. To eliminate personal opinions presented in despatches and not acted upon by the Department. To this consideration there is one qualification: in connection with major decisions it is desirable, where possible, to show the alternative presented to the Department before the decision was made.

*Principles of Selection for Foreign Relations, 1955-1957, Volume XXI*

In planning the overall scope of the *Foreign Relations* volumes for the 1955-1957 triennium, the editors chose to present the documentation on U.S. policy in East Asia in four separate volumes. Volume I is devoted in its entirety to the record of U.S. policy toward the civil

war in Vietnam. Volume XXI presents the record of U.S. policy toward Laos and Cambodia as well as an overview of U.S. policy toward the East Asia region as a whole. Volume XXII documents U.S. policies toward Indonesia, the Philippines, Singapore, Malaya, and Thailand. Volume XXIII (in two parts) presents the record of relations with Japan and Korea.

In selecting documents for this volume the editors placed primary emphasis upon President Eisenhower's decisions and the advice and recommendations reaching him from the Secretary of State and from other advisers and executive agency heads. The most careful effort has been made to present a complete record of National Security Council discussions and papers since that was the main site of Presidential decisionmaking on the matters documented in this volume. The editors had complete access to and made use of the memoranda of discussion at NSC meetings and other institutional NSC documents included in the Whitman File at the Dwight D. Eisenhower Presidential Library. These Presidential files were supplemented by copies of NSC documents included in the files of the Department of State.

Department recommendations to the President, including those of Secretary of State John Foster Dulles, regarding general regional East Asian policies and policies specific to Laos and Cambodia were researched by the editors in the files of the Department of State. The debate among Secretary Dulles' advisers and assistants on alternative policies to be followed was also documented. A small but representative selection was made from informational reports available to Department policymakers regarding regional developments in the East Asian area. The editors also canvassed the Department files for documentation regarding planning for, sessions of, and results of international diplomatic meetings regarding East Asia. Particular attention was paid to reconstructing a selective but representative record of the involvement of the United States in the Southeast Asian Treaty Organization (SEATO) and the Australia-New Zealand-United States (ANZUS) Council.

The editors had complete access to all the files of the Department of State including the central decimal files, the special subfiles of the Executive Secretariat, and the various special decentralized files (lot files) originally maintained by Department policymakers at the bureau, office, or division level. The Department files that the editors consulted in preparing this volume are described in detail on pages XI-XIV.

The focus for the Cambodian compilation alternated between policy formulation in Washington and the assessment of and recommendations concerning developments in Cambodia by the U.S. mission in Phnom Penh. An important secondary consideration was the

course of Franco-American relations in Cambodia. The documents presented in the compilation represent only a small fraction of the material for 1955-1957 in official U.S. Government records. Over half of the source material presented comes from the decimal files of the Department of State, the main reference file of the Department in which documents are filed according to topic and/or country.

The Laos compilation is a representative account of U.S. policy toward Laos and U.S. relations with the Lao Government. The editors have taken as their principal criteria for selection U.S. interest in vitalizing the non-Communist faction in Laos and combating the local Communists, the Pathet Lao. Laos policy during this period rarely required President Eisenhower's or, for the most part, Secretary Dulles' attention. Therefore, the emphasis of the documents selected is on the interplay between developments in the field and policy considerations of the Department of State's Far Eastern Bureau. Because so much of the implementation of U.S. policy toward Laos took place between the U.S. Ambassador and Lao Government leaders, the primary focus of this compilation is Vientiane rather than Washington. The documents printed here represent only a small percentage of records available on Laos.

The U.S. military establishment had an important role in the formulation of U.S. policy regarding military assistance to Cambodia and to Laos. The editors had access to selected Joint Chiefs of Staff files and to the records of the Office of the Secretary of Defense (International Security Affairs). Interagency correspondence with the Defense Department in the Department of State files was also reviewed. The editors included what they regard as a representative selection of the record on overall U.S. military policies in the region. A detailed description of the Defense Department and JCS files consulted appears on pages XIV-XV.

In compiling this volume, the editors found that evolving economic, information, and cultural relations played a relatively small role in the development of the main lines of U.S. policy toward the region as a whole or in the bilateral relationships with Laos and Cambodia. The records of the International Cooperation Agency and the United States Information Agency were, therefore, not reviewed in connection with the preparation of this volume.

On the other hand, the intelligence component in the preparation of policies in East Asia was extremely important. The editors did not have access to the files of the intelligence agencies, but did carefully examine intelligence documentation available at the Dwight D. Eisenhower Presidential Library, among the records of the Joint Chiefs of Staff, and, of course, in the files of the Department of State. The National Intelligence Estimates, which represent the principal examples of institutional intelligence documentation in this



volume, were obtained from the files of the Department's Bureau of Intelligence and Research.

The declassification process, in the Department of State and in other government agencies, described in detail below, resulted in the withholding of a small percentage of the documentation originally proposed for inclusion in this volume. The editors are confident that these few deletions do not distort the principal lines of policy originally compiled and printed here in this volume.

The editors wish to acknowledge the assistance of officials at the Dwight D. Eisenhower Presidential Library, in particular David Haight; the National Archives and Records Administration; the Department of Defense; and other specialized repositories who assisted in the collection of documents for this volume.

### *Editorial Methodology*

The documents in this volume are presented chronologically according to local time. Incoming telegrams from U.S. missions are placed according to the time of transmission at their place of origin, rather than the time of receipt in Washington; memoranda of conversations are placed according to the date and time of the conversation, rather than the date the memorandum was drafted.

Editorial treatment of the documents published in the *Foreign Relations* series follows a standardized style, supplemented by guidance from the Editor in Chief and the chief technical editor. The source text is reproduced as exactly as possible, including significant marginalia or other notations, which are described in footnotes. Obvious typographical errors are corrected, but other mistakes and omissions in the source text are corrected by bracketed insertions: a correction is set in italic type; an omission in roman type. Brackets are also used to describe text that has been omitted by the editors to condense the record or because it deals with an unrelated subject. Ellipses are inserted to replace material that could not be declassified. Ellipses of three or four periods identify excisions of less than a paragraph; ellipses of seven periods spread across the page identify excisions of an entire paragraph or more. All ellipses and brackets that appear in the source text are so identified by footnotes.

The first footnote to each document indicates the document's source, original classification, distribution, and drafting information. The source footnote may also provide the background of important documents and policies.

Editorial notes and additional annotation summarize pertinent material not printed in this volume, indicate the location of additional documentary sources, describe diplomatic reportage and key events, and provide summaries of and citations to public statements pertinent to the printed documents. Supplementary information from

published sources is that available when compilation was completed in 1979.

*Declassification Review Procedures*

Declassification review of the documents selected for publication was conducted by the Division of Historical Documents Review, Bureau of Diplomatic Security, Department of State. The review was made in accordance with the Freedom of Information Act, the Privacy Act, and the criteria established in Executive Order 12356 regarding:

- 1) military plans, weapons, or operations;
- 2) the vulnerabilities or capabilities of systems, installations, projects, or plans relating to the national security;
- 3) foreign government information;
- 4) intelligence activities (including special activities), or intelligence sources or methods;
- 5) foreign relations or foreign activities of the United States;
- 6) scientific, technological, or economic matters relating to national security;
- 7) U.S. Government programs for safeguarding nuclear materials or facilities;
- 8) cryptology; and
- 9) a confidential source.

Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State and of other concerned agencies of the U.S. Government, and communication with foreign governments regarding documents of those governments. The principle of declassification review is to release as much information as is consistent with contemporary requirements of national security and sound foreign relations; some documents or portions of documents are necessarily withheld.

Edward C. Keefer prepared the compilations on Cambodia and Laos, and David W. Mabon the multilateral compilation, under the supervision of Editor in Chief John P. Glennon. Mr. Mabon provided initial planning and direction. Lynn Chase and Rosa D. Pace of the Historian's Office prepared the lists of sources, names, and abbreviations. Rita M. Baker, Vicki E. Futscher, and Althea W. Robinson of the Editing Division of the Historian's Office performed the technical editing. Barbara A. Bacon of the Publishing Services Division (Paul M. Washington, Chief) oversaw production of the volume. Do Mi Stauber prepared the index.

**William Z. Slany**  
*The Historian*  
*Bureau of Public Affairs*



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# List of Unpublished Sources

## Department of State

1. *Indexed Central Files.* The principal source of documentation for this volume was the indexed central files of the Department of State. The most important of these were the 600 (international relations) and 700 (internal political and national defense affairs) files. Other files searched include 033 (official visits), 123 (Department of State personnel), and 300 (international organizations and conferences). Most of the documents from the central files were selected from the following files:

033.5914: trip file for Laos-China, including material on Souvanna Phouma's trip to China

396.1-BA: SEATO conference held at Bangkok in 1955

396.1-CA: SEATO conference held at Canberra in 1957

396.1-KA: SEATO conference held at Karachi in 1956

611.51H: U.S.-Cambodian relations

670.901: Afro-Asian Conference

751G.00: basic file for Indochina

751H.00: Cambodian political developments

751H.11: Cambodia's Head of State

751H.5-MSP: basic assistance file for Cambodia

751J.00: Laotian political developments

751J.5-MSP: basic assistance file for Laos

790.5: political developments in East Asia in relation to broad aspects of national defense

890.00: regional economic developments

2. *Lot Files.* Documents from the central files are supplemented by lot files of the Department, which are decentralized files created by operating areas. A list of the lot files used in or consulted for this volume follows:

Conference Files: Lot 59 D 95

Collection of documentation on official visits by ranking foreign officials and on major international conferences attended by the Secretary of State for the years 1949-1955, as maintained by the Executive Secretariat.

Conference Files: Lot 60 D 627

Collection of documentation on visits to the United States by ranking foreign officials and on major international conferences attended by the Secretary of State for the years 1953-1955, as maintained by the Executive Secretariat.

## XII List of Unpublished Sources

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### Conference Files: Lot 62 D 181

Collection of documentation on visits to the United States by ranking foreign officials and on major international conferences attended by the Secretary of State for the years 1956–1958, as maintained by the Executive Secretariat.

### Conference Files: Lot 63 D 123

Collection of documentation on visits to the United States by ranking foreign officials and on major international conferences attended by the Secretary of State for the years 1955–1958, as maintained by the Executive Secretariat.

### EA (Laos) Files: Lot 68 D 77

Top Secret files of the Bureau of Far Eastern (later East Asian) Affairs relating to Laos for the years 1955–1961.

### FE Conference Files: Lot 60 D 514

Files of conferences and meetings maintained by the Bureau of Far Eastern Affairs for the years 1956–1958.

### FE Files: Lot 56 D 679

Files maintained by the Bureau of Far Eastern Affairs for the year 1955, memoranda of conversation, and conference files.

### FE Files: Lot 58 D 209

Files of the Deputy Assistant Secretary of State for Far Eastern Economic Affairs for the years 1954–1957.

### FE Files: Lot 59 D 19

Files maintained by the Bureau of Far Eastern Affairs for the year 1957. Subfiles include country files and memoranda of conversation.

### FE/RA Files: Lot 65 D 497

Miscellaneous Top Secret files of the Office of Regional Affairs, Bureau of Far Eastern Affairs, for the years 1957–1962.

### FE/SEA Files: Lot 58 D 266

Subject files of the Office of Southeast Asian Affairs for the years 1954–1956.

### FE/SEA (Cambodia) Files: Lot 59 D 630

Chronological and general files of the Office of Southeast Asian Affairs relating to Cambodia for the years 1953–1958.

### FE/SPA Files: Lot 65 D 141

Correspondence covering Australia, New Zealand, and Southwest Pacific Affairs, dating from 1957 through 1963.

### INR Files: Lot 58 D 776

Top Secret files retained by the Bureau of Intelligence and Research for the years 1945–1957. (Combines 58 D 776 and 61 D 67)

### INR–NIE Files

Files retained by the Bureau of Intelligence and Research.

Laos Files: Lot 63 D 3

Files of the Office of Southeast Asian Affairs relating to Laos for the years 1954–1958.

OCB Files: Lot 61 D 385

Master set of administrative and country files of the Operations Coordinating Board for the years 1953–1960, as maintained by the Operations Staff.

OCB Files: Lot 62 D 430

Master files of the Operations Coordinating Board for the years 1953–1960, as maintained by the Executive Secretariat.

PPS Files: Lot 66 D 70

Files of the Policy Planning Staff for 1955, including subject, area, and country files.

PPS Files: Lot 66 D 70

Policy Planning Staff subject, country, and chronological files for the year 1955.

PPS Files: Lot 67 D 548

Files of the Policy Planning Staff for the years 1957–1961, including subject, area, and country files.

PSA Files: Lot 58 D 207

Consolidated files on Southeast Asia for the years 1949–1956, as maintained by the Office of Southeast Asian Affairs, Bureau of Far Eastern Affairs. (Combines 58 D 339 and 58 D 207)

Presidential Correspondence: Lot 66 D 204

Exchanges of correspondence between the President and heads of foreign governments for the years 1953–1964, as maintained by the Executive Secretariat.

S/P–NSC Files: Lot 62 D 1

Serial and subject master file of National Security Council documents and correspondence for the years 1948–1961, as maintained by the Policy Planning Staff.

S/S–NSC Files: Lot 63 D 351

Serial master file of National Security Council documents and correspondence, and related Department of State memoranda for the years 1947–1961, as maintained by the Executive Secretariat.

S/S–NSC (Miscellaneous) Files: Lot 66 D 95

Administrative and miscellaneous National Security Council documentation, including NSC Records of Action, for the years 1947–1963, as maintained by the Executive Secretariat.

SEA Files: Lot 58 D 207

Consolidated files on Southeast Asia, primarily Indochina and Burma, for the years 1949–1956, as maintained by the Office of Southeast Asian Affairs. (Combines 58 D 339 and 58 D 207)



## XIV List of Unpublished Sources

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### SEA Files: Lot 58 D 266

Miscellaneous files of the Office of Southeast Asian Affairs relating mostly to Vietnam and Cambodia for the years 1954-1956.

### Secretary's Memoranda of Conversation: Lot 64 D 199

Chronological collection of the Secretary of State's memoranda of conversation for the years 1953-1960, as maintained by the Executive Secretariat.

### State-JCS Meetings: Lot 61 D 417

Top Secret records of meetings between the Joint Chiefs of Staff and representatives of the Department of State for the years 1951-1959 and selected problem files on the Middle East for the years 1954-1956, as maintained by the Executive Secretariat.

## **Department of Defense**

### Department of Defense Files

Documents received by the Office of the Historian from the Department of Defense by request.

### JCS Files

Documents received by the Office of the Historian from the Organization of the Joint Chiefs of Staff by request.

## **Dwight D. Eisenhower Library, Abilene, Kansas**

### Dulles Papers

Records of John Foster Dulles, 1952-1959.

### Special Assistant for National Security Affairs Records

Records of the Office of the Special Assistant, 1952-1961, including records of Robert Cutler, Dillon Anderson, and Gordon Gray.

### Staff Secretary Records

Records of the Office of the White House Staff Secretary, 1952-1961, including records of Paul T. Carroll, Andrew J. Goodpaster, L. Arthur Minnich, Jr., and Christopher H. Russell.

### Whitman File

Papers of Dwight D. Eisenhower as President of the United States, 1953-1961, as maintained by his Personal Secretary, Ann C. Whitman. The Whitman File includes the following elements: the Name Series, the Dulles-Herter Series, Eisenhower Diaries, Ann Whitman (ACW) Diaries, National Security Council Records, Miscellaneous Records, Cabinet Papers, Legislative Meetings, International Meetings, the Administration Series, and the International File.

## **National Archives and Records Administration, Washington, D.C.**

### JCS Records

National Archives Record Group 218, Records of the United States Joint Chiefs of Staff and the Chairman of the Joint Chiefs of Staff.

**Princeton University Library, Princeton, New Jersey**

Dulles Papers

Dulles' Daily Appointment Book

**Washington National Records Center, Suitland, Maryland**

1. *Agency for International Development (RG 286)* (includes files of predecessor agencies, the Foreign Operations Administration and the International Cooperation Administration):

FOA Message Center Files: FRC 56 A 632  
FOA Message Center Files: FRC 57 A 248  
FOA Message Center Files: FRC 58 A 403  
FOA Message Center Files: FRC 59 A 2458

2. *Department of Defense (RG 330)*:

OASD/ISA Files: FRC 60 A 1025 and FRC 60 B 1025

Files of the Office of the Assistant Secretary of Defense (International Security Affairs) relating to Cambodia, Laos, and Vietnam for the year 1955.

OASD/ISA Files: FRC 60 A 1339 and FRC 60 B 1339

Files of the Office of the Assistant Secretary of Defense (International Security Affairs) relating to Cambodia, Laos, and Vietnam for the year 1956.

OASD/ISA Files: FRC 60 A 1672 and FRC 60 B 1672

Files of the Office of the Assistant Secretary of State (International Security Affairs) relating to Cambodia, Laos, and Vietnam for the year 1957.

3. *Department of State Mission Files (RG 84)*:

Bangkok Embassy Files: FRC 68 A 5159

Lot 59 F 45: Top Secret Files of the Embassy in Thailand for the years 1954-1958.

Phnom Penh Embassy Files: FRC 63 A 172

Lot 62 F 30: Classified and unclassified files for the years 1956-1958.

Vientiane Embassy Files: FRC 63 A 172

Lot 62 F 47: Classified and unclassified files for the years 1954-1958.

4. *Department of State (RG 59)*:

SEATO Files: FRC 71 A 6682, Item 153

Lot 67 D 143: SEATO files for the years 1955-1964, as maintained by the Office of Regional Affairs in the Bureau of East Asian Affairs.



# List of Abbreviations

- AA**, Afro-Asian
- AEDF**, Asian Economic Development Fund
- AJSS**, Australian Joint Service Staff
- ANL**, Armée Nationale de Laos (Lao National Army)
- ANZAM**, Australia, New Zealand, Malaya
- ANZUS**, Australia, New Zealand, United States
- AP**, Associated Press
- ARK**, Armée Royale Khmer (Royal Cambodian Army)
- ARVN**, Army of the Republic of Vietnam
- BIS**, Bank for International Settlements
- BNA**, Office of British Commonwealth and Northern European Affairs, Department of State
- C**, Office of the Counselor of the Department of State
- CCC**, Committee to Combat Communist Subversion
- CEE**, Committee of Economic Experts
- CFEP**, Council on Foreign Economic Policy
- CG,ANL**, Commandant Général, Armée Nationale de Laos (Commanding General, Lao National Army)
- ChiCom**, Chinese Communist
- CHMAAG**, Chief, Military Advisory Assistance Group
- CIA**, Central Intelligence Agency
- CINCFE**, Commander in Chief, Far East
- CINCPAC**, Commander in Chief, Pacific
- CINCUNC**, Commander in Chief, United Nations Command
- COMFEAF**, Commander, Far East Air Forces
- ConGen**, Consul General
- CNO**, Chief of Naval Operations
- CPCC**, Colombo Plan Coordinating Committee
- CSE**, Committee of Security Experts
- CY**, Calendar Year
- Depcirtel**, Department of State circular telegram
- Deptel**, Department of State telegram
- DFS**, Defense Forces Support
- DOD**, Department of Defense
- DRV**, Democratic Republic of Vietnam
- Dulte**, series indicator for telegrams from Secretary of State Dulles while away from Washington
- E**, Bureau of Economic Affairs, Department of State
- EA**, Bureau of East Asian Affairs, Department of State
- ECAFE**, Economic Commission for Asia and the Far East
- Embtel**, Embassy telegram
- ETA**, estimated time of arrival
- ETD**, estimated time of departure
- EUR**, Bureau of European Affairs, Department of State
- FARK**, Forces Armées Royales Khmer (Royal Cambodian Armed Forces)
- FAVN**, Forces Armées de Vietnam (Armed Forces of Vietnam)
- FBI**, Federal Bureau of Investigation
- FBIS**, Foreign Broadcast Information Service
- FCN**, Friendship, Commerce, and Navigation
- FE**, Bureau of Far Eastern Affairs, Department of State



## XVIII List of Abbreviations

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- FE/SPA**, Office of Southwest Pacific Affairs, Bureau of Far Eastern Affairs, Department of State
- FEC**, Far East Command
- FEC**, French Expeditionary Corps
- FHC**, French High Commissioner (Vietnam)
- FOA**, Foreign Operations Administration
- FonOff**, Foreign Office
- FY**, Fiscal Year
- FYI**, for your information
- G**, Office of the Deputy Under Secretary of State; after 1955, Deputy Under Secretary of State for Political Affairs
- G-2**, Army General Staff section dealing with intelligence at the divisional level or higher
- GARIOA**, Government Assistance and Relief in Occupied Areas
- GATT**, General Agreement on Tariffs and Trade
- GOI**, Government of India
- GOP**, Government of Pakistan
- GRC**, Government of the Republic of China
- GTI**, Office of Greek, Turkish, and Iranian Affairs, Department of State
- GVN**, Government of Vietnam
- HICOM**, High Commissioner
- HMG**, Her (His) Majesty's Government
- IAC**, Intelligence Advisory Committee
- IC**, Indochina
- ICA**, International Cooperation Administration
- ICC**, International Control Commission
- ICFEM**, Interdepartmental Committee on Far East, Mobilization
- IO**, Bureau of International Organization Affairs, Department of State.
- IPU**, International Parliamentary Union
- ISA**, Office of the Assistant Secretary of Defense, (International Security Affairs)
- ISC**, International Supervisory and Control Commission
- JCS**, Joint Chiefs of Staff
- JOC**, Joint Operations Center
- JRBAN**, Cambodian Police Unit
- JUSMAG**, Joint United States Military Assistance Advisory Group
- KMT**, Kuomintang
- L**, Office of the Legal Advisor, Department of State
- MAAG**, Military Assistance Advisory Group
- MATS**, Military Air Transport Service
- MDA**, Mutual Defense Assistance
- MDAP**, Mutual Defense Assistance Program
- METO**, Middle East Treaty Organization
- MSP**, Mutual Security Program
- MSUG**, Michigan State University Group
- NA**, Office of Northeast Asian Affairs, Department of State
- NATO**, North Atlantic Treaty Organization
- NCO**, non-commissioned officer
- NCSO**, Naval Control of Shipping Organization
- NE**, Office of Near Eastern Affairs, Department of State
- NLG**, National Lao Government
- NSC**, National Security Council
- NU**, Nahdatul Ulama (Association of Orthodox Muslims)
- OCB**, Operations Coordinating Board
- ODM**, Office Defense Mobilization
- OEEC**, Organization of European Economic Cooperation
- OFD**, Office of Finance and Development Policy, Department of State
- OIR/DFR**, Division of Research for Far East, Office of Intelligence Research, Special Assistant for Intelligence, Department of State
- OSD**, Office of the Secretary of Defense
- OSP**, offshore procurement
- PA**, project authorization
- PEO**, Programs Evaluation Office
- PL**, Pathet Lao
- PL/VM**, Pathet Lao/Viet Minh
- POL**, petroleum, oil, and lubricants
- POLAD**, Political Adviser
- Polto**, series indicator for telegrams from the United States Permanent Representative to the North Atlantic Council
- PPA**, project proposal and approval form (ICA)
- PRO**, Public Relations Officer
- PSA**, Office of Philippine and Southeast Asian Affairs, Department of State
- PWG**, Permanent Working Group (of SEATO)
- RAAF**, Royal Australian Air Force
- RCT**, Regimental Combat Team

- RG**, Royal Government (of Laos)  
**RKG**, Royal Khmer Government  
**RLG**, Royal Lao Government  
**RLT**, Regimental Landing Team  
**ROK**, Republic of Korea  
**RVN**, Republic of Vietnam  
**S/MSA**, Office of the Special Assistant to the Secretary of State for Mutual Security Affairs  
**SAC**, Strategic Air Command  
**SCAP**, Supreme Commander, Allied Powers  
**SDC**, Self-Defense Corps  
**SEA**, Southeast Asia  
**SEA**, Office of Southeast Asian Affairs, Department of State  
**SEACDT**, Southeast Asia Collective Defense Treaty  
**SEATO**, Southeast Asia Treaty Organization  
**Secto**, series indicator for telegrams from the Secretary of State (or his delegation) at international conferences  
**SIDASP**, Service interministerial de documentation et action sociale et politique (Interministerial Office of Documentation and Social and Political Action)  
**SOA**, Office of South Asian Affairs  
**SSPP**, Special Service for Political Propaganda  
**SUNFED**, Special United Nations Fund for Economic Development  
**SVN**, South Vietnam  
**TACPS**, Tactical Air Control Party Support  
**TCM**, Technical Cooperation Mission  
**TDY**, temporary duty  
**TERM**, Temporary Equipment Recovery Mission  
**TO's**, tables of organization  
**Tosec**, series indicator for telegrams to the Secretary of State (or his delegation) at international conferences  
**TRIM**, Training Relations Instruction Mission  
**U/OC**, Operations Coordinator of the Office of the Under Secretary of State  
**U/PR**, Protocol Staff in the Office of the Under Secretary of State  
**UK**, United Kingdom  
**UKG**, United Kingdom Government  
**UN**, United Nations  
**UNESCO**, United Nations Educational, Scientific and Cultural Organization  
**UNP**, Office of United Nations Political and Security Affairs, Department of State  
**UP**, United Press  
**USA**, United States Army  
**USARMA**, United States Army Attaché  
**USARPAC**, United States Army, Pacific Command  
**USDel**, United States Delegation  
**USIA**, United States Information Agency  
**USIS**, United States Information Service  
**USMC**, United States Marine Corps  
**USN**, United States Navy  
**USOM**, United States Operations Mission  
**USSR**, Union of Soviet Socialist Republics  
**VM**, Viet Minh  
**VN**, Vietnamese  
**VNA**, Vietnamese National Army  
**WE**, Office of Western European Affairs, Department of State  
**WHO**, World Health Organization  
**WFTU**, World Federation of Trade Unions  
**Wirom**, series indicator for certain Department of State administrative telegrams



# List of Persons

*Editor's Note:* Identification of the persons on this list is generally limited to positions and circumstances under reference in the volume and is confined to the years 1955–1957. All titles and positions are American unless otherwise indicated. Where no dates are given, the individual usually held the position throughout the period covered by the volume.

- Abbott, George M.**, Special Assistant for South East Asia Treaty Organization Affairs, Department of State, from August 1956
- Abdulgani, Ruslan**, Secretary-General of the Indonesian Ministry of Foreign Affairs to March 1956; thereafter Minister of Foreign Affairs and Head of the Indonesian Delegation to the United Nations
- Achilles, Theodore C.**, Minister at the Embassy in France to May 1956; thereafter Ambassador to Peru
- Ali, Mohammed**, Prime Minister and Foreign Minister of Pakistan to August 1955; thereafter Head of the Pakistani Delegation to the United Nations, Ambassador to the United States and Mexico, and Minister in Cuba
- Aldrich, Winthrop W.**, Ambassador to the United Kingdom to February 1957
- Allen, George V.**, Assistant Secretary of State for Near Eastern, South Asian, and African Affairs to August 1956; thereafter Ambassador to Greece
- Anderson, Rear Admiral George W.**, USN, Special Assistant to the Chairman of the Joint Chiefs of Staff to July 1955
- Anderson, Dillon**, Special Assistant to the President for National Security Affairs, April 1955–September 1956; thereafter White House Consultant
- Anderson, Robert B.**, Deputy Secretary of Defense to August 1955; appointed Secretary of the Treasury, July 1957
- Anschuetz, Norbert L.**, Counselor of the Embassy in Thailand, August 1955–August 1956
- Armstrong, W. Park, Jr.**, Special Assistant for Intelligence, Department of State, to May 1957
- Bacon, Leonard L.**, Counselor of the Embassy in Laos from April 1957
- Baldwin, Charles F.**, Deputy Assistant Secretary of State for Far Eastern Economic Affairs to July 1955
- Barbour, Walworth**, Deputy Assistant Secretary of State for European Affairs to November 1955; Deputy Chief of Mission at the Embassy in the United Kingdom to February 1956; thereafter Minister-Counselor

## XXII List of Persons

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- Bell, James D.**, Deputy Director of the Office of Philippine and Southeast Asian Affairs, Department of State, July 1955–March 1956; thereafter Director of the Office of Southwest Pacific Affairs
- Berding, Andrew H.**, Assistant Director for Policies and Programs, United States Information Agency, to March 1957; thereafter Assistant Secretary of State for Public Affairs
- Blanc , W. Wendell**, First Secretary of the Embassy in Laos, April–July 1955; Counselor, July 1955–summer 1957
- Bishop, Max W.**, Ambassador to Thailand from December 1955
- Boun Oum na Champassak**, Prince, Prime Minister of Laos, March 1948–February 1950
- Bowie, Robert R.**, Director of the Policy Planning Staff, Department of State, to August 1955; thereafter Assistant Secretary of State for Policy Planning
- Brown, Brigadier General Rothwell**, USA, Head of the Programs Evaluation Office in Laos from January 1957
- Burfans, Lieutenant Colonel Robert D.**, USA, Army Attach  at the Embassy in Cambodia to March 1956
- Burke, Admiral Arleigh A.**, USN, Chief of Naval Operations from August 1955
- Byrne, Patricia Mary**, International Relations Officer in the Office of Philippine and Southeast Asian Affairs, Department of State, to March 1956; thereafter Officer in Charge of Lao Affairs
- Cabell, Lieutenant General Charles P.**, USAF, Deputy Director of the Central Intelligence Agency
- Caccia, Sir Harold A.**, Deputy Under Secretary of State in the British Foreign Office to 1956; British Ambassador in the United States from November 1956
- Carney, Admiral Robert B.**, USN, Chief of Naval Operations to August 1955
- Casey, Richard G.**, Foreign Minister of Australia
- Chiang Kai-Shek**, Generalissimo, President of the Republic of China
- Chou En-lai**, Premier of the State Council and Foreign Minister of the People's Republic of China
- Collins, General J. Lawton**, USA, Special Representative of President Eisenhower to Vietnam, with the personal rank of Ambassador, to May 1955
- Corcoran, Thomas J.**, Consul in Hanoi to December 1955
- Couve de Murville, Maurice J.**, French Ambassador to the United States to September 1956
- Cumming, Hugh S., Jr.**, Special Assistant to the Secretary of State for Intelligence, May–October 1957; thereafter Director of Intelligence and Research, Department of State
- Cutler, Robert**, Administrative Assistant to President Eisenhower; Special Assistant to the President for National Security Affairs, March 1953–April 1955 and January 1957–June 1958
- Daridan, Jean H.**, Assistant Director General of Political Affairs of the French Foreign Ministry to February 1956; Assistant Director of the Cabinet of Ministers, February–July, 1956; thereafter Director General of Political and Economic Affairs
- Davis, Admiral Arthur C.**, USN, Director of the Office of Foreign Military Affairs and Deputy Assistant Secretary of Defense for International Security Affairs to October 1955
- De Paul, N. Carter, Jr.**, Director of the United States Operations Mission in Laos to November 1957
- Deshmukh, Sir Chintaman Dwarkanath**, Indian Finance Minister to July 1956
- Diem**. See Ngo Dinh Diem
- Dillon, C. Douglas**, Ambassador to France to January 1957

- Dodge, Joseph M.**, Special Assistant to the President and Chairman of the Council on Foreign Economic Policy
- Dufour, René**, French Chief of Protocol
- Dulles, Allen W.**, Director of Central Intelligence
- Dulles, John Foster**, Secretary of State
- Duncan, Admiral Donald B.**, USN, Vice Chief of Naval Operations to September 1956
- Durbrow, Elbridge**, Minister in Singapore, October 1955–March 1957 (from November 1955, also Consul General); thereafter Ambassador to Vietnam
- Eden, Sir Anthony**, British Secretary of State for Foreign Affairs and Deputy Prime Minister to April 1955; Prime Minister and First Lord of the Treasury, April 1955–January 1957
- Eisenhower, Dwight D.**, President of the United States
- Elbrick, C. Burke**, Deputy Assistant Secretary of State for European Affairs to February 1957; thereafter Assistant Secretary of State for European Affairs
- Ely, General Paul H.R.**, French Commissioner-General and Commander of the French Forces in Indochina to March 1956; thereafter Chief of the General Staff
- Erskine, General Graves B.**, USMC, Director of the Office of Special Operations, Department of Defense
- Faure, Edgar**, French Minister of Finance and Economic Affairs to January 1955; Foreign Minister, January–February, 1955; thereafter Prime Minister and President of the Council of Ministers
- Fox, Lieutenant General Alonzo P.**, USA, Military Adviser to the Assistant Secretary of Defense for International Security Affairs
- Gassouin, Olivier**, French Ambassador in Laos from January 1957
- Gleason, S. Everett**, Deputy Executive Secretary of the National Security Council
- Goodpaster, Colonel Andrew J.**, USA, Staff Secretary to the President; promoted to Brigadier General January 1957
- Gorce, Pierre**, French High Commissioner in Cambodia to November 1956; thereafter French Ambassador in Cambodia
- Gordon, Lieutenant Colonel Donald B.**, USA, Army Attaché at the Embassy in Laos
- Graves, Sir Hubert Ashton**, British Ambassador in Vietnam to March 1955; Minister in the United States, October 1955–July 1956
- Gray, Gordon**, Assistant Secretary of Defense for International Security Affairs, July 1955–February 1957; Director of the Office of Defense Mobilization from March 1957
- Guibaut, Andre Justin**, French High Commissioner in Laos, May 1955 to 1956
- Hamilton, William C.**, Vice Consul and Secretary in the Division of Research for the Far East, Office of Intelligence Research, Department of State, to August 1957; thereafter Second Secretary at the Embassy in Burma
- Hammarskjöld, Dag**, Secretary-General of the United Nations
- Hartshorn, Brigadier General Edwin S.**, USA, Chief of the Military Assistance Advisory Group in Cambodia from June 1957
- Hensel, H. Struve**, Assistant Secretary of Defense for International Security Affairs to July 1955
- Herter, Christian A.**, Consultant to the Secretary of State, January–February 1957; thereafter Under Secretary of State and Chairman of the Operations Coordinating Board

## XXIV List of Persons

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- Herz, Martin F.**, Second Secretary of the Embassy in Cambodia from February 1955; First Secretary, January–October 1957; thereafter First Secretary of the Embassy in Japan
- Hildreth, Horace A.**, Ambassador to Pakistan to May 1957
- Ho Chi Minh**, President of the Democratic Republic of Vietnam; Chairman and General Secretary of Lao Dong Dang
- Hoey, Robert E.**, Officer in Charge of Vietnam–Laos–Cambodia Affairs, Department of State, to December 1955; Special Assistant to the Secretary of State, December 1955–July 1956
- Holliday, Leonard Gibson**, British Ambassador and Consul General in Laos from June 1956
- Hollister, John B.**, Consultant to the Secretary of State, May–July 1955; thereafter Director of the International Cooperation Administration
- Douglas-Home, Alexander**, 14th Earl of Home, British Secretary of State for Commonwealth Relations from April 1955
- Hoover, Herbert J.**, Under Secretary of State to February 1957
- Houghton, Amory**, Ambassador to France from April 1957
- Humphrey, George M.**, Secretary of the Treasury
- Jernegan, John D.**, Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs to October 1955; Minister-Counselor at the Embassy in Italy from December 1955
- Jones, Howard P.**, Deputy Assistant Secretary of State for Far Eastern Economic Affairs from July 1955; Deputy Assistant Secretary of State for Far Eastern Affairs from April 1957
- Katay Don Sasorith**, Prime Minister of Laos until February 1956; Deputy Prime Minister and Minister of State, March 1956–August 1957; thereafter Minister of Interior, Economy, and Social Welfare
- Kavanaugh, John M.**, Officer in Charge of Australian and New Zealand Affairs, Department of State, from February 1957
- Key, David McK.**, Assistant Secretary of State for International Organization Affairs to September 1955
- Khosla, Jagan Nath**, Indian Chairman of the International Commission for Supervision and Control for Laos, 1955–1956; thereafter Minister and Chargé d'Affaires of the Indian Embassy in Czechoslovakia
- Kishi, Nobusuke**, Japanese Minister of Foreign Affairs, December 1956–July 1957; Prime Minister from February 1957
- Kocher, Eric**, Deputy Director of the Office of Southeast Asian Affairs, Department of State, from April 1956
- Kossamak Nearireat Serey Vathana, Sisowath Monivong**, Queen of Cambodia from March 1955
- Kotalawala, Sir John Lionel**, Prime Minister and Minister of Defense and External Affairs of Ceylon to April 1956
- La Chambre, Guy Charles**, French Minister for the Associated States to February 1955
- Lacy, William S.B.**, Ambassador to Korea, March–November 1955; Bureau of Far Eastern Affairs, Department of State, November 1955–August 1956; thereafter Special Assistant to the Secretary of State for East-West Exchange
- Lansdale, Colonel Edward G.**, USAF, Chief of the National Security Division of the Joint French-American Training Relations and Instruction Mission, Military Assistance Advisory Group in Vietnam, to December 1956
- Lay, James S., Jr.**, Executive Secretary of the National Security Council

- Lebel, Claude A.**, French Foreign Ministry official in charge of Cambodian, Lao, and Vietnamese Affairs, 1956–1957
- Leng Ngeht**, Prime Minister and Foreign Minister of Cambodia, January–October 1955
- Lloyd, Selwyn**, British Minister of Defense, April–December 1955; thereafter Secretary of State for Foreign Affairs
- Lodge, Henry Cabot, Jr.**, Permanent Representative to the United Nations
- Lodoen, Brigadier General George**, USA, Chief of the Military Assistance Advisory Group in Cambodia, August 1955–June 1957
- Lon Nol, General**, Minister of Defense of Cambodia, October 1955–January 1956; Chief of Staff of the Armed Forces of Cambodia from August 1955
- MacArthur, Douglas, II**, Counselor of the Department of State to December 1956; Ambassador to Japan from February 1957
- McBride, Sir Philip Albert Martin**, Australian Defense Minister
- McCardle, Carl W.**, Assistant Secretary of State for Public Affairs to March 1957
- McClintock, Robert**, Ambassador to Cambodia to October 1956; Member of the Policy Planning Staff, Department of State, January–December 1957
- MacDonald, Malcolm**, Commissioner General for the United Kingdom in Southeast Asia (Singapore) to September 1955; thereafter High Commissioner for India
- Macdonald, Thomas L.**, Minister of External Affairs of New Zealand to December 1957; Minister of Defense to September 1957
- McGuire, E. Perkins**, Deputy Assistant Secretary of Defense for Mutual Defense Assistance Programs to December 1956; thereafter Assistant Secretary of Defense, Supply and Logistics
- Macmillan, Harold**, British Minister of Defense to April 1955; Secretary of State for Foreign Affairs, April–December 1955; Chancellor of the Exchequer, December 1955–January 1957; thereafter Prime Minister and First Lord of the Treasury
- Macomber, William B.**, Special Assistant to the Under Secretary of State, January–November 1955; Special Assistant to the Secretary of State, November 1955–August 1957; thereafter Assistant Secretary of State for Congressional Relations
- Makins, Sir Roger M.**, British Ambassador to the United States to October 1956; thereafter Joint Permanent Secretary of the Treasury
- Malik, Dr. Charles H.**, Lebanese Ambassador to the United States to September 1955; Lebanese Representative to the U.N. General Assembly, 1956–1957; Foreign Minister from November 1956
- Marshall, David S.**, Chief Minister and Minister of Commerce and Industry of Singapore, April 1955–June 1956
- Mein, John G.**, Counselor of the Embassy in Indonesia, May 1955–July 1956; Deputy Director of the Office of Southwest Pacific Affairs, Department of State, July 1956–May 1957; thereafter Director of the Office of Southwest Pacific Affairs
- Mendès-France, Pierre**, French Prime Minister and Foreign Minister to February 1955
- Menon, V.K. Krishna**, Chairman of the Indian Delegation to the U.N. General Assembly; Indian Minister without Portfolio, February 1956–April 1957; thereafter Minister of Defense
- Menzies, Robert G.**, Prime Minister of Australia
- Merchant, Livingston T.**, Assistant Secretary of State for European Affairs to May 1956; thereafter Ambassador to China
- Mikoyan, Anastas Ivonovich**, First Deputy Chairman of the Soviet Council of Ministers; Member of the Presidium of the Central Committee, Communist Party of the Soviet Union
- Millet, René**, French Diplomatic Counselor to the International Supervision and Control Commission; Counselor to the High Commissioner of France in Vietnam to November 1956
- Molotov, Vyacheslav Mikhailovich**, First Vice Chairman of the Soviet Council of Ministers and Soviet Minister for Foreign Affairs to June 1956; Minister of State



## XXVI List of Persons

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- Control, 1956–1957; Member of the Presidium of the Central Committee of the Soviet Communist Party to 1957; thereafter Ambassador to Outer Mongolia
- Morrison, Clinton**, Deputy Regional Director of the Office of Far Eastern Operations, Foreign Operations Administration
- Munro, Sir Leslie**, New Zealand Ambassador to the United States
- Murphy, Robert D.**, Deputy Under Secretary of State for Political Affairs
- Nehru, Jawaharlal**, Prime Minister of India and Minister for External Affairs and Commonwealth Relations
- Ngo Dinh Diem**, Prime Minister of the State of Vietnam to October 1955; thereafter President and Chief of State of the Republic of Vietnam
- Ngo Dinh Nhu**, Secretary-General of the Personalist Revolutionary Workers Party of Vietnam; brother and adviser to Ngo Dinh Diem
- Nhouy Abhay, Thao**, Minister of the Interior and Social Welfare of Laos from 1956 to August 1957; thereafter Minister of Education, Sports and Youth
- Nolting, Frederick E., Jr.**, Special Assistant to the Secretary of State for Mutual Security Affairs to September 1955; First Secretary of the Embassy in France, September–December 1955; Minister from December 1955; Political Adviser to the Chief of the Mission to the North Atlantic Treaty Organization and the Mission to the European Regional Organization in Paris, December 1955–October 1957; thereafter Deputy Representative on the North Atlantic Council and Deputy Chief of the Mission to the European Regional Organization in Paris
- Nong Kimny**, Cambodian Ambassador to the United States
- O'Connor, Roderic L.**, Special Assistant to the Secretary of State to December 1955; Deputy Assistant Secretary of State for Congressional Relations, December 1955–May 1957; thereafter Administrator of the Bureau of Security and Consular Affairs
- O'Daniel, Lieutenant General John W.**, USA, Chief of the Military Assistance Advisory Group for Indochina to February 1956
- Offroy, Raymond**, French Ambassador to Thailand and Permanent French Representative to the South East Asia Treaty Organization
- Ouan Ratrikoun, Colonel**, Chief of Staff of the Lao National Army from July 1956
- Ourot R. Souvannavong**, Lao Ambassador to the United States
- Parsons, J. Graham**, Ambassador to Laos from October 1956
- Parthasarathi, Gopalaswami**, Chairman, International Commission for Supervision and Control for Cambodia, 1955, for Vietnam, 1955–1957
- Pearson, Lester B.**, Canadian Secretary of State for External Affairs to June 1957; Canadian Representative to the U.N. General Assembly, November 1956–March 1957
- Peaslee, Amos J.**, Ambassador to Australia to February 1956; thereafter Deputy Special Assistant to the President, assigned to the area of disarmament
- Penn Nouth, Samdech**, Senior Member of the King of Cambodia's High Council and Director-General of Services at the Royal Palace
- Petsarath, Prince**, Viceroy of Laos; elder brother of Prince Souvanna Phouma and elder half-brother of Prince Souvanouvong
- Peurifoy, John E.**, Ambassador to Thailand until his death in August 1955
- Pham Van Dong**, Premier and Minister of Foreign Affairs of the Democratic Republic of Vietnam from September 1955
- Phao, General Sriyanon**, Thai Director-General of Police and Chief of the Police Intelligence Agency to September 1957; Deputy Minister of the Interior to March 1957; Minister of the Interior, March–September 1957; thereafter Counselor of the Thai Embassy in Switzerland

**Phibun Songkhram.** *See* Pibulsonggram

**Phleger, Herman,** Legal Adviser of the Department of State to April 1957

**Phoui Sananikone,** Deputy Prime Minister and Minister of Foreign Affairs of Laos to March 1956; Minister of Foreign Affairs, Public Works, Reconstruction and Urbanism, August–November 1957; thereafter Minister of Foreign Affairs

**Pibulsonggram, Field Marshal P. (Phibun Songkhram),** Prime Minister of Thailand to September 1957; Minister of Defense and of the Interior to March 1957

**Price, C. Hoyt,** Officer in Charge of Vietnam, Laos, and Cambodia Affairs, Department of State, from April 1956

**Prochnow, Herbert V.,** Deputy Under Secretary of State for Economic Affairs, October 1955–November 1956

**Purnell, Lewis M.,** Officer in Charge of Burma Affairs, Department of State, from December 1956

**Radford, Admiral Arthur W.,** Chairman of the Joint Chiefs of Staff to August 1957

**Rahman, Tunku Abdul,** First Chief Minister and Minister for Home Affairs of Malaya from July 1955; concurrently Minister for Internal Defense and Security from March 1956

**Randall, Clarence B.,** Special Assistant to the President in the area of foreign economic policy

**Reinhardt, G. Frederick,** Ambassador to Vietnam, April 1955–February 1957; Counselor of the Department of State from March 1957

**Rhee, Syngman,** President of the Republic of Korea

**Richards, Arthur L.,** Operations Coordinator in the Office of the Under Secretary of State from January 1956

**Ridgway, General Matthew B.,** USA, Chief of Staff, United States Army, to June 1955

**Robertson, Reuben B., Jr.,** Deputy Secretary of Defense, August 1955–April 1957

**Robertson, Walter S.,** Assistant Secretary of State for Far Eastern Affairs

**Romulo, General Carlos P.,** Ambassador of the Philippines to the United States from December 1955

**Roux, Jacques,** French Foreign Ministry official in charge of Asia and Oceania; Assistant Director General of Political Affairs from July 1956; thereafter Assistant Staff Director of the Foreign Ministry

**Sam Sary,** Life Member of the King of Cambodia's High Council; Vice Premier, Minister of Economic Affairs, Finance, Planning and National Education, October 1955–January 1956

**Sarasin, Pote,** Ambassador of Thailand to the United States to September 1957

**Satterthwaite, Joseph C.,** Ambassador to Burma, April 1955–April 1957

**Savang Vatthana,** Crown Prince of Laos

**Schow, Major General Robert A.,** USA, Deputy Assistant Chief of Staff, Intelligence, Department of the Army, to August 1956; thereafter Assistant Chief of Staff, Intelligence, Department of the Army

**Scott, Sir Robert H.,** Minister of the British Embassy in the United States to October 1955; thereafter Commissioner General for the United Kingdom in Southeast Asia (Singapore)

**Scott, Walter K.,** Director of the Executive Secretariat, Department of State, to August 1955; thereafter Deputy Director for Management of the International Cooperation Administration

**Sebald, William J.,** Deputy Assistant Secretary of State for Far Eastern Affairs to March 1957; thereafter Ambassador to Australia

**Sihanouk, Norodom,** King of Cambodia to March 1955, thereafter Prince of Cambodia; Prime Minister and Foreign Minister, October 1955–January 1956;

## XXVIII List of Persons

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- Prime Minister, Foreign Minister, and Minister of the Interior, March–April 1956; Prime Minister, September–October 1956, Prime Minister, Foreign Minister, Minister of Plans, and Minister of the Interior, April–July 1957
- Sirik Matak**, Prince and General, Cambodian Minister of National Defense, January–October 1955; Chief of Staff of the Royal Cambodian Armed Forces to August 1955; Minister of Defense and Minister of Internal Security, January–September 1956; Minister of Defense and Minister of Information and Tourism from July 1957
- Sisavang Vong**, King of Laos
- Smith, General Walter Bedell**, USA, former Director of Central Intelligence and Under Secretary of State
- Son Ngoc Thanh**, Cambodian Democratic Party leader
- Soulie, Gaston**, Chargé and First Consul of the French Embassy in Laos, June 1956–February 1957
- Souphanouvong**, Prince, Leader of the Pathet Lao; Lao Minister of Plans, Reconstruction and Urbanism from November 1957; half-brother to Princes Petsarath and Souvanna Phouma
- Souvanna Phouma**, Prince, Lao Deputy Prime Minister and Minister of National Defense to 1955; Prime Minister and Minister of Foreign Affairs, National Defense, War Veterans, and Information, March 1956–November 1957; thereafter Prime Minister, Minister of Posts and Telecommunications, and Minister of Information
- Spender, Sir Percy**, Australian Ambassador to the United States
- Sprague, Mansfield D.**, General Counsel, Department of Defense, to February 1957; thereafter Assistant Secretary of Defense, International Security Affairs
- Stassen, Harold E.**, Director of the Foreign Operations Administration and Deputy Representative on the U.N. Disarmament Commission to March 1955; thereafter Special Assistant to the President
- Stelle, Charles C.**, Member of the Policy Planning Staff, Department of State, to August 1956; Assistant Secretary of State for Policy Planning, August 1956–August 1957; thereafter Counselor of the Embassy in Iran
- Strom, Carl W.**, Ambassador to Cambodia from October 1956
- Stump, Admiral Felix B.**, USN, Commander in Chief, Pacific Command, and Commander in Chief, Pacific Fleet
- Sukarno, Dr. Ahmed**, President of Indonesia
- Sullivan, Charles A.**, Director of the Policy Division of the Office of Foreign Military Affairs, Department of Defense
- Suramarit, Norodom**, King of Cambodia from March 1955
- Talbot, Milo John Reginald**, Lord Talbot De Malahide, British Minister in Laos to August 1955; British Ambassador to Laos, August 1955–August 1956
- Tange, Arthur H.**, Australian Secretary of External Affairs
- Taylor, General Maxwell D.**, USA, Commanding General, United States Army Forces, Far East and Eighth United States Army, Far East Command, to March 1955; Commander in Chief, Far East Command, April–June 1955; thereafter Chief of Staff, United States Army
- Tomlinson, Frank S.**, Head of the Southeast Asia Department of the British Foreign Office
- Twining, General Nathan F.**, USAF, Chief of Staff, United States Air Force, to June 1957; Chairman of the Joint Chiefs of Staff from August 1957
- Villard, Henry S.**, Special Assistant to the Under Secretary of State from September 1957

**Wan, Prince**, Foreign Minister of Thailand

**Wells, General Henry**, Chief of the Australian General Staff

**Whittington, Floyd L.**, Officer in Charge of Economic Affairs in the Office of Southeast Asian Affairs, Department of State, from August 1956

**Wilson, Charles E.**, Secretary of Defense to October 1957

**Wisner, Frank G.**, Deputy Director for Plans, Central Intelligence Agency

**Wright, Thomas K.**, Consul General in Malaya, October 1955–December 1957; Chargé d’Affaires in Malaya, August–December 1957

**Yost, Charles W.**, Minister to Laos to July 1955; Ambassador to Laos, July 1955–June 1956; Counselor of the Embassy in France, July–October 1956; thereafter Minister-Counselor

**Young, Kenneth T.**, Director of the Office of Philippine and Southeast Asian Affairs, Department of State, January 1955–April 1956; thereafter Director of the Office of Southeast Asian Affairs



# GENERAL UNITED STATES POLICIES WITH RESPECT TO THE EAST ASIAN-PACIFIC AREA

EVOLUTION OF THE SOUTHEAST ASIA TREATY ORGANIZATION; SEATO COUNCIL MEETINGS; ACTIVITIES OF THE ANZUS POWERS; THE QUESTION OF A DEFENSE PRODUCTION BASE IN AUSTRALIA AND NEW ZEALAND; THE AFRO-ASIAN CONFERENCE (THE BANDUNG CONFERENCE); THE NSC 5612 SERIES; UNITED STATES CONCERN WITH REGIONAL DEVELOPMENT IN ASIA<sup>1</sup>

## 1. Minutes of a Meeting, Secretary's Office, Department of State, Washington, January 7, 1955, 3 p.m.<sup>2</sup>

### SUBJECT

Afro-Asian Conference, Secretary's Office, 3:00 p.m., January 7, 1955

### PARTICIPANTS

The Secretary  
The Under Secretary  
Mr. Allen Dulles  
Mr. Murphy  
Mr. MacArthur  
Mr. McCardle  
Mr. Robertson  
Mr. Key  
Mr. Bowie  
Mr. Sebald  
Mr. Jernegan  
Mr. Barbour  
Mr. Roosevelt  
Mr. Stelle

The Secretary opened the meeting by defining its purpose as the formulation of a U.S. position toward the impending Afro-Asian Conference. Mr. Murphy submitted for discussion and approval a suggested circular telegram<sup>3</sup> to our missions in friendly Asian and Near Eastern countries.

<sup>1</sup>Continued from *Foreign Relations, 1952-1954*, vol. xii, Part 1.

<sup>2</sup>Source: Department of State, Central Files, 670.901/1-2155. Secret. Drafted by Eugene V. McAuliffe of the Reports and Operations Staff, who is not listed among the participants in the meeting, on January 14. The source text bears the following handwritten notation by Roderick O'Connor: "OK. for Dist RO'C."

<sup>3</sup>Not found in Department of State files.

Mr. Allen Dulles and Mr. Murphy pointed out that we have received a report from Ceylon that, should a considerable number of nations decline to attend the Afro-Asian Conference, the sponsoring countries would very probably postpone it. Mr. MacArthur pointed out that among the nations invited the nine Arab states seemed the key to the success of the Conference, and, that certain African nations in which the British have considerable voice plus the Philippines, Thailand, the three Associated States, Japan and Turkey, all good friends of the free world, would be much influenced by the action of the Arab states and were seeking guidance from us.

After reading Karachi's telegram 916<sup>4</sup> reporting the views of the Prime Minister of Pakistan as expressed to our Ambassador, Mr. Robertson recalled Chou En-lai's skillful diplomatic machinations at Geneva and said that in the view of FE this would be a "rigged conference". The Communists will introduce one or more anti-colonial resolutions which no Asian leader would dare oppose, and will very probably ensnare the relatively inexperienced Asian diplomats into supporting resolutions seemingly in favor of goodness, beauty and truth.

Returning to Mr. MacArthur's point, Mr. Jernegan reported that the chances were 60-40 that the Arab states would attend en bloc. Mr. Allen Dulles and Mr. Roosevelt said that Egypt will probably attend the Conference and that it is a bit late to urge the Egyptians not to go, since at the present time they are trying to determine whom they will send as their representatives. Mr. Allen Dulles . . . further observed that neither the Iranians nor the Turks have made a firm decision yet.

Mr. Murphy cited the very great British interest in the entire affair and said he had learned from Ambassador Makins only a few hours before that the British Embassy had received no guidance from London and that in all probability a decision on the British attitude toward the Afro-Asian Conference must come from Sir Anthony Eden himself. Sir Roger also told Mr. Murphy that Nehru was not at all enthusiastic about the Conference, possibly because of the key role played by the Burmese; to which Mr. Allen Dulles added "at the instance of the Chinese Communists".

The Japanese, Mr. Robertson reported, are quite confused since they lack information as to the agenda to be discussed at Bandung. He went on to say that the Japanese wanted to overcome the diplomatic isolation they have felt since the end of World War II and

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<sup>4</sup>In telegram 916, January 7, Ambassador Hildreth reported that Prime Minister Mohammad Ali had urged him "to cable Department his emphatic plea for encouragement of attendance all nations anti-Communist bloc" and had gone on to say there was no reason to be afraid of Chou En-lai. (Department of State, Central Files, 670.901/1-755)

would therefore not want to be isolated from other Asian nations if acceptance should be general. He noted the the Afro-Asian meeting in April following on the heels of the Manila Pact meeting at Bangkok with only three Asiatic participants would put the earlier meeting in an unfavorable light; and that, worse still, the Bandung meeting would provide Chou En-lai with an excellent forum to broadcast Communist ideology to a naive audience in the guise of anti-colonialism. Mr. Murphy observed that it was more than likely that the Tunisian and North African items would also be discussed at the Afro-Asian Conference. Noting that three Commonwealth nations are sponsors of the Bandung meeting, Mr. Key likened our present situation to that which the U.S. often faces in the United Nations: a need to work hand-in-hand with the British in an area where we have a joint interest.

Mr. Allen Dulles, seconded by Mr. MacArthur, said that we might be able to delay and forestall the meeting by suggesting to friendly countries that they ask the sponsors to furnish a detailed agenda and information regarding procedures to be followed at the meeting place. Mr. Robertson expressed his agreement with this course and urged that we point out to our friends abroad that, should they attend, they would antagonize many influential members of the United States Congress and make it extremely difficult to obtain the needed support for an Asian economic program. After a general discussion of the leading personalities in the free Asian and African nations, there was general agreement that none had the stature to rebut Communist propaganda effectively on behalf of the free world.

The Secretary then turned to the draft circular telegram, and, after having studied it, said he did not glean from it too clear an idea as to the U.S. position. He said he did not feel there was much value in passing on to Chiefs of Mission our philosophising and he seriously questioned the wisdom of "encouraging consultation among the invitees". Mr. Murphy owned that a certain degree of unclarity in the draft telegram might be due to an attempt to bridge certain differences of view with regard to the Conference here in the Department. It was then suggested that we might urge friendly nations to ask the sponsors for details about the agenda, and thus delay their acceptance or rejection of the invitations. The Secretary pointed out that the communiqué announcing the Bandung Conference said that the Conference would determine its agenda and that the entire purpose of the meeting was to enable Asian and African nations to get better acquainted with each other. The Secretary said that such a loose regional association with meetings from time to time could become a very effective forum, and that the idea of such regional groupings approximated the Soviet line advanced at the Berlin Con-



ference in favor of continental groupings from which the U.S. would be excluded. If the Communists succeed in forming continental groupings in Europe, Asia and Africa with the U.S. excluded, then the Communist engulfment of these nations will be comparatively easy. After a general discussion of the resolutions likely to be adopted by the Bandung meeting, Mr. MacArthur noted that the original Colombo Powers gathering had been an ad hoc affair to discuss certain economic problems, but that this grouping had very quickly become a fixture. The Secretary said that, if the nations invited to Bandung, acquired the habit of meeting from time to time without Western participation, India and China because of their vast populations will very certainly dominate the scene and that one by-product will be a very solid block of anti-Western votes in the United Nations.

Mr. Murphy reiterated his belief that the Department should send some sort of message to the Chiefs of Mission in friendly Asian and African countries urging the Governments to which they are accredited not to take a final position until we have had a chance to complete our study of the situation. Mr. Murphy also suggested that we make a concerted effort within the next day or two to determine the British position. The Secretary agreed to the despatch of a short telegram to the Chiefs of Mission urging friendly governments to neither accept nor decline invitations until the situation had developed further.<sup>5</sup> We should point out that we see very serious implications in the Conference in terms of the exclusion of U.S. cooperation with them, a step which could weaken and expose them to Communist domination. However, we should not seem threatening or unduly concerned in making this representation to our friends.

After another general discussion of the leaders in free Asian countries and the domestic repercussions to be expected if the Arab states attend after Israel had not been invited, the Secretary said that Egypt is the key to the success or failure of the Conference, . . . . We believe the Arab states are the key to the success of the Conference, and that Egypt is the key to the final position taken by the Arab states. If the Arab bloc decides to attend the Conference, their decision will tip the balance, and many other states such as Thailand and Japan will want to attend. Should this occur, the U.S. should establish as many contacts as possible with the friendly countries attending and with their delegations at the Bandung Conference in an effort to propose courses of action which would embarrass Communist China and minimize the danger that the Conference might lead to the formation of an Asian-African bloc which could ultimately

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<sup>5</sup>Circular telegram 351, January 7, not printed. (*Ibid.*, 670.901/1-755)

weaken relations between non-Communist Asia and the United States.

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2. Memorandum of a Conversation, Department of State,  
Washington, January 10, 1955<sup>1</sup>

SUBJECT

Afro-Asian Conference

PARTICIPANTS

The Secretary  
Sir Roger Makins, British Ambassador  
Mr. Adam Watson, Counselor of British Embassy  
Mr. Murphy  
Mr. Merchant

During a call on another subject Sir Roger Makins said that he had now received London's views on the Afro-Asian Conference. London believes that it would be a mistake to oppose holding of the conference or to attempt to keep invitees from attending. They thought any signs of anxiety on our part should be avoided and that in general we should encourage good people to attend from friendly countries but otherwise develop an attitude of aloofness.

The Secretary mentioned that our views had been cabled to London on Saturday.<sup>2</sup> In our judgment the decision of Egypt will be decisive in the attitude of other Arab countries. He agreed that if the conference is going to be held in any event it was important to ensure that competent representatives attend it from friendly countries. He referred to the astute preparation and thought which had gone into the conference, citing as an example the failure to invite either North or South Korea and also the omission of Israel.

The Ambassador then handed the Secretary an aide-mémoire<sup>3</sup> on this general subject which he passed to Mr. Murphy.

LTM

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<sup>1</sup>Source: Department of State, Central Files, 670.901/1-1055. Secret. Drafted by Merchant.

<sup>2</sup>January 8. Reference is to telegram 3563 to London, which contained the substance of the Secretary's views as summarized in the last paragraph of the memorandum of conversation, *supra*. (Department of State, Central Files, 670.901/1-855)

<sup>3</sup>Not printed. (*Ibid.*, 670.901/1-1055)

3. **Memorandum From the Deputy Assistant Secretary of State for Far Eastern Economic Affairs (Baldwin) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)**<sup>1</sup>

*Washington, January 14, 1955.*

I have now been able to examine carefully the final version of the paper (AEG/8) dated January 7, 1955 entitled "Proposed U.S. Position on Future U.S. Economic Assistance for Asia"<sup>2</sup> which I understand has been referred to the new Council on Foreign Economic Policy. I wish to record the following views concerning this paper which very closely resembles the position paper<sup>3</sup> which the Department of State presented for consideration by the NSC Ad Hoc Committee on Asian Economic Grouping.

There is much in the paper with which I am in general agreement. Some parts could and probably will be improved and clarified. In some respects the paper appears to reflect preconceived ideas and opinions and an attitude of inflexibility. For example, it could, I believe, be questioned whether the somewhat rigid position which is proposed with respect to the amount of aid represents a sound foreign policy judgment in view of the gravity and uncertainty of the Far Eastern situation. The paper specifies important objectives which should be achieved from U.S. economic assistance and states that in determining the level of such assistance "the magnitude and effectiveness of Communist bloc economic programs in Asia must be considered." Its subsequent rather positive proposal that U.S. aid in FY 1956 should be about the same as in 1955 seems to prejudge the situation.

However, the aspect of the paper which gives me most trouble is the manner in which the problem under consideration is approached. The approach at times seems to be indecisive, if not almost diffident and reluctant. Although the important purposes to be achieved by economic assistance are rather clearly indicated the portions of the paper which recommend action do not indicate very convincingly that the program will be appreciably different from what we have already been doing in the area. If it is the considered judgment of the Department of State and other agencies which subscribed to the position paper that nothing new or different is necessary, then that aspect of the report is not deserving of criticism, except perhaps for

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<sup>1</sup>Source: Department of State, FE Files: Lot 56 D 679, Economic—General. Secret. Drafted by Baldwin.

<sup>2</sup>Not printed. (*Ibid.*, Central Files, 890.00/1-755) A later version of this paper is printed as NSC 5506, Document 7.

<sup>3</sup>Not found in Department of State files.

failure to say so positively. I personally find it difficult to believe that the NSC statements which were the reason for the existence of the study do not suggest that something new and different should be done. I also find it difficult to believe that, in the face of the current situation in the Far East, advocacy of "the same or perhaps a little more of the same" with respect to any measures which may have a deterrent effect upon Communism is a satisfactory policy recommendation.

There is reason to believe that the public allusions to this matter which the President and the Secretary have made, and the extensive press speculation which has tended to overplay those allusions have caused the American public and the public in many foreign countries to expect that something more in the way of U.S. aid for Asia is contemplated. If the somewhat unenthusiastic attitude concerning the matter which appears from time to time in the position paper should be reflected in the ultimate policy decision the effect may be worse than if the question of additional U.S. aid for Asia had never been considered. It is disturbing to speculate about the manner in which a situation of this kind could be used by the Communists and some of the neutralists in the forthcoming Afro-Asian Conference.

It would, of course, be highly inadvisable for the U.S. to proceed on a course of action with respect to economic aid to Asia which would be either tawdry showmanship or ballyhoo, or to plan an expenditure which would be too great to be effectively absorbed, or too badly directed to accomplish long-term desirable results. No sensible person would recommend either. I do not believe, however, that a realization of what we should not do should deter us from following a positive and imaginative course of action which might have a "dramatic impact." There may be a certain kind of dramatic impact in the proposed Afro-Asian Conference and its consequences, but it may not be the kind of dramatic impact which will benefit our cause. There is, I believe, an urgent need for the United States to seize the initiative in our struggle against Communism in Asia to prevent further deterioration of American prestige there. There is a real danger that if we experience additional reverses in Asia our ability to choose and embark upon constructive courses of action will be progressively lessened. That reason alone, it seems to me, constitutes a good argument against any move by us in Asia, including moves on the economic front, which are not designed to achieve the maximum beneficial results.

It is, I believe unquestionably true that the external aid which free Asia has received since the war has not produced a sufficiently rapid rate of economic growth. More external resources, utilized to the maximum extent, appear to be needed. However, the spirit of determination with which the U.S. should approach the question of

future aid to Asia seems to me to be more important than the amount of the first year's expenditures. Efforts which have been made to illustrate possible financial requirements may have tended to obscure more fundamental aspects of the matter. Until experience had demonstrated that a well-conceived program of economic assistance for Asia was not producing the desired results it would hardly be possible to know at what figure the program became too expensive. The important requirement is to spell out clearly the kind of program which is contemplated and indicate a determination to give it continuing support. I cannot refrain from feeling that the absence from the paper of a spirit of bold determination to do something in a manner commensurate with the magnitude of the peril which we face in Asia is its principal defect.

I have endeavored to be objective and impersonal in registering these views and I hope they will not label me a "die hard". I have expressed them for two reasons: first, the gravity of the situation in Asia and the heavy responsibility which the Department bears for the formulation of wise policies with respect to Asia; and secondly because the nature of my own duties requires me, I feel, to express my frank opinion concerning the matter. I very much hope that the misgivings which I have expressed concerning the position paper will prove to be unfounded.

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#### 4. Editorial Note

At the meeting of the National Security Council on January 13, Admiral Radford reported on his trip to Asia and the Pacific, December 22, 1954-January 5, 1955, as follows:

"At Hongkong, Admiral Radford had talked with the British Commander-in-Chief about the Manila pact. The Britisher had complained about our reluctance to take concrete steps to indicate how we proposed to implement the military clauses of the Manila pact. It was plain that the British hoped that we would agree to commit troops to assist in the defense of Malaya. Admiral Radford said he explained the preference of the American military authorities for an attack on Communist China directly if the latter committed overt aggression in the areas covered by the Manila pact." (Memorandum of discussion by Gleason, January 14; Eisenhower Library, Whitman File, NSC Records)

The Commander of British Forces in Hong Kong was Lieutenant General Cecil Stanway Sugden.

5. Memorandum of a Conversation, Department of State,  
Washington, January 18, 1955<sup>1</sup>

PARTICIPANTS

The Secretary  
Under Secretary  
Governor Stassen  
Frederick E. Nolting, Jr.

SUBJECT

Aid Problems for FY 1956

Governor Stassen outlined three areas where there was difference of opinion in the Ad Hoc Committee on the Asian Economic Aid paper,<sup>2</sup> as follows:

1. Should the United States do more than it is presently doing in the economic development field in the arc of countries from Pakistan to Korea? Stassen stated that he felt there is a clear directive from the President embodied in NSC 5429/5<sup>3</sup> to intensify our efforts in this field as one means of combating further Communist successes in the area.

2. Should we concentrate solely on bilateral programs or should we leave the way open to multilateral approaches in planning our economic aid activities? On this point he felt that we should not go as far as the Ad Hoc Committee paper goes in closing the door on the multilateral approach.

3. Should we or should we not reserve a "swing fund" of the magnitude of approximately \$250 million to be used by the President for either bilateral or multilateral aid programs in this area subject to the fulfilling of certain conditions by the countries concerned? On this point he felt that the reservation of a fund of this size would be preferable to programming such funds at this stage on a country-by-country basis.

In a general comment, the Secretary said that we should work within the context of the Colombo Plan, but this did not mean that aid should be channeled through a multilateral organization. He felt that we should work towards stimulating regional economic development and a sense of regional interdependence but that for the time being the differences between countries were so great as to probably make a regional approach unsound. He said that certain "natural groupings" might be developed and encouraged by means of our aid program. Turning to the Ad Hoc Committee paper, agreement was reached on several of the split passages as per the attached paper.

<sup>1</sup>Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Nolting on January 19.

<sup>2</sup>Reference is to the paper cited in footnote 2, Document 3.

<sup>3</sup>"Current U.S. Policy Toward the Far East", December 22, 1954. For text, see *Foreign Relations, 1952-1954*, vol. xii, Part 1, p. 1062.

[Here follows discussion of aid projects in the Middle East and in Italy.]

There was no clear resolution of the problem concerning a "swing fund" for the Asian area—i.e., whether such a fund should be set aside from country programming, and if so, how much. Mr. Hoover expressed the view that if such a fund were sought as a discretionary fund for the area, it should be clear that it would be available for the area covered by the Asian aid paper and not regarded solely as a Far East fund. After the meeting, Mr. Nolting advised Governor Stassen of the present FE position on this—namely, that the \$83 million reduction in FY [1956] funds should come out of the proposed "swing fund" and that in addition the augmented programs for Thailand and the Philippines should come out of this fund, thus reducing the fund to approximately \$125 million. Mr. Stassen indicated his contrary opinion, expressing the view that a substantial portion of the \$83 million reduction might well come out of the Korean program, which he felt to be somewhat over-stuffed. (It is suggested that Mr. Robertson make his views known on this question to Governor Stassen and/or Mr. Nolting in order that programming can move forward.)

### [Attachment]

The following changes in the numbered paragraphs of the paper entitled "Memorandum for the Ad Hoc Committee of the NSC on an Asian Economic Grouping",<sup>4</sup> dated January 7, 1955, were agreed upon. The paragraph numbers are the same as in the subject paper.<sup>5</sup>

III. Paragraph 6. (Majority Proposal). "Each Asian country in fact constitutes a separate and unique economic, political, and social problem. In view of the vast differences which exist, the economic policy of the United States will be directed toward an individual treatment of each country or group of countries principally on a bilateral or a selective natural group basis in accordance with the circumstances, but subject to certain generalized principles which are set forth herein."

III. Paragraph 17. "The United States shall retain title to any repayment in local currencies but shall consult with the country concerned with respect to the uses thereof, and shall negotiate the broad principles and framework of such uses."

<sup>4</sup>The title quoted is that of a covering note to the paper itself, "Proposed U.S. Position on Future United States Economic Assistance for Asia".

<sup>5</sup>The numbers also correspond to those of the equivalent paragraphs in NSC 5506, the language of which is not identical.

IV. Paragraph 20. (Majority Proposal). "The United States should not directly participate in the creation of any new multilateral banking or credit institution within this region at the present time."

IV. Paragraph 28. "*Magnitude*. United States overall assistance in the Asian area for the fiscal year 1956 shall be in accordance with the President's Budget Message."

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6. **Minutes of a Meeting, Secretary Dulles' Office,  
Department of State, Washington, January 18, 1955,  
2:30 p.m.<sup>1</sup>**

SUBJECT

Afro-Asian Conference, Secretary's Office, 2:30 p.m., January 18, 1955

PARTICIPANTS

The Secretary  
Mr. Murphy  
Mr. Allen Dulles  
Mr. MacArthur  
Mr. McCardle  
Mr. Robertson  
Mr. Key  
Mr. Bowie  
Mr. Sebald  
Mr. Jernegan  
Mr. Barbour  
Mr. Roosevelt  
Mr. Stelle

Mr. Murphy submitted to the Secretary for approval a draft circular telegram<sup>2</sup> to our Missions in friendly Afro-Asian countries. He recalled that we had previously circularized our Embassies suggesting that the governments concerned withhold a decision as to whether or not to attend the Bandung meeting. On balance, the Working Group now believes we should decide whether or not to advise our friends to attend; and, if the decision be affirmative, to persuade them to send the ablest possible representatives.

After reading the suggested circular telegram the Secretary expressed general agreement with its tenor and said he wished to voice

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<sup>1</sup>Source: Department of State, Central Files, 670.901/1-2155. Secret. Drafted by McAuliffe, who is not listed among the participants in the meeting, on January 21. The source text bears the following handwritten notation by O'Connor: "OK for dist ROC".

<sup>2</sup>Not found in Department of State files.



a few questions. First, the Secretary noted that the phrase at the end of the first paragraph, "could only be misunderstood by free world", seemed to imply that our friends in Asia and Africa are not a part of the free world. The Secretary suggested that the phrase "by free world" be deleted, and "by non-Communist nations not participating in Conference", substituted. The Secretary then asked what will transpire at Bandung which will be disadvantageous to United States interests.

Mr. Murphy replied that a resolution on Morocco might well be adopted which would embarrass France and possibly, the United States. Mr. Robertson added that any resolution adopted at Bandung unanimously, that is in concert with Communist nations, would have a very bad effect in the United States, particularly in Congress. Mr. Robertson also emphasized that the people of China would be represented at Bandung by the Chinese Communist Government and that this very fact was diametrically opposed to United States policy and to the position we have championed in the United Nations. The Secretary then asked what type of resolution the Communists might introduce at Bandung in addition to Tunisia, Morocco, South Africa and the Congo,—the colonialism theme, which they would obviously try to exploit. Mr. Robertson said the Communists might try to win unanimous support for a resolution endorsing the Nehru-Chou En-lai Five Principles.<sup>3</sup> Mr. Allen Dulles added that there might be a resolution endorsing the admission of Communist China to the United Nations. Mr. Sebald suggested that a resolution condemning nuclear tests in the Pacific was a possibility.

The Secretary said we must work up a list of subjects that will possibly be raised by the Communists during the Bandung meeting. In effect, we shall need to make a briefing book for our friends. Mr. Allen Dulles expressed agreement and added that we should also prepare a number of positive resolutions which our friends might introduce. The Secretary nodded and said that this would raise another problem, namely how we would communicate with our friends before and at Bandung without letting this liaison become public knowledge. Mr. Murphy said communications to Bandung are less than good and that this condition will make it more difficult for us to render assistance.

The Secretary then asked the meeting when the United States should "adopt a public position" toward the Conference. Is it appropriate for the United States to make its views known at the present

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<sup>3</sup>First set forth in the agreement of April 29, 1954, between India and the People's Republic of China on trade between Tibet and India, the five principles were: (1) mutual respect for each other's territorial integrity and sovereignty; (2) nonaggression; (3) noninterference in each other's internal affairs; (4) equality and mutual benefit; and (5) peaceful coexistence.

time, he asked? In reply Mr. Murphy said that we should at this stage consult with the United Kingdom; Mr. MacArthur expressed a caveat, lest we overplay publicly the United States position and thus unwittingly publicize a conference which we do not welcome. The Secretary said he might possibly include a few remarks in a foreign policy speech on February 16 at the Waldorf Astoria<sup>4</sup> just before proceeding to Bangkok.<sup>5</sup> Mr. MacArthur said he favored a reply to a question at a press conference in the near future, since unfriendly elements abroad are now up-playing the apparently negative U.S. position to our detriment. In support of this, Mr. Jernegan cited the heavy press play in India, and Mr. MacArthur referred to recent radio broadcasts from Moscow.

The Secretary questioned the wording in paragraph 4 of the suggested telegram noting that no reference to African, as distinguished from Asian states, was made in this paragraph. Mr. Jernegan explained that the British had considerable misgivings regarding attendance by such non-Arab African states as the Gold Coast and the Central African Federation. The Secretary said he surmised we are witnessing the beginning of a new Communist drive into Africa. Mr. Allen Dulles added that such a Communist thrust had been long expected but delayed until now because they lacked trained people to man the program.

. . . Mr. Allen Dulles reported that Iran was unenthusiastic about the Conference and that Lebanon was waiting to learn of the Arab League's decision. Mr. MacArthur said the Turks, who were solidly behind us and were certainly not dupes, would need a special solid instruction from us before they would attend. Mr. Robertson said if our Chief of Mission has close relations with a foreign government he should speak very frankly; he should not encourage the conference; he should not minimize the dangers attendant on it; he should point out the many pitfalls to be expected.

When the Secretary inquired whether invitations had actually been despatched by the sponsoring nations, Mr. Sebald replied that Embassy New Delhi had reported that invitations were now ready to be sent. The Secretary said he would not be surprised if various

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<sup>4</sup>In his address before the Foreign Policy Association on February 16, the Secretary did not specifically mention the Afro-Asian Conference. For text, see Department of State *Bulletin*, February 28, 1955, p. 327.

<sup>5</sup>Secretary Dulles and his party left Washington on February 18 to attend the meeting in Bangkok of the Council established under the Southeast Asia Collective Defense Treaty. The Council met February 23-25. Thereafter Dulles visited several Asian countries and arrived back in Washington on March 6.

For texts of the Southeast Asia Collective Defense Treaty and the Pacific Charter, both signed at Manila on September 8, 1954, by representatives of Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom, and the United States, see 6 UST 81 and 91, respectively.

countries invited began to have doubts once they had a chance to look at the conference a little more closely. He said he didn't think we should push forward too quickly in our planning since the whole Bandung Conference could conceivably collapse due to the weaknesses inherent in it. Mr. Robertson expressed his wholehearted agreement with the Secretary. Mr. Murphy said that in his view the most that could be expected was a postponement of the conference and not a cancellation, since the Prime Ministers of the sponsoring nations had taken a public position from which there was no easy face-saving retreat. Mr. MacArthur said the Indonesians are pushing very hard to hold the conference before their local elections. Mr. Jernegan reported the trend in the Near and Middle East was to attend the meeting, and that the January 22 Arab League meeting to discuss the proposed Pact between Turkey and Iraq, might also deal with the Afro-Asian Conference problem. The Secretary noted the injection of this new element might cause something less than a unanimous decision on the part of the Arab League. Mr. Jernegan demurred saying that if the Arab states should split on the Turkey-Iraq issue it would be in the Arab character to present a united front on another issue such as this one. . . . Egypt and Libya have pretty firmly decided to attend the meeting, and that chances are that all Arab states will attend, Mr. Roosevelt said. After being informed that the French attitude paralleled that of the British, the Secretary said the telegram under discussion was generally satisfactory but that it should not affirmatively back the conference nor should it give that impression. He said that we should be careful in all our public statements to include the phrase "if a conference is held". We should not accept the fact that the conference will be held as a matter of course; indeed, we would all be relieved if it never came off.

Mr. Allen Dulles suggested that point 1 of paragraph 5 be amended, and his amendments were agreed to by the meeting. The discussion then turned to point 3 of paragraph 5 and substitute language was agreed on. The Secretary observed that the words "free world" recur many places in the telegram. He recalled having used this phrase in a speech in Egypt and the considerable comment it occasioned. He subsequently learned that the Egyptians equate "free world" with the West. He said he feared this phrase might create an unfortunate impression in many other foreign minds and that, he preferred the word "non-Communist". Mr. Murphy commented that the Bandung conference was dangerous to us, not only because of the resolutions that would be adopted, but also because of the personal associations between Communist and non-Communist leaders which would be formed there.

Returning to the text, Mr. Jernegan expressed his dissatisfaction with the first portion of the telegram, saying it was a simple repeti-

tion of our earlier message to the Chiefs of Mission and that it might be construed to mean that the U.S. sought to block the conference. Mr. MacArthur admitted that our representatives in the field might try to read more into the telegram than it actually contained.

The Secretary said we wish that the conference were not held; but if it is to be held, we must try to get the best representatives of friendly countries to Bandung, and they must be armed with the best available information. The United States is in an awkward position because we do not know whether the conference will be held. On the one hand, we cannot afford to be simply negative, the Secretary said; but if we are unduly constructive we might help the sponsors. Mr. Allen Dulles estimated that chances were two-to-one that the Bandung meeting would occur. The Secretary and Mr. Allen Dulles agreed that the only cohesive force was the group of sponsoring powers and that the nations being invited are quite ignorant of the status of the invitations. The Secretary then added that it seems likely that many nations will hesitate to decline the invitation until the last minute and will ultimately accept.

Acknowledging that we are not too well informed on the present situation Mr. Bowie advised that we pick a date on which to fix the U.S. position. If we wait too long, he said, we shall not have time to do adequate preparatory work and inform our friends. The Secretary said he saw no reason why we should delay making preparations, concerting with the British, and determining what the Communist and Neutralist nations planned to do at Bandung. We should proceed with perfecting our ideas and our resolutions, and the means by which we would convey them to our friends. Mr. Murphy reaffirmed his view that Chiefs of Mission need additional guidance. Mr. Allen Dulles disagreed saying the U.S. cannot send any guidance until the nations to be invited have received their invitations.

Summing up, the Secretary said he thought it best to wait a few days before sending any circular. In his judgment, the situation had not yet crystallized. Indeed we know little more now than at the January 7 meeting after which the field had been circularized. Mr. Murphy reaffirmed his view that the Chiefs of Mission need more guidance as to our thinking in the Department if they are to succeed in persuading foreign governments not to take a public position. The Secretary noted that, in all probability, no government would receive an invitation for a few days yet, and that the invitations might contain some inkling as to the agenda or procedures at Bandung. This might help us and our friends to determine the path we are to follow. Recalling the difficulties we faced in organizing the Geneva Conference, the Secretary said that the sponsoring nations face similar and possibly greater problems in preparing for Bandung. Mr. Allen Dulles agreed, noting that many of the nations invited do not

recognize Communist China or the Associated States. The Secretary closed the meeting by observing that if we make our decision too soon we may well help the sponsoring powers to make Bandung a success.<sup>6</sup>

<sup>6</sup>At another meeting held on January 25, attended by many of the same officials, Murphy informed Secretary Dulles nothing additional had been learned concerning the nature of the Afro-Asian Conference but that by then it seemed certain the conference would be held. "Mr. Murphy suggested that the time had come to send the circular cable discussed at the January 21 meeting. He thought it the consensus of the group that we should now state that we were in favor of our friends going to the Conference." After some discussion the Secretary agreed to sending an instruction along those lines. See Document 8.

McCardle then "proposed the establishment of an Interdepartmental Working Group to 'knock down or take over' the Conference. The most feasible means seemed to be the presentation of a general resolution, so worded the Conference would have to pass it." The Secretary agreed to the Working Group and "stated that the resolution should include parts of the Pacific Charter, and references to the fraternity of men and to cooperation on the basis of sovereign equality." (Memorandum of conversation by McAuliffe, January 27; Department of State, Central Files, 670.901/1-2755)

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## 7. National Security Council Report<sup>1</sup>

NSC 5506

*Washington, January 24, 1955.*

### FUTURE U.S. ECONOMIC ASSISTANCE TO ASIA

Note by the Executive Secretary to the National Security Council

#### REFERENCE

- A. Paragraph 6, NSC 5429/5
- B. NSC Action No. 1233-a<sup>2</sup>
- C. Paragraphs 40, 42, 43, and 44 of NSC 5501<sup>3</sup>

Enclosed herewith, for consideration by the National Security Council at its meeting on Thursday, February 3, 1955, is a proposed U.S. position on future U.S. economic assistance to Asia. This report was prepared by the NSC Ad Hoc Committee on Asian Economic Policy established by NSC Action No. 1233-a, and was referred to the Council on Foreign Economic Policy prior to its submission to the

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<sup>1</sup>Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5506 Series. Secret.

<sup>2</sup>For text, see *Foreign Relations, 1952-1954*, vol. XII, Part 1, p. 932.

<sup>3</sup>NSC 5501, "Basic National Security Policy", dated January 6, is scheduled for publication in volume XIX.

NSC. The Council on Foreign Economic Policy, at its meeting on January 21, 1955, noted the resolution of certain differences contained in the Ad Hoc Committee report, accepted certain clarifying changes in language, and approved the report as enclosed.

Attention is invited to the second paragraph of the enclosed transmittal memorandum from the Chairman, CFEP, which raises a question of the consistency of paragraphs 6, 15, 17, 18, 19, and 20 of the enclosed report with paragraph 6-c of NSC 5429/5, and states the view of CFEP that, if the enclosed report should be construed as inconsistent with paragraph 6-c of NSC 5429/5, the latter should be modified accordingly.

It is recommended that, if the Council adopts the enclosed policy, it be submitted to the President with the recommendation that he approve it, direct its implementation by all appropriate Executive departments and agencies of the U.S. government, and designate the Operations Coordinating Board as the coordinating agency.

James S. Lay, Jr.<sup>4</sup>

[Here follows a table of contents.]

[Enclosure]

**Memorandum From the Chairman of the Council on  
Foreign Economic Policy (Dodge) to the Executive Secretary  
of the National Security Council (Lay)**

*Washington, January 21, 1955.*

REFERENCE

NSC Action No. 1233-a, October 6, 1954

Enclosed herewith is a proposed U.S. position on future U.S. economic assistance to Asia. This report was prepared by the NSC Ad Hoc Committee on Asian Economic Policy and referred to the Council on Foreign Economic Policy prior to its submission to the National Security Council. The Council on Foreign Economic Policy at its meeting on January 21, 1955, noted the resolution of differences expressed in the draft and after accepting certain clarifying changes in language approved the report as enclosed.

The proposal is believed consistent with related NSC policies and actions. While paragraph 6-c of NSC 5429/5 calls for prompt organization of a maximum Asian economic grouping and indicates fi-

<sup>4</sup>Printed from a copy that bears this typed signature.

nancing through such a grouping, a change in circumstances has resulted in a decision that the same objectives can be substantially accomplished through the Colombo Plan with an expanded membership, and with continued financing of assistance on a bilateral basis. If paragraph Nos. 6, 15, 17, 18, 19, 20 of the proposal should be construed as inconsistent with paragraph 6-c of NSC 5429/5, it is the view of the CFEP that the NSC policy statement should be modified accordingly.

Joseph M. Dodge<sup>5</sup>

[Enclosure]

FUTURE UNITED STATES ECONOMIC ASSISTANCE FOR ASIA<sup>6</sup>

I. The Problem

1. To provide basic principles and an official position to guide United States operations in carrying out United States economic policy for the free countries of Asia.

II. Objectives

2. To demonstrate through our actions the advantages of our free society and thereby to minimize the danger of increased Communist influence or domination of the free countries of Asia, including Japan, the United States security interests require the achievement of greater economic strength and growth in the region. This requires the reassessment of the size and character of the United States assistance programs in the area.

3. To convince the peoples of Asia that their economic aspirations can be more surely and rapidly achieved as members of the free world than by adherence to the Communist system.

III. Principles

The programs and actions adopted for the attainment of the above objectives should be governed by the following principles:

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<sup>5</sup>Printed from a copy that bears this typed signature.

<sup>6</sup>For the purposes of this paper, Asia consists of the following countries: Korea, Formosa, Indochina, Japan, the Philippines, Indonesia, Thailand, Malaya, Burma, Ceylon, Nepal, India, Pakistan and Afghanistan. [Footnote in the source text. In accordance with NSC Action No. 1318-c, February 3, "Nepal" was added to this footnote on February 5. See footnote 5, Document 10.]

*General Principles*

4. The primary purpose of the program is to achieve the objectives outlined above, and other considerations, where they arise, should be regarded as secondary.

5. Future United States economic assistance to Asia should be regarded as only one part of the development of an over-all world program to strengthen the forces of freedom against Communist advances. This program consists of five basic elements—political, economic, military, psychological and counter-subversive, all of which are interrelated.

6. Each Asian country in fact constitutes a separate and unique economic, political, and social problem. In view of the vast differences which exist, the economic policy of the United States will be directed on a bilateral or selective natural group basis in accordance with the circumstances, but subject to certain generalized principles which are set forth herein.

7. Individual countries should be assisted wherever possible with a view to achieving a maximum long-range effect on the area as a whole. Short-range local programs or specific projects should be minimized where they appear to run counter to the above stated objectives.

8. Special consideration should be given to the problem of Japan and the role its industrial and financial resources and knowhow enable it to play.

9. Efforts to retain the Asian countries as a part of the free world will be facilitated by the ability of their non-communist governments to sustain a hope on the part of their peoples that their economic and social condition will be progressively improved. In stimulating these hopes, it should be clearly demonstrated: (a) that the primary responsibility for success must continue to fall on the effective efforts of each country individually, and (b) that the United States cannot undertake primary responsibility for the economic development of the region. Appropriate assistance from other free world nations would, of course, be welcome. It should be further recognized that such a program will require considerable time, and that the building up of unattainable expectations could do more harm than good.

10. The activities of the private agencies which are consistent with U.S. objectives in the area should be encouraged.

11. Every reasonable effort should be made to encourage and support, more vigorously and effectively, policies which will (a) increase the utilization and application of domestic and external private capital to the development needs of free Asian countries, and (b)



achieve the maximum cooperative effort and contributions on the part of the benefiting nations.

*Principles with Respect to Magnitude<sup>7</sup>*

12. United States assistance should be applied selectively in the countries and between the countries of the area and should not be based on the concept of spreading a predetermined amount of money on a prorata basis over the region as a whole.

13. In the development of policies and programs consideration should be given to what can and will be done over a sustained period of years rather than on a short range emergency basis. It is recognized that specific critical situations may arise that will require special treatment.

14. In determining the level of U.S. assistance, the magnitude and effectiveness of Communist Bloc economic programs in Asia must be considered.

*Principles with Respect to Administration of Aid*

15. The United States should determine the uses to which U.S. aid funds are put.

16. To the maximum extent feasible U.S. development aid should be made available on a repayment basis, part of which may be received in local currencies.

17. The United States shall retain title to any repayments in local currencies, shall negotiate with the country concerned the broad principles and framework of the uses thereof and shall consult with the country concerned with respect to the specific uses thereof.

#### IV. Courses of Action

The following courses of action are designed to implement the principles and objectives set forth above:

18. The Consultative Committee under the Colombo Plan should be strengthened. This might be done through the establishment of a permanent secretariat whose function would be to assist the Committee in the development of means for the expansion of healthy intraregional cooperation, trade, investment and development. The United States should contribute a reasonable amount to help defray the expenses of this organization if it should become appropriate to do so.

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<sup>7</sup>See Table I for overall new obligational authority and expenditures for fiscal years 1954-56. [Footnote in the source text.]

19. The initiative for any fuller utilization of the Colombo Plan should come from the Asian countries which constitute the bulk of the membership in the organization.

20. The United States should not participate in the creation of any new multilateral banking or credit institution within this region without first clearance with the National Advisory Council on International Monetary and Financial Problems.

21. The United States should lend its support to the increase of opportunities of countries in this area to trade with each other and with other free world countries including (a) by appropriate measures for memberships in the GATT organization, and (b) by bilateral approaches to countries which maintain restrictions that hamper such trade.

22. The U.S. should encourage the countries in the area to adopt investment laws and policies which will invite the influx of private investment.

23. The United States markets for the products of these countries should be expanded and the existing restrictions reduced in accordance with the President's Foreign Economic Program.

24. *Japan.* In order to obtain the maximum economic contribution from Japan and thus reduce the financial burden on the United States every effort should be made to increase the financial capabilities of that country and her trading capabilities with other free nations of Asia. To this end the United States should:

a. Proceed to consummate the contemplated trade agreement with Japan.

b. Consider the appropriate extension of public credit, the improvement of conditions within Japan for private capital, the use of technical assistance, the use of local currency proceeds of agricultural surpluses and the widening of opportunities for the investment of Japanese capital.

c. Continue to use its good offices to restore as rapidly as possible better relationships between Japan and the other non-Communist countries of the area.

25. The United States should extend the following types of assistance and should consider the interrelationship among these types:

a. Assistance for *direct forces support*, and in some instances for *defense support and budgetary purposes* will have to be extended on a grant basis to those countries which are maintaining armed forces, in cooperation with the United States, beyond their economic capabilities.

b. Assistance which is extended to such countries for *developmental purposes* should be clearly distinguished from the military assistance referred to above, and such assistance should, where practical, be placed on a repayable basis which in some cases must be in local currencies.

c. *Technical assistance programs* should be continued and expanded when appropriate after a review of their effectiveness in each in-

stance, and wherever possible they should be placed on a matching funds basis.

26. With respect to those countries pursuing "neutral" policies the United States should review its developmental or technical assistance to such countries to the end that such assistance as may be extended shall support the objectives set forth in Section II above.

27. In formulating policies and programs hereunder the U.S. must give consideration to their effect on our domestic economic and financial strength as well as on our relations with the other less developed areas of the world.

28. *Magnitude.* United States overall assistance, with respect to both new obligational authority and expenditures, in the Asian area for the fiscal year 1956 shall be in accordance with the President's budget message and as tentatively outlined in Table I.

#### V. Precautions

29. In undertaking discussions with respect to any new arrangements certain precautions should be observed.

a. Political and fiscal considerations which limit the dimensions of programs practical under present conditions and the limited capacity of the Asian states to utilize increased amounts of assistance make clear that U.S. financial contributions to Asian development should be in realistic and reasonable amounts.

b. The U.S. should not give the impression that its efforts are in substitution for what other countries are doing or should do to assist the economic development of the region.

c. Although our continuing interest in the economic development of the area should be made clear, the U.S. should make it equally clear that it can make no promises of continuing financial contributions, which must be dependent upon appropriations by the U.S. Congress.

d. Public pronouncements on the United States program should be consistent with anticipated results and should be carefully framed in order to avoid leading the free peoples of Asia to expect more than can be accomplished by a given program and to avoid stimulating adverse comparisons in other less developed areas of the world.

[Here follow Table I, "U.S. Aid to the Far East and South Asia;" Table I-A, "U.S. Programs of Aid to the Far East and South Asia;" Table II, "Surplus Agricultural Commodity Programs Under P.L. 480 Proposed for FY '55 in South Asia and Far East;" and Table III, "Loans to the Far East and South Asia by Export-Import Bank and International Bank for Reconstruction and Development."]

## 8. Circular Telegram From the Department of State to Certain Diplomatic Missions<sup>1</sup>

*Washington, January 25, 1955—7:18 p.m.*

401. Depcirtel 340<sup>2</sup> and 351.<sup>3</sup> FYI Dept continues to be concerned about implications Afro-Asian Conference. Dept aware (a) Communists will attempt "rig" Conference (b) Main Communist purpose at Conference will be divide free Asian countries from their Western friends (c) Conference will be used by Communists as vehicle for propaganda purposes throughout area (d) Unless non-Communist countries exercise utmost caution and alertness they will find themselves joining in adoption of resolutions suggesting common purposes with Communist bloc and which could only be misunderstood by non-Communist nations not participating in Conference.

Dept has concluded however on basis reports and advice from missions concerned that it would be preferable for friendly Asian countries to accept invitation to Afro-Asian Conference.

Dept has no illusions as to risks inherent in Conference and believes it important these be overcome by clear presentation views that fraternity of peoples must not be divided by arbitrary geographical or racial distinctions.

Dept adopting public position Conference is primarily concern States invited, that US recognizes Communists will attempt exploit Conference to divide these countries from their other free world friends but that other countries should be aware Communists' designs and will work for reasonable and constructive results. End FYI.

In discussions with local government you may if appropriate set forward US view as follows: 1. Question whether attend is for decision by local government but on balance US believes would be preferable for friendly Asian countries attend. 2. If local government decides attend US believes it would be advantageous common interests that it send ablest possible representation. 3. Local government is of course aware Communists will be well prepared for attempt bend Conference their ends and should be guided accordingly. 4. If non-Communist delegations cooperate effectively Conference might conceivably provide opportunity frustrate Communists and achieve constructive results.

**Dulles**

<sup>1</sup>Source: Department of State, Central Files, 670.901/1-2555. Secret. Sent to Kabul, Phnom Penh, Tehran, Baghdad, Tokyo, Amman, Vientiane, Beirut, Manila, Jidda, Damascus, Bangkok, Ankara, Hanoi, Saigon, Cairo, and Tripoli, and to the Liaison Office in Khartoum; repeated to London, Paris, Colombo, Djakarta, Karachi, New Delhi, Rangoon, Taipei, and Seoul, Hong Kong, and Singapore.

<sup>2</sup>For text, see *Foreign Relations, 1952-1954*, vol. XII, Part 2, p. 1084.

<sup>3</sup>See footnote 5, Document 1.

9. Memorandum of a Conversation, Secretary Dulles' Office,  
Department of State, Washington, January 27, 1955<sup>1</sup>

## PARTICIPANTS

The Secretary  
Mr. Murphy, G  
Mr. MacArthur, C  
Mr. Waugh, E  
Mr. Nolting, S/MSA  
Mr. Sebald, FE  
Mr. Barbour, EUR  
Mr. Young, PSA  
Mr. Calloway, C

## SUBJECT

Meeting in Secretary's Office on Handling of Economic Matters under the Manila Pact

Mr. MacArthur pointed out that certain Manila Pact countries and the Asian countries in particular want something tangible in economic terms to result from the Bangkok meeting. These countries believe that by joining a collective defense organization they have taken on additional liabilities and should receive special consideration in economic matters. Mr. MacArthur said there was a Pakistan proposal for accelerated economic development and a possible economic organization under the Manila Pact, a Thai proposal for a Manila Pact common development fund, and an Australian proposal<sup>2</sup> for a post-Bangkok meeting of experts to discuss Treaty area economic problems. He said all countries strongly supported the Colombo Plan and probably would not insist on creation of economic machinery under the Treaty, but he stressed that Asian countries wanted the Bangkok communiqué to indicate preferential treatment for the Manila Powers.

*Role of Colombo Plan*—Mr. Waugh mentioned that the Dodge Committee had substantially approved the NSC Ad Hoc Committee proposal on Asian aid with increased emphasis on the Colombo Plan and said he hoped the Manila Pact could concentrate on military and anti-subversion activities, leaving economic questions to the Colombo Plan. The Secretary agreed that we should not create a new organization. He suggested that since Colombo Plan arrangements for

<sup>1</sup>Source: Department of State, Central Files, 790.5/1-2755. Confidential. Drafted by William H. Gleysteen, Jr., who is not listed among the participants.

<sup>2</sup>Additional information on the proposals mentioned here is in the collection of minutes of meetings of the Manila Pact Working Group, *ibid.*, Conference Files: Lot 60 D 627, CF 432. The Working Group, made up of representatives from the Department and from the Washington Embassies of all the other Manila Pact powers, held its last meeting on February 7. For minutes of two of the meetings held during 1954, see *Foreign Relations, 1952-1954*, vol. XII, Part 1, pp. 1028 and 1038.

aid were ultimately bilateral it might suffice to state in the Bangkok communiqué that we would endeavor to give special consideration in the Colombo Plan forum to Manila Pact countries. Messrs. Murphy and Waugh warned that such a public announcement of preferential treatment would have most adverse political and propaganda effects. Mr. MacArthur agreed but pointed out our dilemma because the Asian Manila Pact countries wanted some such indication.

*Stress on Existing Increases in Aid to Manila Pact Countries*—Mr. Nolting commented that Pakistan, Thailand and the Philippines are in fact already receiving distinctly preferential treatment, particularly in the form of defense support funds. He suggested that if there were not too much pressure for a new organization under the Treaty we could accept the objectives of the Pakistan paper without creating new machinery. Under this scheme we could point to our increased efforts under the Colombo Plan for Asian economic development and cite existing aid figures as the differential for belonging to a collective security organization such as the Manila Pact. Mr. Waugh supported this idea and proposed that we try to influence people such as the Pakistan Ambassador to accept such an approach. Mr. MacArthur remarked that the Asian countries wanted public recognition of their special status and wouldn't be satisfied so easily.

*Meeting of Economic Experts*—Mr. Sebald said he didn't see any great harm in a meeting of economic experts and didn't see how we could refuse this proposal. Mr. MacArthur also thought this might be a solution. The Secretary remarked that he was leery about such a meeting stating that the experts would feel compelled to make recommendations for more aid.

*Use of Appropriate Resolution and Communiqué at Bangkok*—The Secretary concluded the discussion by saying that he thought the problem might best be overcome by a communiqué at Bangkok which would state that: 1) the Ministers had considered economic matters at Bangkok; 2) representatives of the Treaty countries would maintain close and fraternal contact during regional meetings such as the Colombo Plan; 3) conversations on defense support activities would be carried on bilaterally; and 4) any special emergency problem of an economic nature could be referred to the Manila Council.

## 10. Memorandum of Discussion at the 235th Meeting of the National Security Council, Washington, February 3, 1955<sup>1</sup>

[Here follow a paragraph listing the participants at the meeting and agenda item 1.]

2. *Future United States Economic Assistance for Asia* (NSC 5506;<sup>2</sup> NSC Action No. 1233; Memo for NSC from Executive Secretary, same subject, dated February 2, 1955<sup>3</sup>)

Mr. Cutler made a brief introductory statement with respect to NSC 5506, and then requested Mr. Dodge, Chairman of the Council on Foreign Economic Policy, to brief the Council on the content of the proposed new policy on economic assistance for Asia. This Mr. Dodge did in considerable detail, reading or summarizing the report in its totality.

When Mr. Dodge had finished his extensive briefing, the President remarked to him that he had read a letter this morning from an individual who decried the constant employment by the United States of the thesis that our economic assistance to other nations was being offered solely on the basis of anti-Communism. This man's arguments, said the President, had seemed very sound to him, and yet, in paragraph 5 on page 2 of the current report, it was stated as a general principle that "Future United States economic assistance to Asia should be regarded as only one part of the development of an overall world program to strengthen the forces of freedom against Communist advances." Of course, this was the case, said the President, but we shouldn't keep reiterating it in public. Instead, the basis of our aid should be the principle of partnership with other nations.

Mr. Dodge said that he agreed with the President's view, but pointed out that NSC 5506 was of course a classified document for internal use in the Government.

After a discussion and explanation by Mr. Dodge of the finance and cost tables at the end of the report, Mr. Cutler undertook to explain why the Planning Board had given consideration to this report in two sessions prior to Council consideration at this meeting. This was in effect, he said, standard procedure, since the Planning Board was expected to look at all papers before they went to the Council. In fact, it was essential for the Planning Board to resolve a question

<sup>1</sup>Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on February 4.

<sup>2</sup>Document 7.

<sup>3</sup>Not printed. It transmitted to the NSC a memorandum from the Joint Chiefs of Staff to Secretary Wilson dated February 1, in which the JCS approved those aspects of NSC 5506 having military implications but reserved the right to comment further on the fiscal year 1956 military aid programs tentatively set forth in Table I to that paper. (Department of State, S/P-NSC Files: Lot 62 D 1, NSC 5506)

raised by Mr. Dodge's Council in the cover note to NSC 5506. Certain members of the Planning Board, continued Mr. Cutler, were less happy than others about the conclusions reached in this report. They were worried as to whether the CFEP might interfere with the proper integration of economic factors into our total national security policy. They had, however, made no formal recommendations on this subject, nor had they given any formal expression to their doubts as to whether the factors of U.S. leadership and of the urgency of aid to free Asian nations had been sufficiently reflected in NSC 5506.<sup>4</sup>

Mr. Rockefeller expressed the opinion that it would be most worthwhile now to hear from Mr. Dodge whether the authors of NSC 5506 believed that the scope and size of the program for economic assistance to free Asia was sufficient to achieve the stated objective of NSC 5506—namely, "to convince the peoples of Asia that their economic aspirations can be more surely and rapidly achieved as members of the free world than by adherence to the Communist system."

Mr. Dodge did not directly answer Mr. Rockefeller's question, but pointed out that the magnitude of U.S. economic assistance must always be measured against the ability of the recipient country to absorb this assistance effectively. In many areas of Asia large hunks of aid could not be successfully injected and digested. Mr. Dodge pointed out that Governor Stassen had made the judgment that the program set forth in NSC 5506 constituted the minimum program capable of achieving our objectives. Governor Stassen confirmed this statement.

There then ensued a discussion of the great difficulty which was encountered in the effort to make a rational breakdown between developmental assistance, direct forces support, military assistance, and technical assistance. The President agreed that his own experience indicated the impossibility of making clear distinctions among these various categories of assistance. What we must remember, however, said the President, was that we were actually spending our money in the interests of strengthening the national security of the United States throughout the world.

Dr. Flemming then inquired whether NSC 5506 was intended to include any reference to U.S. programs of information and exchange. Mr. Cutler said that our policy with respect to these programs was included in NSC 5501. Such programs were not, however, excluded from the present report.

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<sup>4</sup>In a memorandum to Under Secretary Hoover, February 2, Assistant Secretary Waugh stated in part that as a result of NSC Planning Board discussions Cutler on February 1 had asked the CFEP on behalf of the Board "whether the paper adequately reflected the sense of urgency implied in NSC 5429/5, Paragraph 6c. The CFEP decided that it did." (*Ibid.*, S/S-NSC Files: Lot 63 D 351, NSC 5506)



Dr. Flemming went on to say that he would nevertheless like to have the Council note that we desire to step up such education, exchange and information programs. Furthermore, he thought it would be extremely useful if the Council could be given a report from the Bureau of the Budget as to what we were actually doing to step up these programs. Both the President and Governor Stassen assured Dr. Flemming that these programs were being stepped up considerably.

Mr. Allen Dulles said that he wanted to call the Council's attention to the importance of paragraph 14, which read:

"In determining the level of U.S. assistance, the magnitude and effectiveness of Communist bloc economic programs in Asia must be considered."

Mr. Dulles noted that Communist China has undertaken a very dynamic economic program. While, to be sure, China had started virtually from scratch, the program looked like a lot even if, to judge from our standards, it wasn't. Accordingly, this program in Communist China must be carefully watched for its effect on those Asian nations bordering on Communist China. It was likely to have a great appeal to such nations.

The President said that he found it very difficult to believe that anyone who had lived in China for any considerable period of time could have any real fear that China could achieve a high degree of industrialization within any short period of time. The real danger in Communist China was that its economy would be supported by and used by the Soviet Union. Mr. Dulles replied that he was not thinking of Communist China so much as a danger to the United States, but rather the appeal that its economic program was making to nations such as India.

*The National Security Council.*<sup>5</sup>

a. Discussed the reference report on the subject (NSC 5506), as prepared by the NSC Ad Hoc Committee on Asian Economic Policy and as recommended by the Council on Foreign Economic Policy, in the light of the views of the Joint Chiefs of Staff transmitted by the reference memorandum.

b. Agreed that NSC 5506 was consistent with the provisions of paragraphs 6-c and 6-e of NSC 5429/5, which accordingly require no revision; and that the implementation of NSC 5506 should conform to the provisions of Basic National Security Policy (NSC 5501).

c. Adopted the proposed U.S. position on the subject contained in NSC 5506, subject to the addition of "Nepal" to the list of countries in the footnote on page 1 of NSC 5506.

<sup>5</sup>Paragraphs a-d and the Note that follow constitute NSC Action No. 1318, approved by the President on February 5. (*Ibid.*, S/S-NSC (Miscellaneous) Files, Lot 66 D 95)

d. Requested the Bureau of the Budget to submit a report on the status of funds available or projected for world-wide U.S. education and exchange programs.

*Note:* NSC 5506, as amended and adopted, approved by the President, and referred to the Operations Coordinating Board as the coordinating agency designated by the President. The action in d above subsequently transmitted to the Director, Bureau of the Budget.

[Here follow the remaining agenda items.]

S. Everett Gleason

## 11. Memorandum From the Acting Chief of the Reports and Operations Staff (Gilman) to the Secretary of State<sup>1</sup>

*Washington, February 8, 1955.*

### SUBJECT

Main Points of Attached Status Report<sup>2</sup> on Afro-Asian Working Group

1. The Working Group, under the chairmanship of Mr. Lacy, is now formulating an agreed paper which is being coordinated with Mr. MacArthur's Bangkok Conference group.

2. Results of invitations to the Bandung Conference are: *Accepted*—Afghanistan, Communist China, Democratic Republic of Vietnam, Thailand, Philippines; *Probably Attend*—Ethiopia, Iran, Japan, Turkey, Arab League States; *Probably Decline*—Central African Federation, the Gold Coast; *Undecided*—Nepal, Sudan, Yemen, Cambodia, Laos, and Vietnam.

3. Since only 2 of the 30 invited countries are Communist and 10 may be accounted pro-Western, the Bandung Conference will probably avoid issues on which general agreement cannot be reached.

4. U.S. objectives at the Afro-Asian Conference should be chiefly concerned with impact on uncommitted elements in neutralist countries and in countries aligned with the West. Our objectives should be (1) successful rebuttal of Communist charges, and (2) encouragement of an affirmative attitude by the Conference toward Free World and U.S. achievements and goals.

5. We plan to keep in close touch with our friends through normal diplomatic channels giving advice as appropriate. We have

<sup>1</sup>Source: Department of State, Central Files, 670.901/2-855. Secret.

<sup>2</sup>Not printed.

queried Embassy Djakarta as to the advisability of having American political and information officers present at Bandung during the conference.

6. Although the U.S. should volunteer no public comment on the Bandung Conference, we can counteract the effect of certain issues likely to be raised at Bandung by taking public positions on them without making specific reference to the Conference itself.

7. The Working Group is preparing background material to be sent to our missions with appropriate instructions in the near future.

8. The Working Group suggests that the following specific actions be taken at Bangkok:

(a) a declaration reaffirming the Pacific Charter and expressing the determination of Manila Pact Members to meet the problems of Communist expansion, colonialism, economic development, etc.;

(b) the preparation of statements, resolutions, and a communiqué dealing with those issues anticipated at Bandung, and stressing that differences in racial and cultural background constitute no bar to international cooperation; and

(c) statements *about* the Bangkok meeting by U.S. and Manila Pact Leaders addressed to issues anticipated at Bandung, but without reference to the Afro-Asian Conference itself.

RPG

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## 12. Editorial Note

On February 8 the Secretary discussed a number of subjects with French Ambassador Maurice Couve de Murville. Assistant Secretary Merchant's memorandum of this conversation reads in part:

"The Secretary then asked whom the French would send to Bangkok and the Ambassador said he supposed the Foreign Minister whoever he might be. He asked if we considered it an important conference and the Secretary answered that he regarded it as extremely important, particularly in light of the call for the Afro-Asian Conference later in the spring. One line which can be expected to emerge from the latter conference is Asia for the Asians. If France, Great Britain and the U.S. are excluded from Asian affairs then the entire region will fall under the domination of China and the Soviet Union. Accordingly, it was of first importance that the Bangkok Conference should present a success to the world and thereby demonstrate that free Asian countries and western countries could deal together with profit and harmony." (Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199)

The chief of the French Delegation at Bangkok was Henri Bonnet, Ambassador to the United States until January 1955. At the

time of the Bangkok meeting, an interim cabinet was in office in France.

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13. **Memorandum for the Record by the Counselor of the Department of State (MacArthur)<sup>1</sup>**

*Washington, February 10, 1955.*

I had breakfast this morning with General Romulo at his request. He made the following points in the course of our informal discussion:

Regarding the Afro-Asian Conference, General Romulo has been in touch with Mr. Robertson and Mr. Lacy. He said he would need a lot of assistance in terms of papers and ideas and that only the Department of State was in a position to assist him in this regard.<sup>2</sup> . . .

He believes he will be able to perform a very useful task with other non-Communist delegations and is counting on working closely in this connection with Prince Wan, Mohammed Ali, the Turkish delegation, and some of the Arab delegations. He will take with him to Bandung a very, very small delegation, with no parliamentary representation, since parliamentarians, as he put it, would complicate his task immeasurably.

He said the Indian Ambassador<sup>3</sup> called on him a few days ago to enquire whether the report that he was going to represent the Philippines at Bandung was correct. Romulo had replied in the affirmative and as a tactic had said he supposed the Philippine and other like-minded delegations would be heavily out-voted by a combination of Communist and neutralist votes. The Indian Ambassador had replied that he disagreed entirely with Romulo, since the Arab States as well as a number of Asian states were definitely anti-Communist. He

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<sup>1</sup>Source: Department of State, Central Files, 110.14-MacA/2-1055. Top Secret. The source text bears the notation "Sec Saw" in O'Connor's handwriting.

<sup>2</sup>In a memorandum of a conversation held among Romulo, MacArthur, and Lacy on February 18, Lacy stated that he had given Romulo a paper on "U.S. policy in the Philippines from 1899 to 1955 which General Romulo had requested and proposed to use as source material at Bandung. General Romulo considered it satisfactory and hoped that material on other issues to arise at Bandung would be similarly prepared." (*Ibid.*, 670.901/2-1855)

In a memorandum of a telephone conversation held with Romulo on February 21, Lacy stated that he had promised Romulo "counter resolutions" to resolutions on colonialism and the admission of the People's Republic of China to the United Nations, which Romulo anticipated would be offered at Bandung. (*Ibid.*, 670.901/2-2155)

None of the papers mentioned in these two conversations has been found in Department of State files.

<sup>3</sup>G.L. Mehta.

thought the Communists would be in a definite minority. The Indian Ambassador said his government was delighted that the Philippines would be represented at Bandung and felt it was useful to have anti-Communist states present as well as the Communists themselves.

General Romulo said that in his judgment it would be the gravest mistake to discuss the Afro-Asian Conference in the eight-power forum at Bangkok. Any such discussion would leak to the press in distorted forms and would be picked up and used by the Communists and neutralists in a way to impair the effectiveness of the Philippine, Thai, and Pakistan representatives at Bandung. Also, no specific mention should be made of the Bandung Conference in the Communiqué from Bangkok, although he agreed that it would be useful indirectly to point to the Bangkok Conference as proof of the fact that there can be cooperation between Asian and Western nations, regardless of color, race, or creed. He said he was particularly concerned about the "color" question in terms of the Bandung Conference.

General Romulo then made reference to the President's press conference yesterday<sup>4</sup> which he had seen repeated over television last night. He said the President's stance, attitude, and what he said, were superb in terms of world opinion, particularly Asian. He said the President's air of quiet confidence and the non-provocative nature of his statements inspired confidence in the strength and stability of U.S. leadership and the fact that we would not be provoked by the wild charges of the Communists. He said there had been considerable worry in the Philippines over developments in the Formosa area and that the President's stance would be very helpful in increasing confidence in the leadership of the United States.

DMacA

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<sup>4</sup>For a complete transcript of the President's news conference held February 9, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1955*, p. 33.

#### 14. Telegram From the Embassy in the United Kingdom to the Department of State<sup>1</sup>

*London, February 11, 1955—7 p.m.*

3581. Embtels 3110 Jan 14<sup>2</sup> and 3465 Feb 4.<sup>3</sup> Commonwealth PriMins Conference. UKG greatly encouraged over outcome regional defense discussions for Malaya, resulting as they have in unqualified endorsement of so-called Harding<sup>4</sup> proposals by New Zealand and somewhat more tentative endorsement by Australia. Plans based on assumption that, in event of major act of aggression by ChiComs against Southeast Asia, US will employ nuclear weapons against major Communist ports and communications centers and that therefore ChiComs will be able employ only fraction of their potential in their expansion into SE Asia. It is therefore contemplated that one over-sized "fire brigade" with supporting naval and air units will be able to deal with situation effectively. This brigade will comprise a New Zealand battalion, perhaps two Australian battalions, and the balance will be made up of UK forces; and it will have permanent station in Malaya. Supporting units will include two aircraft carriers and miscellaneous smaller vessels. It is hoped its mere presence in Malaya will act as deterrent. On basis this undertaking, New Zealand and Australia are being relieved of all responsibility for defense of Middle East.

As earnest of its willingness implement this agreement, New Zealand is transferring immediately its No. 14 fighter squadron from Cyprus to Malaya. Other contributions will be "one or two" frigates, an air transport squadron, and small unit of ground forces which will be sent to Malaya in near future for training in local terrain.

Australia will have to proceed more slowly. Before Menzies feels he is ready to introduce necessary enabling legislation, he must explore thoroughly with US. He will hope to obtain some info as to basic US planning for defense of Southeast Asia and to get some sort of commitment from US to assist Australia in procuring necessary additional military equipment. Menzies will doubtless wish discuss these problems during his visit to Washington. (Emb will tel later this month re Menzies visit.)

Both Australia and New Zealand would have hoped that portion of troops to be sent to Malaya could have been withdrawn from

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<sup>1</sup>Source: Department of State, Conference Files: Lot 60 D 627, CF 427. Top Secret; Limit Distribution.

<sup>2</sup>Not printed. (*Ibid.*, Central Files, 790.5/1-1455)

<sup>3</sup>Not printed. (*Ibid.*, 741.13/2-455)

<sup>4</sup>Field Marshal Sir John Harding, Chief of the British Imperial General Staff.

Korea, but both appreciate such a move would not be welcomed by US at this time.

Agreement was reached as well on a basis for new approach to defense planning in Middle East. Here again, assumption is US nuclear weapons will play major role in interdicting approaches to Middle East in face of massive Soviet attack southward. Considered that defense organizations in area already established or under contemplation will with aid of US-UK forces in area be able contend successfully with such Soviet forces as may break through. UK contribution is to be one mechanized division each to be stationed in Cyprus, Central African Federation and South Africa respectively which be used cope with any conceivable internal disorder in their respective areas and can be transferred quickly to Middle East in event of an emergency. Only major disappointment is South African attitude; while admitting responsibility for share in Middle East defense, South Africa has refused commit itself in any concrete or practical manner.

Planning in both Middle East and Southeast Asia is based on assumption that major UK ports will be put out of commission by Soviet nuclear weapons in early hours of any major war and British and Allied forces in Middle East and Southeast Asia will have to be deprived for indefinite period of logistical support from UK. At appropriate time UK will wish approach Dept with regard to these problems, explain in detail its planning for Middle East and Southeast Asia, and solicit comment.

Aldrich

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15. Memorandum for the Record by the Counselor of the Department of State (MacArthur)<sup>1</sup>

*Washington, February 14, 1955.*

I accompanied the Secretary and Mr. Hoover to a meeting with Deputy Defense Secretary Anderson, Admiral Radford, Admiral Carney, Admiral Duncan, Admiral Anderson and Mr. Charles Sullivan, which was held in Admiral Radford's office in the Pentagon this afternoon. The discussion was in connection with the U.S. stance with respect to the defense of Southeast Asia and as background for the Secretary's forthcoming trip to Bangkok. Admiral Radford indi-

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<sup>1</sup>Source: Department of State, Central Files, 790.5/3-755. Top Secret. Attached to a memorandum dated March 7 from Walter K. Scott, Director of the Executive Secretariat, to Admiral Radford.

cated why the JCS opposed making force commitments with respect to the defense of Thailand, since this would result in an uneconomical and militarily unsound dispersal of U.S. forces in the Western Pacific area.<sup>2</sup> The JCS believed that if overt aggression takes place, the U.S. should strike at the source of such aggression . . . .

There was further general discussion of this subject, during the course of which Admiral Radford indicated that our strategy must be based on the use of appropriate atomic weapons. Without these weapons the force requirements, particularly of air, become too great. The Secretary explained the political difficulties involved in the use of atomic weapons but made quite clear that he was not taking the position that they should not be used. He pointed out that the political and psychological factors involved could outweigh the immediate and short-term military advantage if the use of such weapons was not properly handled.

There was brief discussion about the British plans for the defense of Malaya, during the course of which reference was made by Mr. MacArthur to London's 3581 of February 11.<sup>3</sup> Admiral Radford said that he fully supported the concept and had let the Australians know a very considerable time ago that it would be much sounder if they liquidated their thought of a commitment regarding Middle East defense and concentrated on the defense of Southeast Asia. Admiral Radford said that he favored the so-called Sir John Harding concept which was in reality of Australian origin.

There was some discussion of the capability of the Chinese Nationalist forces on Formosa during the course of which Admiral Radford said that they continued to represent a useful threat on the flank of the Chinese Communists, since in the event of hostilities with Communist China they might be put ashore at various places where it would be extremely difficult for the Chinese Communists to concentrate to meet them in view of the poor rail and road communications along the Chinese coast.

Admiral Radford expressed the view that among our Asian partners Thailand was the most immediately threatened and he described the briefing which he had received in Bangkok in December from the Thais. He said that we were assisting in the construction of three air fields in Thailand and that this would provide the possibility of U.S. air units being deployed to Thailand for brief visits, perhaps in connection with maneuvers which would be helpful moralewise. He made reference to a JCS paper which Secretary Anderson had

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<sup>2</sup>For an exposition of the JCS view in the matter, see the memorandum for the Secretary of Defense dated February 11 in Department of Defense, *United States-Vietnam Relations, 1945-1967*, Book 10, pp. 885-887.

<sup>3</sup>*Supra*.



showed Mr. Dulles at the beginning of the briefing which he said would be sent to the Secretary as of possible assistance in connection with talks at Bangkok.<sup>4</sup> (The Secretary told Mr. Anderson privately that while the paper did not answer all the questions that would be put to him at Bangkok, it was a helpful contribution.)

DMacA

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<sup>4</sup>Not identified.

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**16. Memorandum of a Conversation, Ambassador Robertson's Residence, Bangkok, February 22, 1955, 3:15-3:45 p.m.<sup>1</sup>**

**PARTICIPANTS**

The Secretary  
 Foreign Minister Casey, Australia  
 Sir Alan Watt<sup>2</sup>  
 Mr. Robertson  
 Mr. MacArthur

[Here follows discussion of the Taiwan Straits question.]

Mr. Casey next said he wished to mention several points in connection with the Bangkok meeting. He asked the Secretary where the U.S. believed the site of the proposed Council [of] Representatives of the Manila Pact should be. The Secretary replied that he personally had some preference for Manila because of the convenience, but that we believed it should be either in Bangkok or Manila. Mention was made that Bangkok had advantages in terms of boosting the morale of the Thais and as a possible deterrent to aggression against Thailand. The Secretary said he felt Singapore, which he knew the U.K., Australia, and New Zealand favored, might result in Communist propaganda because it was colonial territory, which might make the position of the British more difficult in Malaya. Mr. Casey said that while Australia had some preference for Singapore, they were not too firm about it and that if Singapore were not selected, their next choice would be Bangkok, and third would be Manila. They had reservations about Manila because of the lack of security there.

Mr. Casey next inquired as to the Secretary's views on economic cooperation under the Manila Pact. The Secretary explained why he did not believe it was feasible to treat the general economic problems

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<sup>1</sup>Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by MacArthur.

<sup>2</sup>Australian Commissioner in Southeast Asia.

of Asia on a limited basis circumscribed by the membership of the Manila Pact. He said that the Colombo Plan seemed the best forum in which to treat overall economic problems, but that we would extend certain aid in terms of defense support assistance to aid the Pact countries in maintaining their military forces. This would be done on a bilateral basis.

## 17. Paper Prepared by the Manila Pact Working Group<sup>1</sup>

MP(C)(55) D-2

*Bangkok, February 23, 1955.*

### MILITARY ADVISERS TO THE COUNCIL

1. Each member of the Council should be assisted by a Military Adviser. (At Chief of Staff or Theatre Commander level.)
2. The Military Advisers should:
  - a. Be prepared to attend meetings of the Council.
  - b. Meet periodically as required after consultations among the member governments.
  - c. Formulate their own rules of procedure and any necessary organizational arrangements.
  - d. Designate, as necessary, planning assistants to meet as required to work on agreed projects.
  - e. Ensure that military planning activities take into account various contingencies that might arise as a result of Communist subversive activities, through close coordination of planning and appropriate exchange of information between the Military Advisers, their planning assistants and other groups which may meet under the aegis of the Council in regard to subversive activities.
3. The activities of the Military Advisers might include:
  - a. Advising the Council on problems of military cooperation that may arise in connection with the implementation of the Treaty.
  - b. Review of the military situation in the area (essentially an intelligence estimate to be used in planning procedures).
  - c. Development of a strategic estimate on Southeast Asia.
  - d. Determination of possible courses of action to meet the current Communist threat in Southeast Asia and in the event of further Communist aggression in the Treaty area.

<sup>1</sup>Source: Department of State, FE Files: Lot 56 D 679, Bangkok Conference—Agenda. Secret. Enclosure to a covering memorandum from the Working Group to the Secretary General of the meeting. The Working Group held its last meeting in Washington on February 7. This and other agenda documents were apparently put in final form in Washington no later than February 7 and then postdated.

- e. Exchange of planning information.
- f. Exploration of ways and means of increasing the mutual effectiveness of the defensive effort of the member countries in the Treaty area.
- g. Consideration of measures to be taken in each country to increase the security of classified information with a view to augmenting the effectiveness of an exchange of intelligence data.

## 18. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Bangkok, February 23, 1955—6 p.m.*

Secto 6. Following opening public session with statements<sup>2</sup> council recessed and reconvened in closed session.

Prince Wan elected permanent chairman, agenda adopted and agreed representative each delegation meet with Secretary General Luang<sup>3</sup> [in?] conference after each meeting to agree on any statement to press.

Summary of Secretary's statement under agenda item two<sup>4</sup> follows: Despite cynical views sometimes expressed by press, US believes SEA in fact can be maintained as free area. However, we fully recognize gravity of situation and formidable opposition that we are up against. Russia as leading element of international communism and Chinese Communists as second represent enormous power. Their technique has been to gain control of governments and then to assure planned coordinated action. They now control 15 governments and more than 800 million people. Their actions are well planned; what is done in Asia is coordinated with actions in Europe. We have hope that these 15 countries will be able resume their independent existence. Soviet Russia, we suspect, has overextended its undertak-

<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/-2355. Secret; Priority. Repeated to Manila, Saigon, Karachi, Djakarta, New Delhi, Singapore, Rangoon, London, Paris, Phnom Penh, Vientiane, Canberra, and Wellington.

The U.S. verbatim record of this meeting, USVERB/1, First Closed Session, February 23, is *ibid.*, FE Files: Lot 56 D 679, Manila Pact.

<sup>2</sup>Council document MP(C)(55), February 23-25, not printed, is a verbatim record of all the sessions, open and closed, of the First Council Meeting of the Southeast Asia Treaty Organization. (*Ibid.*, 790.5/2-2355) For text of the Secretary's statement made at the opening public session, see Department of State *Bulletin*, March 7, 1955, p. 373.

<sup>3</sup>Luang Bhadravadi, who served as Secretary General of the meeting, was Thai Under Secretary of State for Foreign Affairs.

<sup>4</sup>"Exchange of views on matters affecting the Treaty area." (Working Group proposal, MP(C)(55) "Bangkok Agenda", dated February 23; Department of State, FE Files: Lot 56 D 679, Bangkok Conference—Agenda)

ings. It is under tremendous pressure trying match military power free world. At same time, it at least talks about trying raise standard living its people. We cognizant of considerable signs unrest in Soviet European satellites. There are internal forces at work in Russia as shown in Malenkov affair which, in long run, may minimize peril to free world. However, in meantime it possible these pressures might mean period of even greater danger to free countries as despotisms often divert energies to external targets when confronted with difficult internal problems. We see no evidence any reduction expansionist ambitions Chinese Communists. We must not permit cruelty and ruthlessness that lies back of Communist despotism to be forgotten. Overwhelming evidence slave labor in Russia and Communist China is appalling.

We must recognize danger viewing our problem in national, isolated terms; not enough attention is paid to meeting menace on broad base. We must recognize that areas most vitally affecting security to Manila pact powers are not their own but others—Korea, Japan, Taiwan, Laos, and free Vietnam.

In this connection experiences in war show power of Japan alone when China was at war with Japan and Soviet neutral and we must realize possibilities if, because of economic considerations, Japan forced into accommodation with Russia and Communist China. The US is taking action to prevent Japan from becoming economically dependent upon China and this should be also the interest of other members.

Re ROK it now has 20 Korean divisions equipped and financed by US which with economic rehabilitation in Korea costing us \$500 to \$600 million a year.

Republic of China's armed forces of approximately 300 thousand men equipped by US. We also provide economic aid to permit this number to be in armed forces.

Need now exists to build an effective army loyal to independent government Vietnam. Prospects in Vietnam much superior to what they appeared be two months ago. Doubts that existed with respect to Diem have been resolved his favor. If he were to collapse it is too late to think of any successor. There is good hope however that free Vietnam can be saved from Communist domination. United States program in South Vietnam calls for expenditures from 400 to 500 million dollars. Cooperation between Generals Ely and Collins has been excellent.

Cambodia has shown vigorous independence; in recent referendum people have shown approval of government. Prospects of Cambodia retaining its independence relatively good.

Situation Laos not as good as Cambodia. Two northern provinces now controlled by Communists. Government must be strengthened.

Altho some critical governments of Korea and Republic China it must be recognized great deterrent further open aggression Asia is that Chinese Communists would have to fight on three fronts. It unlikely any war started by Communists SEA would be confined there. Existence anti-Communist potential north and on Formosa deters possible Chinese aggression against SEA.

Possibility internal subversion by Chinese minorities Southeast Asia would increase greatly if they had no basis loyalty except to Chinese Communist Government.

United States forces in area included approximately: Navy—400 ships, including the largest carriers, 350,000 men; Army—5 divisions, 300,000 men; Air Force—30 squadrons, jet fighter bombers and interceptors and readily available strategic air power. Effectiveness our power in Pacific, with modern weapons, in excess of what it was at height our power during war.

Some sentiment exists for chopping up this power and tying part it to specific areas where we have obligations. Our view we should maintain mobile power capable of being used where needed on short notice. This does not mean we wish exclude full exchange views on how each can contribute to security of area. We hope for initial meeting military advisors on how to get on with their job immediately following discussion this item on agenda. Effectiveness of cooperation re military matters will depend in large part on ability all safeguard classified material.

Re countering subversion, Philippines have provided excellent paper on anti-subversive activities. Subversion more immediately threat than open armed aggression.

Economic matters are another item on agenda. We believe we can lay foundation for progress in this field.

No one should doubt our solid intention carry out clear and definite commitments as provided in the treaty to come to aid of any state which is victim of aggression.

*End Secretary's Summary.*

*Begin Summary.*

Casey's remarks:

In signing treaty signatories recognized Communist aggression greatest threat to area. Also clear Communist objective to dominate entire treaty area. In approaching problem participants should make fullest use experience pact members such as Philippines who had been most directly concerned with problem Communist expansionism. Paid particular tribute selfless contributions United States has made and is making to meet problem. Referred to his recent visits to

Indochina area, expressing opinion this area represents most critical immediate problem within treaty area. Noted recent progress Diem's Government saying point passed where any alternative Diem conceivable. Because talks will begin July between South Vietnam and Viet Minh on elections scheduled by Geneva agreements for July 1956, particularly important South Vietnamese Government's control be rapidly consolidated and friendly powers must assist Diem so he can present detailed set conditions in freedom and supervision elections. We must not fail recognize even if South Vietnam holds, Cambodia and Laos will not necessarily be safe. Although King of Cambodia too popular,<sup>5</sup> essential instability within country illustrated by infiltration of Democratic Party by crypto-Communist elements and King must have support right and center of party which his recent constitutional proposal has tended alienate. In Laos the Pathet Lao record does not bode well for future. Because of critical nature of problems Indochina, pact members should assist three Indochina Government every practicable way.

Alluding briefly to Indonesia, reported his government's grave concern over deterioration Indonesia's domestic situation.

In closing, stated subversion constitutes most direct problem to security treaty area, underlined urgency situation as he sees it and filled up in [*sic*] members approach their discussions in full appreciation that urgency.

*End Casey Summary.*

This ended February 23 morning session.

Dulles

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<sup>5</sup>According to Council document MP(C)(55), Casey referred to King Norodom Sihanouk as being "widely" popular.

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## 19. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Bangkok, February 23, 1955—midnight.*

Secto 9. There follow summaries at afternoon session February 23, agenda item 2.

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<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2355. Confidential. Repeated to Manila, Saigon, Karachi, New Delhi, Rangoon, Djakarta, Singapore, London, Paris, Vientiane, Phnom Penh, Canberra, and Wellington.

*Begin French Summary:*<sup>2</sup>

Geneva Agreements<sup>3</sup> failed provide SE Asian security; on contrary result has been intensification Communist subversive efforts directed by Moscow and to some extent by Communist China. Manila Pact was particularly appropriate supplement to Geneva, especially as extended to Indochina by Protocol. Despite charges some quarters Manila Pact in conflict Geneva Agreements, France signed Pact and has assumed its share responsibility under it. Eventually French will be able extend full effective support to Treaty.

Most grateful for courage the SE Asian members in joining Pact. Important other concerned areas understand motives Pact members. We must attract other Asian nations to membership.

Communists at Bandung will attack Bangkok meeting and Manila Pact, but fortunately Asian Pact members present at Bandung will defend us; in any case, our interests will be better served at Bandung to extent Bangkok meeting endorses freedom and independence and supports ideas implied in five principles. Reviewed Viet Minh subversive activities Vietnam underscoring constructive record Diem government in land reform, other measures social betterment, democratic progress. Expressed sincere hope government will overcome still-existing obstacles. Noted despite extreme difficulty refugee resettlement, serious social and political tensions accompanying similar movements in recent past thus far avoided Vietnam.

Called upon membership to extend all feasible aid to Vietnam, assuring Council any such aid deeply appreciated by Vietnamese people.

In Cambodia, Viet Minh underground activities abetted by Khmer cooperation constitutes continuing element instability; nevertheless, King's progressive actions have had sound effect as evidenced by decisive results referendum.

*End French Summary.**Begin Pakistan Summary:*<sup>4</sup>

There are three kinds of danger of aggression from outside, internal subversion, and a combination of both. Strongest motivating force in life is religion. As long as this is true, danger of Communism lessened. However, the will to survive also is strong force and if desperate people will seize upon any promise of salvation. As weakness invited aggression, military and economic strength must be built against aggression and subversion. Problems which have arisen in

<sup>2</sup>The French Representative was Henri Bonnet, Ambassador to the United States until January 1955.

<sup>3</sup>For texts of the Geneva Accords signed July 20 and 21, 1954, see *Foreign Relations*, 1952-1954, vol. xvi, pp. 1505 ff.

<sup>4</sup>The Representative of Pakistan was Prime Minister (also Foreign Minister) Mohammed Ali.

Indochina can be attributed to fact that people were denied their national aspirations.

There is no significant Communist danger from within Pakistan. However, some Communist cells have been formed in industrial areas. Communists have provoked serious riots, one costing 400 lives. They have also set one province or area in the country against the other. Care should be taken to watch for Communist use of pseudo-nationalism. One must emphasize importance of spiritualism and moral values to fight Communist ideology.

*End Pakistan Summary.*

*Begin Philippine Summary:*<sup>5</sup>

Philippines agree with excellent "comprehensive, and accurate analysis made by Secretary Dulles." They have little to add. They believe strong defensive arrangements are necessary. Are grateful for Secretary Dulles' kind words with respect to Philippine paper on subversion.<sup>6</sup>

*End Philippine Summary.*

*Begin Thai Summary:*

Prince Wan reviewed situation Vietnam, Laos, and Cambodia, then gave detailed account of developments Pridi's<sup>7</sup> "Free Thailand" movement. Prince Wan then suggested following measures to counter-subversion: (a) Strengthening internal security forces, (b) Elimination of internal elements capable of serving outside infiltration, (c) Exchange of essential information pertaining to subversive activities, (d) Strengthening of free institutions by reforming system of internal administration of countries concerned so as to bring about stability required in preventing and countering Communist propaganda and infiltration and (e) Promotion of economic, social and cultural advancement of peoples in particular in less developed area to deprive Communism of conditions in which it breeds best.

He then made reference to "46,000 Vietnamese refugees" in Thailand stating their leaders inspired by and in constant touch with Viet Minh. He estimated 90 percent wished to be repatriated to Viet Minh territory. He recommended decentralization of administrative powers so that the people can have a more direct share in administrative responsibility. He said his government was particularly inter-

<sup>5</sup>Carlos P. Garcia, Vice President and Secretary of Foreign Affairs, was the Representative of the Philippines.

<sup>6</sup>MP(C)(55) D-3/1, "Philippine Experience in Combatting Communist Subversion", February 23, is an enclosure to a covering memorandum from the Working Group to the Secretary General of the meeting, same date, neither printed. (Department of State, FE Files: Lot 56 D 679, Bangkok Conference—Agenda)

<sup>7</sup>Pridi Phanomyong was the leader of the Free Thai underground resistance movement against the Japanese during World War II. He was Prime Minister of Thailand March–August 1946 and went into exile in China after leading an unsuccessful attempt to overthrow the Pibulsonggram government in February 1949.



ested in the economic development of Laos, Cambodia and South Vietnam. He recommended economic cooperation under Article 3 as a means to prevent subversion.

Prince Wan then incorrectly referred to the establishment of a "mobile combined security force," which he stated had been mentioned by the Secretary some time ago and said that Thailand was attracted by this idea. He stated such a course would provide useful training, improved coordination and have psychological value.

He stated his government favors a permanent secretariat and offered all facilities to establish it at Bangkok. He pointed to the realization of independence by Laos, Cambodia and Vietnam and to forthcoming elections in Malaya as strengthening the principles of self-determination, self-government and independence embodied in Treaty and Pacific Charter.

Pathet Lao activities in Northeast Laos represent continuing serious threat to established authority. France is assisting government to meet and overcome this threat.

*End Thai Summary.*

*Begin New Zealand Summary:*<sup>8</sup>

Though rather far removed from immediately threatened area, New Zealand deeply concerned by southward Communist movement. Agrees wholeheartedly with Secretary's point of view on Japan expressed in morning session, would regard Communist domination of Japan as most critical danger to entire treaty area.

Shares Australia's deep concern over Indonesian future. Is certain Communists will exploit Bandung propaganda-wise but hopes Asian SEATO members at Bandung will give true picture Manila Pact motivations. On Indochina, feels next twelve-eighteen months most critical period and agrees outside aid desirable. However advisability assistance qualified by question on whether Indochinese support their governments. Hopes recent reports not unduly optimistic.

Believes Bangkok discussions will help New Zealand people understand urgency Southeast Asian situation and facilitate their decision as to how best to assist.

*End New Zealand Summary.*

*Begin UK Summary:*<sup>9</sup>

Agrees with Secretary that with unity we can meet threat overt aggression and is prepared to have meeting military representatives during Bangkok discussions. Believes consultations experts on subversion equally important. Agrees with French Pact membership should be expanded. In addition, military and anti-subversive prep-

<sup>8</sup>The New Zealand Representative was T.L. Macdonald, Minister of External Affairs.

<sup>9</sup>Foreign Secretary Sir Anthony Eden represented the United Kingdom.

arations, action to effect economic and social benefits highly important. In conduct of Pact affairs, members must at all costs not open themselves to charge of interference domestic affairs independent governments.

Reviewing briefly progress in Malayan problems, stated Communists cannot accomplish objectives lacking overwhelming outside support. Having largely failed in military effort, they now concentrate on infiltration in schools, trade unions, et cetera. Indicated will make concrete substantive comments as specific agenda items are considered.

*End Summary.*

Dulles

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20. **Telegram From the Secretary of State to the Department of State<sup>1</sup>**

*Bangkok, February 24, 1955—10 a.m.*

Dulte 6. Eyes only Acting Secretary from Secretary. For President.

"We completed yesterday first day of conference. It was a good start in a good atmosphere, although on the formal side. I made broad review of US policy in Far East emphasizing relation of Korea, Japan and Formosa to Southeast Asia. Also, emphasized advantage of cohesive US power in West Pacific able to strike with full force in whatever direction required rather than a divisional location of our force to distinctive areas. Believe presentation well received and important contribution to thinking of Council members.

Eden's presentation was somewhat listless and contributed little. He arrived with cold and seemed quite unwell and obviously his thoughts are largely elsewhere, perhaps at Downing Street.

There are preliminary indications that Australia and New Zealand may be disposed to go along with our Far East policies and to pressure UK in this direction.

France ineffectually represented by Bonnet, who was last-minute choice of President Coty. Because he has no government and because he is ill-prepared he does not play any major part. The Philippines, Pakistan and Thailand so far highly cooperative.

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<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2455. Top Secret; Priority.

There is considerable talk about permanent site for Council Secretariat with opinion tending to crystallize on Bangkok, with use of Singapore and Manila for meetings of military, economic and other experts.

I am finding here some of the warmth which I missed in the Bahamas.

Faithfully yours, Foster."

Dulles

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## 21. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Bangkok, February 24, 1955—11 p.m.*

Secto 16. Morning session February 24. Agenda Item 3.<sup>2</sup> Pakistan proposed Bangkok as site of council representatives emphasizing desirability location on points of danger and psychological effect. France, Australia agreed. Garcia made plea for Manila. New Zealand and UK supported Bangkok. Secretary stated we came to meeting without firm opinion which several locations should be chosen. We recognized certain considerations pointed to Bangkok others to Manila. From our viewpoint certain advantages re military aspects for Manila as we have bases there, cooperate closely with Philippines in these matters and very often have high military officers in Philippines. However, are willing go along with majority.

Secretary proposed changing paragraph B-1 of MP(C)(55) D-1<sup>3</sup> by addition sentence "working groups composed of such specially qualified personnel may meet at such locations as may be appropriate and convenient" immediately before last sentence section B-1.

Philippines proposed amending section B-1 by inserting in second sentence<sup>4</sup> immediately after words "the council representatives" the following: "Which shall be the executive body of the

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<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2455. Confidential. Repeated to London, Paris, Manila, Taipei, New Delhi, Karachi, Rangoon, Saigon, Djakarta, Canberra, Wellington, Phnom Penh, Vientiane, and Singapore.

<sup>2</sup>Item 3 was the organization of the Council.

<sup>3</sup>"Establishment of the Council and Rules of Procedure: Organizational Arrangements", dated February 23, not printed. (Enclosure to a memorandum from the Working Group to the Secretary General of the Conference, February 23; Department of State, FE Files: Lot 56 D 679, Bangkok Conference—Agenda)

<sup>4</sup>The second sentence of section B-1 reads as follows: "The Council Representatives shall maintain continuing consultation on matters relating to the Treaty and shall perform such special tasks as the Council may from time to time direct."

council." Philippines maintained that this would further define activities council representatives.

Secretary stated that group is not only an "executive" body but also an "initiating" body to initiate proposals for consideration of council. Secretary also questioned whether Philippine terminology might detract from functions of council. Thailand suggested alternative language, "the council representatives shall carry out the decisions of the council and shall . . ." <sup>5</sup> UK favored no change in working group draft. Australia opposed any change.

Thailand representative then supported position that no change should be made.

Philippine delegate stated could not withdraw his proposal but would abide by majority decision. <sup>6</sup>

Representative Australia suggested that section B-2 Working Group Paper was little vague and wondered if it were advisable at this time to discuss question of expenses for establishment of secretariat. He suggested costs might be divided among 8 governments. <sup>7</sup>

Chairman stated his government would provide physical facilities as they did for UN agency here. Suggested that council representatives might well make recommendations re costs for maintaining organization to next council meeting.

With further minor editorial changes, paper adopted.

Dulles

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<sup>5</sup>Ellipsis in the source text.

<sup>6</sup>In the final communiqué dated February 25, the substance of the equivalent sentence is unchanged from that in MP(C)(55) D-1. For text of the communiqué, see Department of State *Bulletin*, March 7, 1955, p. 371.

<sup>7</sup>Section B-2 reads as follows: "The Council Representatives shall make arrangements for a secretariat to assist them. The personnel of this secretariat would be made available by the representatives on a contributed basis." The equivalent passage in the final communiqué is in substance unchanged.

## 22. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Bangkok, February 24, 1955—11 p.m.*

Secto 21. Continuing morning session February 24, Agenda item 4.<sup>2</sup>

Opening discussion Eden said he hoped paper<sup>3</sup> would be adopted and that military advisers would meet today particularly to begin work on item 2-C covering rules procedure and organizational arrangements for military advisers. Bonnet suggested that prior adoption paper should be referred military advisers for consideration and recommendations.

Secretary pointed out paper in hands governments many weeks and any move reopen for general reconsideration would be most unconstructive. He favored approval paper after which military advisers would have authority meet and start work.

Bonnet explained French desire reword items 3a-d. French agreed to compromise, changing first sentence paragraph 3 MP (C)(55) D-2 by adding "in their discretion include among other things" after the words "advisers might", first word of 3f changed from "exploration" to "consideration". With these changes paper adopted.

Military representatives then met. Defense will pass message to you.<sup>4</sup>

Agenda item 5.<sup>5</sup> MP(C)(55) D-3<sup>6</sup> unanimously approved without change. Australia stated principal threat was to Associated States and suggested that carrying out activities foreseen in this paper should be undertaken where most needed. He stated that Australia recognized most activity would be on bilateral basis. France and Thailand offered comments same vein. Prince Wan pointed out

<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2455. Confidential. Repeated to Manila, Saigon, Karachi, Djakarta, London, Paris, Rangoon, Wellington, Canberra, Singapore, New Delhi, Vientiane, and Phnom Penh.

<sup>2</sup>This item concerned the appointment of Military Advisers and arrangements for consultation in regard to military planning.

<sup>3</sup>Reference is to Document 17.

<sup>4</sup>See Document 24.

<sup>5</sup>As Item 5 the Council took up possible steps to implement Article II of the Southeast Asia Collective Defense Treaty.

<sup>6</sup>Entitled "Activities That Could Be Undertaken Under the Manila Pact To Combat Communist Subversion", dated February 23. This paper reads in part:

*"General Approach to the Problem of Mutual Assistance:* Much of the assistance that may be provided by the Governments of the Treaty members to meet Communist subversion will have to be planned and carried out mainly by the governments directly concerned." (Enclosure to covering memorandum from the Working Group to the Secretary General of the meeting; Department of State, FE Files: Lot 56 D 679, Bangkok Conference—Agenda)

police officers Cambodia, Laos being trained Thailand. In reply to Australian comment on need to put paper into practice in Associated States, Secretary said no single answer to question; proposed some problems could best be handled through diplomatic channels while others need different treatment. We recognize need for study these problems and would be willing designate security officer confer with other experts this field. Philippine delegate favored such meeting. British delegate warned against attempting formalize any approach this problem. End Agenda item 5.

Begin Agenda item 6.<sup>7</sup> Pakistan introduced proposal for standing high-level economic body (text sent separately<sup>8</sup>), suggested meeting place could be rotated and invited group meet first at Karachi at early date.

France warned against lack of attention to what presently being done via Colombo and added plans. Suggested need of coordination within treaty framework of ECAFE, Colombo Plan and US aid but stated his government had envisioned something more modest than Pakistan proposal. They had in mind group at Bangkok work with Council representatives that would follow up work Council for area. Such group would study general problems area, especially Pakistan, Philippines, Thailand and would coordinate multilateral assistance programs within framework of Colombo, ECAFE.

Australian Minister pointed out such methods dealing with economic matters—bilateral or formation of a pool of requirements and means meeting requirements. Stated pool suggestion was rejected early by Colombo Plan members, stated must look first to most threatened area—Associated States, Thailand. Should permit Colombo Plan continue seek meet needs of area. Pointed out Pakistan Plan would be enormous task and that most countries in area know what their needs are. Necessity for inquiry into needs might exist Associated States but the French capable of handling this. Suggested cut down Pakistan proposal to size.

Governor Stassen stated we recognize general needs of area and take into account those special economic needs arising from defense treaty. He stated our Congress has classified aid into three categories with respect problems arising out of defense considerations:

- (1) MDAP
- (2) Direct forces support
- (3) Defense support

He stated that economic developments and success were related to a much broader area and included other countries in the area not

<sup>7</sup>This item called for an exchange of views on economic matters.

<sup>8</sup>In Secto 17 from Bangkok, February 24, not printed. (Department of State, Conference Files: Lot 60 D 627, CF 427)

presently members of treaty. He explained relationship economic welfare all countries area and stated that all were of concern to US. Pointed out that with respect those countries in which no specific defense arrangements had been made, this broader aid was provided as:

- (1) Development assistance
- (2) Technical cooperation

He cited European examples this arrangement. He said US has and will confer (on bilateral basis) with respect to economic problems rising from military considerations under treaty. He, however, called attention to broad problem economic development shared by all countries of area and stated that broad economic cooperation this problem might be considered within framework of Colombo Plan or other plans which might be developed in future years. He stated US was prepared enter into discussions this subject.

Chairman adjourned the meeting for continued discussion this agenda item Friday morning session.

Dulles

### 23. Circular Telegram From the Department of State to Certain Diplomatic Missions<sup>1</sup>

*Washington, February 25, 1955—8:36 p.m.*

491. Re Depcirtel 436.<sup>2</sup> Purpose this message summarize present stage Department's thinking general problem Afro-Asian Conference and convey (in para 8) preliminary instructions Missions concerned re substantive consultation with invitee Governments.

1. While wishing avoid show undue interest which could be interpreted as U.S. effort use Conference advance own ends Department anxious ensure friendly delegations be on guard against Communist tactics and be prepared (a) deal effectively with Communist misrepresentations and by exposing Communists' own record put them on defensive and (b) put forward subjects discussion of which would redound benefit free nations and discomfiture Communists.

<sup>1</sup>Source: Department of State, Central Files, 670.901/2-2555. Secret. Sent to Kabul, Phnom Penh, Tehran, Baghdad, Tokyo, Amman, Beirut, Manila, Jidda, Damascus, Ankara, New Delhi, Rangoon, Saigon, Cairo, Tripoli, Addis Ababa, Monrovia, Colombo, Djakarta, Karachi, Vientiane, Khartoum, Accra, and Salisbury. Repeated to London, Paris, Moscow, Taipei, Seoul, Canberra, Wellington, Hong Kong, and Singapore.

<sup>2</sup>Not printed. (*Ibid.* 670.901/2-2555)

To extent major division in Conference is between Communist countries and all others, not (as Communists will try have it) between "U.S. stooges" and all others, Conference will be success our point view. Hence Department believes that while our friends should be fully prepared stand up to Communists and give as good as and better than they receive, they would be well-advised avoid onus initiating acrimonious exchanges and instead take constructive and non-provocative positions in which uncommitted elements could join them and would find it difficult not join. We are hopeful that with planning and cooperation non-Communist nations will be able not only prevent effective Communist exploitation Conference to detriment non-Communist world but also to turn Conference to positive benefit.

2. While Communist countries will constitute only small minority at Conference Chinese Communists may be expected exert disproportionate influence and make every effort utilize Conference enhance own prestige and discredit U.S. and its allies in eyes Asian-African nations. In view minority position and since they doubtless aware uncommitted countries (especially four of five sponsoring powers) will resent advocacy extreme and controversial positions which would tend jeopardize appearance Asian-African unity at Bandung, Chinese Communists will probably feel themselves obliged (except re issues on which party-line coincides with majority opinion) to seek objectives through less direct means. Thus rather than attempting commit Conference through submission controversial party-line resolutions which would tend alienate majority and isolate Communists, latter may be expected pursue their ends through such means as speeches from floor, lobbying and private consultations outside Conference sessions, circulation of and attempts give official status to propaganda documents, and manipulation Conference publicity, as well as through introduction or amendment apparently innocuous but "loaded" resolutions. It also expected they will endeavor influence conduct and decisions of Conference through such procedural devices as controlling selection officers, adoption rules of procedure, adoption agenda, designation committees, if any etc.

3. It may be anticipated Chinese Communists will seek lull other Asian nations into false sense security re "peaceful" nature their own intentions (as evidenced inter alia by Chou-Nehru Five Principles) while placing blame for continuing world tensions on "aggressive" and "imperialistic" motives of U.S. (as exemplified by "aggression" against China in Formosa and off-shore islands, conclusion of "aggressive" military pacts and base agreements directed against "peace-loving" peoples of Asia, obstruction "peaceful" unification Korea and Vietnam, prevention admission Communist China to UN, atomic "sabre-rattling", etc.)



4. One of principal motives Chinese Communists will undoubtedly be discredit various mutually beneficial cooperative arrangements in area to which U.S. is party and create psychology which would make it difficult for Asian-African countries, particularly those under Communist threat, accept essential aid from U.S. We believe it of utmost importance our friends understand this and realize it in their interest even more than ours that such efforts be frustrated. To this end friendly delegations should be prepared, either on or off Conference floor as circumstances dictate, to expose this Communist thesis for what it is by (a) making clear U.S. brought into conflict with Communists primarily because where latter have tried take over neighboring countries U.S. has given crucial assistance intended victims, especially in Southeast Asia whose resources coveted by Peiping (b) raising question whether for sake peace and removal tensions Asians would have wished U.S. stand by while USSR took over Greece, parts Turkey, Berlin, and progressively all Europe and while it took over Korea as step to Japan and whether they believe cause humanity would be served by surrender ten million inhabitants Formosa to Communist tyranny and (c) suggesting free Asians ask selves honestly if they would sleep better if U.S. withdrew behind oceans leaving nothing between them and massive military forces China and USSR but long thin line Communist promises.

5. Chinese Communists may also be expected present selves as spokesmen for peoples struggling to free selves from subjugation by "U.S.-supported" colonial Powers. In meeting Communist efforts exploit colonial question we believe it would be mistake try persuade our friends make issue of defending position colonial Powers (especially France), except perhaps to extent keeping record straight and pointing out number countries attending which were given independence from Western rule in past generation. We do believe however patent hypocrisy Communist protestations support for subject peoples could be effectively exposed by citing treatment their own subject peoples by Communist China and USSR and in particular fact that, apart from Malaya where early self-government is goal, only significant number Asians under European colonial control today are many millions in Soviet Asian territories whose struggles for self-rule have been ruthlessly suppressed and who now being subjected thorough Russification.

6. In addition above believe useful points for exploitation by friendly delegations as circumstances warrant would include following:

a. U.N. commission finding of unmistakable Communist aggression Korea.

b. Mass exodus invariable accompaniment extension Communist rule, in Korea and Vietnam no less than East Germany.

c. Communist fear of truth exemplified by iron curtain suppression civil political religious liberties.

d. Slave labor in Communist China and USSR.

e. Contrast Chinese Communist peace talk with their rejection UN invitation discuss termination offshore island hostilities and repeated declarations intent seize Formosa by armed force.

f. Fact so-called Five Principles and others equally important to cause of freedom, including principles UN Charter, have long been observed as standards of conduct by democracies. Necessity for NATO and Manila Pact to safeguard Western Europe and Southeast Asia from threatened Communist violation such principles. Hope that professed if tardy conversion Communists to those principles will promptly lead end violent Communist conspiracies against integrity, self-government Philippines Burma Malaya Thailand Laos etc. and reduction enormous military forces Communist China and North Vietnam.

g. Demonstrated value economic aid, technical assistance to underdeveloped countries from more industrialized nations and desirability such aid continue. Also contrast between U.S. and Soviet records this regard.

h. Questions likely be raised in atomic field—e.g. nuclear moratorium, disarmament, peaceful uses—will be subject separate guidance.

7. Department preparing background papers such subjects as above. Will be air pouched as completed. Above subjects could doubtless all be discussed under broad agenda items likely be generally agreed on and would not necessarily require special items. They would however also provide material for resolutions favorable free world should Communists, contrary expectations, seek push party-line resolutions.

8. Foregoing views while obviously not covering all facets of problem are set forth as indicative Department's thinking on major aspects Afro-Asian Conference for use in discussions other interested Governments. Other points will be dealt with in subsequent telegrams as required by Missions for purposes further consultation. While extent to which these views made known to Governments left to Missions' discretion, Department believes full and frank discussion should be undertaken with friendly and allied Governments such as Japan Philippines Thailand Pakistan Turkey Iran. Particularly effective use might also be made in discussions with key individual officials of known anti-Communist sympathies in countries not aligned with West. This however for Missions determine in light local situation. Department intends hold complementary discussions Washington representatives sympathetic Governments. Department would hope consultations in field would be carried out to maximum extent on informal oral basis without handing over documents which might turn up at Conference to our embarrassment. Department most ap-

preciative constructive views expressed by Missions and has taken these fully into account in formulating position.

USIA concurs.

Hoover

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**24. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Bangkok, February 24, 1955—11 p.m.*

Secto 19. Pass OSD. From Hensel. Information copies to CINCPAC Admin, JCS, Army, Navy, Air Force, Marine Corps. At three hour meeting of the military advisers to the Council of The South-east Asia Collective Defense Treaty was held this afternoon. Final report<sup>2</sup> will be forthcoming tomorrow, but this message contains all salient points.

The US representative, Admiral Stump, led off by suggesting an early conference between representatives of the respective national staff explore an agreed agenda and make appropriate recommendations to the military advisers. He indicated that these staff officers might consider terms of reference, procedural arrangements intelligence survey, allied course of action and arrangements for safeguarding classified information (detailed agenda follows).<sup>3</sup> Admiral Stump expressed his opinion that military arrangements should be informal, flexible and based upon full utilization of national staffs.

Before taking up the agenda suggested by the US the military advisers decided discuss organizational arrangements. Pakistan proposed the establishment in Bangkok of a military advisory group which should provide military staff assistance to the Council representatives and act as a secretariat or liaison group for the military advisers. After some discussion this was amended in accordance with a US proposal, supported by the UK and New Zealand, that these officers should perform only liaison functions behalf of the military advisers and should not serve as planners or staff officers to the permanent political representatives. The Philippines accepted this position but proposed in addition a study on the need for a permanent organization of staff planners (see agenda). It was finally concluded that: (a) liaison officers should be stationed in Bangkok with the Thai rep-

<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2455. Secret.

<sup>2</sup>This report is extensively quoted in Secto 29 from Bangkok, February 25, not printed. (*Ibid.*, 396.1-BA/2-2555)

<sup>3</sup>Also in Secto 29, as part of the report.

representative serving as a point of contact; (b) the military advisers and staff planners would meet from time to time in various places; (c) these places would normally be within the Manila Pact area but could be outside if it desired. The initial meeting of the staff planners is tentatively scheduled for 18 April in Manila and the first meeting of the military advisers will follow within four to seven weeks at Bangkok.

The agenda for the first conference of staff planners follows, with those countries having special responsibilities for the preparation of particular items listed in parentheses after each item. All items except (g) proposed by Australia and (h) proposed by Philippines were on US suggested agenda.

- (a) Draft terms of reference and rules of procedure for staff planners and military representatives (Australia and Pakistan).
- (b) Measures increase security classified information (US).
- (c) Intelligence survey selected areas (all).
- (d) Priority listing of courses of action or capabilities to counter Communist aggression (US).
- (e) Military participation in combatting Communist subversion (Philippines).
- (f) Methods for improving defensive effectiveness in treaty areas through mutual aid and self-help (UK).
- (g) Communications and communications security in Southeast Asia area (Australia and France).
- (h) Possible need for a permanent military planning group (all).

French representative pointed out that while Indochina should be given special attention, the French forces therein were not obligated to SEATO. Other than this, there were no comments of note, and the meeting was distinguished by lack pressure for formal organizational arrangements which had been anticipated.

Dulles

## 25. Report by the Commander in Chief, Pacific Command (Stump)<sup>1</sup>

### 24 FEBRUARY REPORT OF U.S. MILITARY ADVISOR ACTIVITIES

1. Sir John Harding approached Admiral Stump and requested a private discussion in order to exchange views on the impending mili-

<sup>1</sup>Source: Department of State, Conference Files: Lot 60 D 627, CF 427. Secret. Admiral Stump had been designated both a Senior Adviser on the U.S. Delegation and the U.S. Military Adviser to the Council.

tary advisor meeting and of the subsequent coordination arrangements that would be evolved. Conversation was conducted with Captain Kenny and Colonel Cunningham of CINCPAC Joint Staff present.

2. Sir John Harding opened the discussion by stating that he thought it would be mutually advantageous to exchange these preliminary views and to see whether there were any particular points of difference. He then went on to state at some length his views covering:

a. Organization and business of first military advisor meeting at Bangkok. The matter of temporary chairman was discussed and both parties agreed that the meeting should be chaired on a temporary basis by the Thai military advisor.<sup>2</sup> General agreement was reached as to objective of this meeting, which is to lay the groundwork for an early meeting of the staff planners, to include providing them with an agreed upon agenda list. It was likewise felt that perhaps the military advisors might find the desire to establish an ad hoc committee to make appropriate recommendations to the military advisors.

b. The initial staff planners meeting followed by an early military advisors meeting was likewise discussed. It was generally agreed that the meeting should be informal, that the approach should recognize the urgency requirement by working towards preventing hasty action, that no permanent body be established, and that the seat of meetings be rotated. Sir John Harding indicated that his country was opposed to a NATO type organization. He suggested, and it was agreed in by Admiral Stump, that it would be desirable to have a liaison type officer physically present at the permanent seat of the council.

3. There was a complete unanimity of views between Sir John Harding and Admiral Stump. The former raised the matter of an informal unnamed military coordination arrangement between the U.K., U.S., Australia, and New Zealand. He rejected ANZUS with U.K. in observer status because of political reasons. Admiral Stump pointed out that he favored bilateral type arrangements wherever indicated and pointed out that these had been completely satisfactory in the past. Sir John Harding indicated that the U.K. would probably appoint one of the commanders in chief from Singapore as the point of contact at the military advisor level, but that the U.K. would at times augment its representations from London.

4. On 23 February, Brigadier Daly of Australia and Colonel Cunningham of CINCPAC entered into informal discussions on the above matters and it was very definitely indicated that Australia was in complete accord with U.S. views and approach, and was likewise

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<sup>2</sup>General Jira Vichitsonggram.

properly cognizant of the additional considerations caused by the Asiatic inclusion in the Manila Pact.

F.B. Stump

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26. **Telegram From the Secretary of State to the Department of State<sup>1</sup>**

*Bangkok, February 25, 1955—2 p.m.*

Dulte 10. Eyes only Hoover from Secretary. For President.

"Dear Mr. President:

"First, I thank you for your birthday greeting which was on my breakfast tray. I am very grateful that your thoughts have come to me from so far away despite your many heavy preoccupations.

"Yesterday conference proceeded normally except for a hassle which the French staged primarily I think to remind us that France was present. It was quickly suppressed by unanimous disapproval by others of French attempt rewrite one of agreed working papers with reference to terms of reference of military advisers.

"The economic matter has been postponed until today, and will probably raise some complications particularly as Asian members are seeking to make their participation in the pact a basis for preferential economic aid without regard to welfare of area as a whole. Stassen is here and working helpfully on that aspect of problem.

"We expect conclude tonight in what I believe will be an atmosphere of general satisfaction, although Filipinos somewhat disappointed that Bangkok, rather than Manila, was chosen as permanent site of Council representatives and secretariat. However, their disappointment is relieved by fact that we hope hold some of meetings of military advisers at Manila."

[Here follows discussion of the Taiwan Straits; for text, see volume II, page 311.]

"Faithfully yours, Foster."

Dulles

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<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2555. Top Secret; Priority.

27. **Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Bangkok, February 25, 1955—4 p.m.*

Secto 25. Reference: Tosec 11.<sup>2</sup> At dinner last night Eden and Sir John Harding referred to military planning under Manila Pact and inquired whether in addition we envisaged more secret talks on a more limited basis. They explained that on security grounds it would be difficult to have as full exchange of views as seemed necessary and suggested that on a discreet and informal basis there should be military consultations in Washington, US, UK, Australia and New Zealand, all of whom have qualified personnel in Washington.

Admiral Stump replied that we were always prepared to have, and indeed we were carrying on, informal bilateral talks with U.K. and others. A discreet meeting such as suggested might well be possible within the general framework of ANZUS cooperation but it would not be called an ANZUS meeting.

It was left that we would pass on the above request to Washington.

Casey and Macdonald have also both made similar requests in course of side discussions with members of USDel.

**Dulles**

<sup>1</sup>Source: Department of State, Central Files, 396.2-BA/2-2555. Secret.

<sup>2</sup>Tosec 11 to Bangkok, February 21, is a summary of press comment on the meeting at Bangkok and the major problems in Southeast Asia. (*Ibid.*, Conference Files: Lot 60 D 627, CF 425)

28. **Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Bangkok, February 25, 1955—10 p.m.*

Secto 34. For Acting Secretary from Secretary. At meeting Friday noon with Casey and Macdonald, Casey informed me of following four points which Prime Minister Menzies intends to take up with President during visit March 15.<sup>2</sup>

<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2555. Secret. Repeated to Canberra.

<sup>2</sup>Prime Minister Menzies was at Blair House as the guest of the President March 13-16, and remained in Washington on a private visit until March 20. See Document 33.

1. There is proposed ANZAM air and naval defensive exercise off Malayan coast to take place tentatively June or July. Australia likes this idea but would wish broaden it to eight power Manila Pact maneuver. Australia hopes US will support eight-power basis.

2. Quadripartite planning. UK, Australia and New Zealand have done lot of planning re defense Malaya but Australia feels this is conducted in vacuum without knowing US views. Australia would like greater insight into US view how Malaya defense fits into defense Southeast Asia.

3. Deficiency equipment for Australian forces. Australia has more men than it can equip in case of need. This involves question of standardization. Australia would be willing buy enough for two divisions if possible.

4. Forces in Korea. Australia would like reduce its forces and re-deploy them for defense Malaya.

On fourth point, Secretary said Eden had raised this Thursday night with him. He and Secretary agreed this should be worked out among Commonwealth members. Eden would like keep flag in Korea but couple this with reduction Commonwealth forces. Secretary said today he saw no reason against this in principle if it can be worked out. He informed Casey and Menzies Admiral Stump and Field Marshal Harding will talk this over.

Dulles

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29. **Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Bangkok, February 25, 1955—11 p.m.*

Secto 35. In accordance agreement with Secretary Dulles, Governor Stassen briefed Eden on status policies and planning with respect Asian economic program under approved Asian paper.<sup>2</sup> Informed Eden of approximate magnitude and thinking with regard its relation Colombo plan. Stressed importance not raising Asian hopes beyond reasonable possibility being realized but of giving Asian countries grounds for belief their interests best served in continued cooperation with West and with free enterprise system. Eden expressed appreciation for being advised, indicated in his view that this moving in

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<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2555. Confidential.

<sup>2</sup>Reference is to NSC 5506, Document 7.



sound direction, and stated his intention advise Chancellor Exchequer.

Dulles

### 30. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Bangkok, February 25, 1955—midnight.*

Secto 28. Morning session February 25 continuation agenda item five [*six*]—economic cooperation. Philippine delegate read paper<sup>2</sup> on urgent need meeting group economic experts soonest. Distributed proposal resolution<sup>3</sup> setting forth in some detail terms reference of an economic study group. Pakistan stated had no intention replace existing arrangements such as Colombo plan and introduced new proposal.<sup>4</sup> Australian circulated detailed proposal<sup>5</sup> set up special working committee on economic affairs.

Secretary expressed belief council would find it difficult agree on such detailed measure as Philippine proposal; that Pakistan proposal about as far as is practical go. As case military matters, economic proposals should go to group experts on basis broad principles. Economic health treaty area requires take into account states not members. Special obligations assumed under treaty need special treatment apart from broad approach to over-all problems area. Group of experts should study and report to council representatives, but implementation will have to continue on bilateral basis to a considerable extent. Endorsed Pakistan proposal. French suggested change calling for economic experts advise council representatives "regularly" or "periodically" not adopted. Australian proposal withdrawn.

Secretary spoke on peaceful uses atomic energy (text sent separately).<sup>6</sup> Thailand stated atomic energy would help solve problems

<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2555. Confidential. Repeated to Manila, Saigon, New Delhi, Karachi, Rangoon, Djakarta, London, Paris, Singapore, Phnom Penh, Vientiane, Canberra, and Wellington.

<sup>2</sup>Although no separate paper as is described above has been found in Department of State files, the substance of Garcia's remarks is incorporated in Council document MP(C)(55), cited in footnote 2, Document 18.

<sup>3</sup>MP(C)(55) PhD-3, "Philippine Proposals", undated, not printed. (*Ibid.*, Conference Files: Lot 60 D 627, CF 427)

<sup>4</sup>MP(C)(55) PaD-3, "Draft Proposal of the Pakistan Delegation", February 25, not printed. (*Ibid.*)

<sup>5</sup>"Proposal by Australian Delegation with Reference to Item (VI) of Agenda", February 25, not printed. (*Ibid.*)

<sup>6</sup>In Secto 23, February 25, not printed. (*Ibid.*, Central Files, 396.1-BA/2-2555)

hunger, poverty, and disease; grateful to US for facilities for training scientists.

France urged paragraph in communiqué on cultural exchange. Agreed.

New Zealand proposed statement<sup>7</sup> in communiqué (sent separately) on Asian-African meeting Bandung. Secretary stated some quarters have said that conflict exists between Manila pact states and aspirations other countries for greater freedom; there is no basis this contention and every effort should be made to make known it is completely inaccurate. In reality we all looking for same objectives, peace, freedom, but sometimes use different avenues and methods of trying reach our goals. Opportunity should be taken dissipate any feeling there such conflict. Asians should take to AA conference sentiment which we feel here, explain meaning Pacific Charter and real purpose treaty.

New Zealand proposed and it agreed that its suggested statement on AA conference be issued as a separate document by council.

Draft proposed communiqué circulated.<sup>8</sup> Australia speaks for stronger section on subversion. UK questions wisdom playing up subversion as unable make public anti-subversive measures. Secretary stated we agreed with Australian view and believed it necessary indicate our concern with subversion.<sup>9</sup>

Morning session adjourned.

Dulles

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<sup>7</sup>The statement on the Afro-Asian Conference proposed by New Zealand as a part of the Bangkok communiqué was instead issued as a separate statement on February 25. As issued, it was identical to the original New Zealand proposal except for the substitution of "cordial" for "fraternal" in the second sentence. For text, see Department of State *Bulletin*, March 7, 1955, p. 373.

<sup>8</sup>Draft communiqué not found in Department of State files.

<sup>9</sup>In the afternoon session of February 25, the representatives completed the communiqué, made public closing statements, and adjourned the meeting. For text of the communiqué, see Department of State *Bulletin*, March 7, 1955, p. 371. The Secretary's closing statement is *ibid.*, p. 374.

31. Telegram From the Secretary of State to the Department of State<sup>1</sup>*Rangoon, February 26, 1955—11 a.m.*

Dulte 14. Eyes only Acting Secretary. From Secretary. For President.<sup>2</sup>

"Dear Mr. President:

I dictate this leaving Bangkok for Rangoon. We accomplished at the conference all that we could reasonably have expected and then a little more. I believe that our message of greeting to the Afro-Asian conference is a good touch which, if properly played, can have an excellent propaganda value, and to some extent put that conference on the spot. After a struggle, we finally got the words 'International Communism' in the communiqué. So far, the group had been unwilling to identify the danger. Thus, we have crossed an important psychological barrier.

The organizational steps are, I believe, sound and wholly in accord with our advance thinking.

Last night at the big dinner given by the Prime Minister,<sup>3</sup> he wished me a Happy Birthday. I had in my pocket your birthday letter to me, and I read the first paragraph which turned out to be particularly appropriate and which enabled me to say that in fact nations and individuals had cooperated to make the event one of my pleasantest of days.

Eden told me he is moving as rapidly as possible in his approach to the Chinese Communists and we have arranged to keep in touch with each other on our home goings, so he can promptly advise me if there is any positive reaction.

Faithfully yours, Foster."

**Dulles**

<sup>1</sup>Source: Eisenhower Library, Whitman File, Dulles-Herter Series. Top Secret. Another copy of this telegram is in Department of State, Conference Files: Lot 60 D 627, CF 426.

<sup>2</sup>A handwritten marginal notation by Goodpaster reads: "Pres has seen 28 Feb 55 G."

<sup>3</sup>Field Marshal P. Pibulsonggram (Phibun Songkhram).

## 32. Editorial Note

A meeting of Chiefs of Mission in East Asia was held at Baguio, Philippines, March 2-5. Dulles attended this meeting and addressed

the group. A verbatim record of proceedings, entitled "Chiefs of Mission Conference", dated March 2-5 and prepared by James D. Bell, Deputy Director of the Office of Philippine and Southeast Asian Affairs, who served as rapporteur for the conference, is in Department of State, S/P Files: Lot 66 D 70, Far East.

### 33. Memorandum of a Conversation, White House, Washington, March 14, 1955<sup>1</sup>

#### PARTICIPANTS

The President  
 The Secretary of State  
 Robert G. Menzies, Prime Minister of Australia  
 Sir Percy Spender, Australian Ambassador  
 Admiral Robert B. Carney  
 Livingston T. Merchant

After a few opening exchanges the Secretary, who had just arrived from a hearing before the Senate Finance Committee testifying on HR 1,<sup>2</sup> commented that it had been a difficult session and that there was considerable opposition to the Bill in the Committee. The President indicated that this was probably the most difficult legislation that the Administration had attempted to put over. He was coming more and more to the belief that a political leader was far more of the teacher of his own people than a negotiator with foreign countries.

The Prime Minister agreed and said that timing and developing public opinion were probably the most difficult of the statesman's arts. It was usually not difficult to reach a decision as to what was right to do.

The Prime Minister then opened his exposition by stating that the London meeting of the Commonwealth Prime Ministers had been useful but that he assumed the President was fully informed concerning its results. He then turned to Southeast Asia which he said was of great concern to the Australians. The Australians were contemplating assuming an obligation regarding Malaya. He said that Malaya had been lost in World World II and that if it were lost again in another war it would be lost for good. He spoke of the fact that

<sup>1</sup>Source: Department of State, Central Files, 797.00/3-1455. Secret. Drafted by Merchant.

<sup>2</sup>A bill to extend the reciprocal trade legislation for 3 years which had already passed the House of Representatives.

there had been talks among the UK, New Zealand and Australia on the subject of the defense of Malaya. Australia does not normally send its troops abroad in peacetime. They were planning on sending two divisions for the defense of Malaya and to achieve this it was necessary for him to alter "the homekeeping view of Australia in times of peace." There was general military agreement that the Kra Peninsula was the place to hold and that it could in fact be held. This however would require close air and naval support to which Australia could and would make a contribution as would the UK. He hoped, however, though he was not asking for any specific commitment, that the U.S. would help in the air and on the sea. He said he understood the fluid concept of the U.S. with its emphasis on strategic striking power. He would, however, meet with great political difficulty at home unless he could say that all that Australia would do would be done in cooperation with the Manila Powers including the U.S. and then go on to say that he had reason to believe that the U.S. would help in the air and on the sea. Mr. Menzies said we all must satisfy ourselves as to the importance of Malaya. Australia looked up through New Guinea, which it considered vital, to Indonesia where they saw a weak government and a country in disorder. He had no doubt that the loss of Malaya would result in a rapid Communist control of Indonesia and New Guinea.

The President interrupted to say that there was no need to persuade us of this view of the importance of Malaya. In 1953 he had urged that those countries concerned get together on the defense of Indochina because of the chain effect that a defeat in Indochina would cause throughout the area. We accepted the importance of that general area on both political and strategic grounds. The thing to do was to discuss the problem in terms of military planning. The U.S., of course, has extensive commitments around the world. It is our purpose, however, to support strength where strength exists. He doubted that there would be any great difficulty in reaching a satisfactory understanding on this point. The President then inquired of Admiral Carney where the proper forum would be for such discussions. The President indicated that he thought in such matters it was important to work in a group which included our Asian allies, notably the Manila Pact.

Admiral Carney indicated that it had already been discussed at great length in the 5-power talks.<sup>3</sup> He added that there was general military agreement on the strategic importance of the area and on the need to defend at the Kra.

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<sup>3</sup>For documentation on the conversations held on several occasions between military representatives of Australia, France, New Zealand, the United Kingdom, and the United States, see *Foreign Relations, 1952-1954*, vol. XII, Part 1, pp. 15 ff.

The Prime Minister said that he would put his people in touch with ours in whatever forum might be suggested.

The President observed that the ideal situation was a homogeneous ground air and sea force which could then be supported by a mobile strategic reserve.

The Prime Minister then said that on his return he was going to advise the Cabinet to put into effect compulsory service for outside Australia. This was a major revision of their habits but for all he knew Australia would have obligations around Formosa as well as in Malaya.

The Secretary interjected with a suggestion that the Prime Minister before his departure put down on paper what he wanted to be able to say to his Parliament when he gets home on the matter of U.S. participation in the defense of the area. It would then be possible for us to go over it to see if it could be reconciled with our existing policies and strategy.

The President inquired what forces the British had in Malaya.

The Prime Minister replied that it amounted to about two divisions. The plan is for the Australians to put up two divisions and New Zealand one. Australia had not yet formally accepted this obligation but expected to within a day or two after his return. He then went on to say that Australia's problem was not good manpower for the Army but the shocking deficiency of equipment.

The President inquired if present equipment was of British origin.

The Prime Minister said yes but that this raised the problem of the availability of this source of supply should war come. Although Australia manufactured a sabre jet with an Avon motor, anti-aircraft and 25-pounders, as well as machine guns, small arms and ammunition, it did not have the manpower or industrial resources to meet all of its equipment needs. It therefore wished to raise now the question as to whether or not it would be possible to get on some terms with the U.S., which had done so much to help other Allies arm, which would enable them to work out the equipment deficiency. He asked the President if that possibility was excluded.

The President replied that he would like to know exactly what the problem was and exactly what the Australian proposal was. The fact of the deficiency was news to him but as he understood it Australia was not looking at the problem. He was anxious to avoid, however, any possibility of later misunderstanding as to what we might be able to do. The Prime Minister asked if then the possibility of assistance was not excluded.

The President replied we would be glad to look into it. He felt that something could be done and would be glad to talk about it.

The President then said that he believed on the points discussed that there was general harmony between our thinking though working out the answers to practical problems and arrangements was needed. The President said he felt he must ask all our friends to agree that there was no possibility of compromise with the Chinese Communists. They have made no contribution whatsoever to peace in the existing situation. All they gave were insults, and we were approaching the point where we cannot give up another inch. He referred to their outrageous and illegal holding of our flyers.

The Prime Minister observed that he believed in drawing a line in a situation like this. The President then said it was not perhaps necessary to draw a sharp geographic line. It was important that the line be drawn morally and spiritually as well.

Mr. Menzies observed that there were many misunderstandings abroad concerning our policy on Formosa. Some say that to defend Formosa means to prop up the Chiang Kai-shek regime whereas to him to defend Formosa is to defend freedom.

The Secretary said that from his travels he was impressed with the fact that most countries disagreed with our policies only in details. Under these circumstances it is necessary to subordinate details to larger policy. He wondered where Australia and others would be if the U.S. lost all of its interest in Asia and the Far East. He then turned to Indonesia which could be lost without the prior loss of Malaya. He felt that we must be prepared to put into effect quickly a rough policy in Indonesia if the country began sliding under Communist control.

The President said that he believed the Secretary and the Prime Minister should talk further on this matter of Indonesia during the Prime Minister's present visit.<sup>4</sup>

The talk then ended with the Prime Minister saying that he had told Mike Pearson<sup>5</sup> a few days ago in Canada that often it is helpful to start at the end and then work backward. If the U.S. gets involved in a great war, are the Canadians out of it? Is Australia out of it? Of course not. Both would be in. In this circumstance it was important that both of them carry their publics with them in a healthy attitude and this could not be achieved if the public had been confused and corrupted by continuing emphasis on minor differences in their policy and that of the U.S.

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<sup>4</sup>See the memorandum of conversation, *infra*.

<sup>5</sup>Lester B. Pearson, Canadian Secretary of State for External Affairs.

34. Memorandum of a Conversation, Department of State,  
Washington, March 15, 1955, 3:05 p.m.<sup>1</sup>

MTW MC-3

PARTICIPANTS

*Australia*

Robert Gordon Menzies, Prime Minister

Sir Percy Spender, Ambassador to the United States

Arthur Harold Tange, Secretary of the Australian Department of External Affairs  
*United States*

John Foster Dulles, Secretary of State

Herbert Hoover, Jr., Under Secretary of State

Livingston T. Merchant, Assistant Secretary for European Affairs

Walter S. Robertson, Assistant Secretary for Far Eastern Affairs

[Here follows discussion of unrelated subjects. For portions regarding China, see volume II, page 368.]

Menzies asked, "What about Indonesia?" The Secretary replied that it would of course be a very serious matter to have this archipelago fall into Communist hands. What we can do is not clear. He had talked with Ambassador Cumming at Manila.<sup>2</sup> Cumming thought the situation in Indonesia was better than generally believed. He felt that the elections would be held and that Muslim Party would win. Menzies pointed out that the elections, however, would come after the Bandung Conference which presumably would bring great prestige to the present Government. The Secretary said we had been making investigations through certain agencies to see what could be done. A discussion followed as to the effectiveness of our propaganda efforts. The Australians felt that their shortwave broadcasts had been effective. It was suggested by the Secretary that we might explore the possibility of such broadcasts from the Philippines.

Menzies said that his Government was very much concerned about the defense of Malaya. His military people agreed that the defense position should be at a line in Thailand on the Kra peninsula. The problem was how and when could we get there. Would we await an overt invasion through Thailand? The threat on the other hand might not come by overt aggression. Thailand might possibly go Communist by infiltration and subversion. Whichever way Thailand might go to the Reds, he said, we could not afford to wait for such an event before taking a stand. If Malaya should be lost, we

<sup>1</sup>Source: Department of State, Conference Files: Lot 60 D 627, CF 439. Top Secret. The time of the meeting is from Dulles' Appointment Book. (Princeton University Library, Dulles Papers) No drafting information is on the source text, but apparently it was drafted by Robertson on March 22.

<sup>2</sup>No other record of this conversation, apparently held during the Chiefs of Mission Conference, March 2-5, has been found in Department of State files.



would never get it back again. In the London talks it was suggested that we might get some general agreement under which if a Manila Pact country is menaced by infiltration and subversion such country would welcome the troops of the other Pact countries. It was essential, said Menzies, to work out some arrangement whereunder we could prepare for a stand on the Kra peninsula on a legal basis which would avoid charges of aggression by the Communists. Menzies said the question had not been thought through and asked that we be thinking about it. The Secretary suggested that his people might get in touch with MacArthur for further consideration of the problem.<sup>3</sup> Both Menzies and the Secretary agreed that the principle of stationing troops in another territory could not be applied to Indochina without involving violation of the Geneva Agreement.

Spender then brought up the question of West New Guinea which he said under no circumstances should be allowed to fall into Communist hands. The Secretary stated that we were also concerned and fully sympathized with their position but as explained to the Dutch we were equally concerned with keeping Indonesia with its 80 million people from falling into Communist hands. For this reason we did not feel that we should jeopardize our influence with the Indonesians by taking sides in the dispute. However, the Secretary said, if it came to a real showdown about New Guinea, then the United States would back Australia "right or wrong". The Prime Minister said he thought that spirit was reciprocated in Australia.

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<sup>3</sup>See Document 36.

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35. **Letter From Prime Minister Menzies to Secretary of State Dulles<sup>1</sup>**

*Washington, March 16, 1955.*

MY DEAR SECRETARY: I enclose a rough draft of a suggested statement which I would hope to be able to use at an appropriate time in Australia. All improvements will be gladly accepted.

With very kind regards,

Yours sincerely,

**Robert Menzies**

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<sup>1</sup>Source: Department of State, Conference Files: Lot 60 D 627, CF 439. Top Secret

**[Enclosure]**

During my visit to Washington I had a valuable conversation with the President of the United States about the defence of South-East Asia and, in particular, the defence of Malaya to which Australia attaches the highest possible significance.

Our discussions made it abundantly clear that in the general task of preventing further Communist aggression, the United States considered the defence of Malaya to be of very great importance.

I raised the question whether in the event of Great Britain, Australia and New Zealand undertaking to engage substantial forces for the defence of Malaya, we could be assured that the U.S. would, ((?) in the air and on the sea) be prepared to give us effective co-operation.

To this the President replied that though the tactical employment of forces was a matter which would have to be worked out in detail on the Services level, we could be assured of effective co-operation by the United States.

I enquired further whether the deficiencies in military equipment which have inevitably arisen from the very great pressure which exists upon our own resources of money, men and materials, we might hope to be able to look to the United States for military supply on some basis to be arranged.

The President replied that having regard to what he knew so well about Australia's attitude and fighting capacity he would be happy to authorize his own Supply people to take this matter up with Australia's corresponding officials upon the basis of an accurate assessment of our deficiencies and a consideration of the ways and means by which the equipment position may be improved.

In brief, I am in a position to say by the authority of the President that Australia can feel assured of complete co-operation between our two nations in the defence of our common security and in resistance to any further acts of Communist aggression.

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**36. Memorandum of a Conversation, Department of State, Washington, March 18, 1955<sup>1</sup>**

**SUBJECT**

Australian Interest in the Defense of Malaya

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<sup>1</sup>Source: Department of State, Central Files, 790.5/4-1455. Top Secret. Drafted by Horsey. This memorandum was attached to Document 43.

## PARTICIPANTS

Mr. Arthur Tange, Secretary, Department of External Affairs, Canberra  
Mr. F.J. Blakeney, Minister, Australian Embassy  
Mr. Merchant, Assistant Secretary, EUR  
Mr. Galloway, C  
Mr. Horsey, Deputy Director, BNA

Mr. Tange called at his request to raise two questions, (1) certain political implications of any Australian commitment to join with the U.K. and New Zealand in plans for the defense of Malaya and (2) the statement which his Prime Minister wanted to make in Parliament on his return to Australia in connection with his visit to Washington.<sup>2</sup>

On the first question Mr. Tange referred to the Prime Minister's recent discussions in London on the defense of Malaya. He then went over the ground covered earlier by Mr. Blakeney with Mr. MacArthur.<sup>3</sup> He said that the particular point he was about to mention had been raised by the Prime Minister with Eden and Macmillan and that it had been agreed that the Prime Minister would raise it in Washington. The problem was that, in considering the defense of Malaya, the Chiefs of Staff of the three countries had concluded that, unless a position across the Kra isthmus in Thailand (later in the conversation this line was identified as running west from Songkla) could be held, military estimates which had been made of the force requirements for an effective defense would be invalidated. (Tange said later in the conversation that these studies did not take into account any use of nuclear weapons.) It was necessary to search for means for assuring that it would be possible to occupy this area promptly in the event that the Thai Government fell or was about to fall under Communist control. The Prime Minister therefore wanted to ask the United States Government whether it could give assurances that Australia could count on U.S. political support for such action and whether Australia could call on our experience and help in suggesting ways in which the political groundwork could be laid in advance.

Mr. Tange continued that three possible courses of action had occurred to them. The first was a bilateral arrangement with the present government of Thailand which would be at least legally binding in any successor government. The second was some form of general agreement within the Manila Pact that the treaty powers would welcome forces of other treaty partners on their territory in the event of a threat to their security. The third possibility was to

<sup>2</sup>Separate Memorandum of Conversation. [Footnote in the source text. Memorandum not found in Department of State files.]

<sup>3</sup>No record of this conversation has been found in Department of State files.

have some form of infrastructure under the Manila Pact arrangements placed in the area in question, which would justify the forces of other Manila Pact powers moving in to protect the territory in an emergency.

On the timing of a solution to this problem, Mr. Tange said that, if Australia were to assume commitments in Malaya, the Prime Minister wanted to know whether the elements in the assumptions on which their military plans were based were valid, including a satisfactory political basis for the immediate military action which would be required.

Mr. Merchant said that he recognized the importance of this consideration in Australian thinking but said that, since the question would have to be carefully considered by Mr. Robertson and others, and of course discussed with the Secretary, he could only give a personal and preliminary reaction at this stage. In general, he thought that this was the type of political problem which was relatively easy to solve in an emergency or in time of war but extremely difficult to solve satisfactorily in peacetime. As to assurances of support from the United States Government in an emergency, he personally would certainly think that we could give political support to the type of action proposed. He thought that this would be entirely consistent with the Secretary's line of comment at his meeting with the Prime Minister on March 15 on the discussion of Indonesia.<sup>4</sup> On the specific courses of action which Mr. Tange had outlined, Mr. Merchant said that a bilateral arrangement with Thailand would surely become public knowledge and would lay the Thai Government and everybody else open to very damaging propaganda attack by the other side. There would also be the implication that defense plans did not contemplate a defense of the forward areas of the Manila Treaty area and thereby promote defeatism elsewhere.

On the second of the courses of action which the Australians had considered, an agreement among the Manila Pact powers, Mr. Merchant said that he thought this, too, would lay all concerned open to serious propaganda disadvantage since the Communists would allege that, as they had been saying from the beginning, the Manila Pact was nothing more than a device to restore western colonial influence on the mainland of Asia. On the third possibility, Mr. Merchant speculated that there might be some possibility of developing the necessary arrangements if a line of communications was established from Malaya into Thailand or if the border arrangements between the respective police forces were strengthened and raised to a military level.

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<sup>4</sup>See Document 34.

In conclusion, Mr. Merchant repeated that these were expressions of his personal views only, but that we would give careful consideration to the questions which Mr. Tange had raised and be in communication with the Australian Government in due course. Mr. Tange emphasized the delicacy of the problem and the importance of holding discussion of it very closely. Mr. Merchant agreed.

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37. Letter From Secretary of State Dulles to Prime Minister Menzies<sup>1</sup>

*Washington, March 18, 1955.*

DEAR MR. PRIME MINISTER: I refer to your letter of March 16, 1955<sup>2</sup> enclosing the draft of a suggested statement which you would wish to use at an appropriate time in Australia.

I have taken advantage of your suggestion to tender my comments, which have been approved by the President<sup>3</sup> and discussed by Mr. Merchant with Mr. Tange. I now understand that they are acceptable to you.

I know I do not need to tell you how fruitful I believe our talks have been nor how much I have enjoyed them personally.

Faithfully yours,

JFD

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<sup>1</sup>Source: Department of State, Conference Files: Lot 60 D 627, CF 439. Top Secret.

<sup>2</sup>Document 35.

<sup>3</sup>In a memorandum to the President, March 17, Under Secretary Hoover wrote: "During his talk with you on March 14, the Prime Minister said that, in getting Parliamentary approval for the plan to station Australian troops in Malaya, he wanted to be able to refer to the support and cooperation which Australia might expect from the United States. Secretary Dulles suggested that he put on paper what he would like to say and let us see.

"He sent a draft to Secretary Dulles and invited comment on it. It seemed to require a few changes and the redraft, as approved by the Secretary last night and by Admiral Carney and Admiral Radford today, is attached. We are anxious to talk with Prime Minister Menzies on this again before he leaves Washington at the end of this week, but before doing so would like your approval of the new draft."

According to a marginal note on Hoover's memorandum by Goodpaster, the President approved the draft enclosed with it (identical to that printed here) on March 18. (Eisenhower Library, Whitman File, International Series)

**[Enclosure]**

During my visit to Washington I had valuable conversations with the President of the United States and other members of the American Government about our undertakings under the Manila Pact for the collective defence of Southeast Asia, and, in particular, on the defence of Malaya to which Australia attaches the highest possible significance.

Our discussions made it abundantly clear that in the general task of preventing further Communist aggression, the United States considered the defence of Southeast Asia, of which Malaya is an integral part, to be of very great importance.

It is to be expected that the military arrangements put in train at the recent Bangkok meeting will provide all of the Manila Pact member Governments with more specific information with regard to the best means for each country to contribute toward the defence of this area. I raised the question whether in the event of Great Britain, Australia and New Zealand undertaking to station substantial forces in Malaya, we could be assured that the United States would be prepared to give us effective cooperation.

I was informed that though the tactical employment of forces was a matter which would have to be worked out in detail on the Services level, the United States considered that such effective cooperation was implicit in the Manila Pact.

I enquired further whether, because of the deficiencies in military equipment which have inevitably arisen from the very great pressure which exists upon our own resources of money, men and materials, we might hope to be able to look to the United States for military supply on some basis to be arranged.

I was assured that, having regard to what the Americans knew so well about Australia's attitude and fighting capacity, they would be happy to take this matter up with our officials upon the basis of an accurate assessment of our deficiencies and a consideration of the ways and means by which the equipment position may be improved.

In brief, I feel assured of complete cooperation between our two nations in the defence of our common security and in resistance to any further acts of Communist aggression.<sup>4</sup>

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<sup>4</sup>Menzies read this statement to the Australian House in the course of the session held April 20.

In a memorandum of a conversation held with Tange March 19, Merchant in part stated that Tange had inquired if two members of the Commonwealth (apparently Great Britain and New Zealand) might be informed of the statement in advance of its delivery. "I said that I understood and that we would leave to the Prime Minister the timing and form of the disclosure of the substance of this statement." In conclusion Merchant stated that later on March 19 the Secretary confirmed this understanding to Menzies in writing. (Department of State, Central Files, 033.4311/3-1955)

### 38. Memorandum of a Conversation, Department of State, Washington, March 30, 1955<sup>1</sup>

#### SUBJECT

The President's Fund for regional development through the Colombo Plan

#### PARTICIPANTS

Mr. G. L. Mehta, Ambassador of India

Governor Stassen, FOA

FOA—Mr. Cedric Seager

FOA—Mr. Orville McDiarmid

SOA—Mr. J. R. Fluker

Ambassador Mehta, at his request, called upon Governor Stassen to discuss the Governor's recent trip to India and the area.<sup>2</sup>

Governor Stassen said that the trip, in his opinion, was of great benefit in that all of the countries he visited had expressed views on economic development and other problems, and that the GOI expression of views had been particularly constructive. He stated that the views and suggestions of the Planning Commission and other ministries directly involved in Indian economic development, were obviously the result of a great deal of thought and experience.

Governor Stassen said that after reporting back to Washington on the result of his trip, it had been decided that the Executive Branch would present to the Congress its bilateral aid programs and in addition would propose to the Congress a \$205-million Fund for use at the President's discretion in the development of projects which would be of benefit to the region—the region being defined as the "arc of free Asia." Governor Stassen added that the initiation of such a fund, with the \$205 million for FOA [FY?] 1956, would be a natural first step toward achievement of broader economic development and cooperation in the fields of trade and investment among private firms in the area.

Governor Stassen said that the Government of India's views on the use of the Colombo Plan organization for furtherance of the regional effort were acceptable to the United States. He observed we welcomed the Government of India's approach to members of the Colombo Plan consultative committee regarding the establishment of

<sup>1</sup>Source: Department of State, Central Files, 890.00/3-3055. Confidential. Drafted by Fluker.

<sup>2</sup>Stassen visited the Asian area, February 21-March 13. A copy of his report on this trip, dated March 14 and sent to a number of Cabinet members including Dulles, is in Eisenhower Library, White House Central Files, Confidential File. In the same file is the FOA staff report on the trip, dated March 21, with a covering note from Stassen, dated April 14, which was sent to the same group of Cabinet officers. The staff report includes several Indian Government memoranda of conversations held by Stassen with Indian officials, February 27-March 2. None of the documents mentioned here is printed.

a small Secretariat along with consideration of the organization of a small professional and technical group or groups which would serve to investigate and evaluate project proposals. He indicated U.S. acceptance of the Indian view that the expanded Colombo Plan organization not be used for multilateral decisions on the apportionment or the program uses of the fund—implying that bilateral programs under the Fund would still be in order.

Governor Stassen also said that the U.S. would be willing to assume a fair share of the cost of the proposed Secretariat and the professional and technical groups. He expressed the belief that some cost-sharing formula could be developed and noted the possibility of using a formula along the lines of that governing UN technical assistance contributions, which would undoubtedly be acceptable to the Congress and to the nations of Asia.

Governor Stassen emphasized the fact that the Congress had yet to act on the proposal for the President's Fund. He said that of the three necessary steps, i.e. formulation of the Executive Branch view, solicitation of the views of the Asian nations and Congressional action, the first two had now been taken.

Governor Stassen noted some of his over-all impressions from his trip. He said that, speaking broadly, the peoples of the countries he had visited looked first to their needs for food; then, in sequence, they looked to improvement in the availabilities of clothing, housing and other basic material supplies affecting their standards of living. He said that in India it was his impression that the people had made substantial progress in increasing the supplies of food and clothing, and that the need now was for industrial development and housing. He added that this general thought applied to all countries he had visited.

With regard to trade development, Governor Stassen stressed the fact that trade development should not be viewed as development of one country's trade at the expense of another. He said that, through the regional approach, we were all looking toward an improvement of the standards of living and the productivity of the countries, which enable all countries to expand their trade on the basis of the growing prosperity.

[Here follows discussion of economic developments in India.]



39. **Memorandum of a Conversation Between the Australian Ambassador (Spender) and the Assistant Secretary of State for European Affairs (Merchant), Department of State, Washington, March 30, 1955<sup>1</sup>**

During the course of a call on me yesterday on another subject, Sir Percy Spender raised the question of the Kra which had been brought up by the Australians at the time of the Menzies visit. He said that they were anxious to know whether or not they could count on American political support in the event of war or a major emergency for a move northward to the planned defensive position. Secondly, they still desired some advance political or legal authority for such a move. He said that on the latter point an idea I had personally tossed out to Tange appealed to him. This was an extension or some formalization at the military level of the arrangements which I understand exist between the police authorities in Thailand and Malaya for crossing the frontier in the suppression of bandits. I mentioned to him the Secretary's off-hand thought that some generalized arrangement might be made within the framework of the Manila Pact under which a particular country or countries might be assigned primary defensive responsibilities in a particular area with the understanding that they would move into adjacent areas in the interest of common defense under emergency conditions. On the question of political support I said that to me there seemed to be no doubt that we would give them such support in the event of war or the type of emergency envisaged.

In any event, Sir Percy indicated that they are awaiting our further views on these two aspects of the problem.

I told Mr. Sebald and Mr. MacArthur of this conversation and understand that the latter, in accordance with the Secretary's earlier assignment, will undertake the action responsibility in collaboration with FE.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/3-3155. Top Secret. Drafted by Merchant on March 31.

40. Memorandum of a Telephone Conversation Between the Secretary of State and the Deputy Director for Plans, Central Intelligence Agency (Wisner), Washington, April 1, 1955, 12:57 p.m.<sup>1</sup>

TELEPHONE CALL TO MR. WISNER

The Sec. asked what they are doing on Bandung. W. said they are working on an interdepartmental comm. headed by some of our people. The Sec. was just wondering if we have done enough imaginative thinking on it. W. said they are paying attention to that angle and have put their most able and imaginative people on the job. They have irons in the fire in the field and are using contacts . . . and seeking to influence them . . . . The Sec. mentioned that we are thinking of sending someone (Carey) to Djakarta. They agreed it was bad that Powell<sup>2</sup> was going. W. will send over a brief statement<sup>3</sup> re what they are doing. It might suggest things for the Sec. to tell them.

<sup>1</sup>Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Phyllis D. Bernau, Personnel Assistant to the Secretary of State.

<sup>2</sup>Representative Adam Clayton Powell of New York.

<sup>3</sup>No paper of this description has been found in Department of State files.

41. Letter From the Counselor of the Department of State (MacArthur) to the Ambassador in Thailand (Peurifoy)<sup>1</sup>

*Washington, April 6, 1955.*

DEAR JACK: For your own very private information, but *not* for any action by you at this time, I am enclosing copies of memoranda of conversation<sup>2</sup> which will familiarize you with a problem raised by the Australians during the recent visit of Prime Minister Menzies. At their request, we are letting only a very few people know about this problem, and we would appreciate it if you would limit knowledge of it to yourself and only your closest advisers who absolutely need to know about it.

<sup>1</sup>Source: Department of State, Bangkok Embassy Files: Lot 59 F 45, Defense of Malaya. Top Secret.

<sup>2</sup>Document 36 and *supra*.

This is a question to which there is no easy answer, and, as Livie Merchant said to Arthur Tange, it is similar to some which have turned up in NATO and which could easily be solved in time of emergency or war, but are very difficult to solve in peacetime. While we have not yet given the problem thorough study within the Department, and will need to consider it with Defense, we doubt at the moment the feasibility of any immediate political approach as a means to obtaining the assurance which the Australians are seeking. Obviously, the possibilities suggested by the Australians have serious drawbacks in that they could lay the Manila Pact countries open to further barrages of Communist propaganda to the effect that the Manila Pact is nothing more than a screen designed to allow Western white imperialists to take over Asian territory. But, much more serious in our view is the possibility that it would create the impression in Thailand and elsewhere in Southeast Asia that the Western Manila Pact members do not intend to defend more than the colonial area of Malaya.

We are inclined to think that while this problem is not one which is readily solvable, one possible approach lies in the area of military planning and military arrangements which, in the first instance, would be military rather than political. For example, the development of logistics requirements, line of communications requirements, or some similar military requirement which might enable continuing and free access by military forces from Malaya to Thailand and which would, in effect, provide a de facto situation allowing forces to move in the event of an impending Communist takeover in Thailand. But, even this approach could be politically dangerous if it were put forth in the very early stages of military planning, as it would tend to emphasize plans for the defense of Malaya at the expense of Thailand and the rest of the area. At some later stage in military planning, it might be quite logical. We had a somewhat similar planning problem in NATO regarding a defense of the Pyrenees on the assumption of a Soviet break-through. We dealt with this in a satisfactory manner as part of the necessary planning, but only after some months during the course of which we had first developed plans for a defense of the NATO territory itself to the north and east in terms of "forward strategy".

It might also be possible that the very close arrangements now existing at the Police level between Thailand and Malaya could be developed in a manner to allow movement of military forces back and forth.

This is all in the realm of very preliminary thinking thus far, and we will not be able to determine the feasibility of any such ap-

proach until we have explored the problem thoroughly with the Department of Defense.<sup>3</sup>

Sincerely,

Doug

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<sup>3</sup>In his reply of April 21, Peurifoy stated in part: "It has been quite evident to me that the handicaps from which the British suffer in this area generally have been aggravated here by the lively suspicion of the Thais that British influence in Thailand centers largely on the role of Thailand as a buffer for Malaya. I am certain that the Thais would be extremely sensitive to any proposals which they might interpret as demonstrating a greater concern for Malaya than for Thailand itself. For this reason, the caution with which you have recommended approaching this problem is, in my opinion, extremely well founded." (Department of State, Bangkok Embassy Files: Lot 59 F 45, Defense of Malaya)

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**42. Memorandum of a Conversation Between the British Ambassador (Makins) and the Secretary of State, Department of State, Washington, April 7, 1955<sup>1</sup>**

The Secretary opened the conversation by referring to the changes in the British Government. Sir Roger Makins said that "the new team" placed an accent on youth and would work very well together. Sir Roger was delighted that Macmillan was Foreign Minister since he was an old and good friend and had had considerable experience in the field of foreign affairs. Macmillan, Butler, and Salisbury would, he said, make a strong group around Eden. Sir Roger was also pleased that the Earl of Home had been named Secretary for Commonwealth Relations, and believed that Selwyn Lloyd, whom he described as an excellent administrator, would make a very good Minister of Defense.

Sir Roger said he was leaving for a brief trip to London a week from tomorrow. This would afford him an opportunity to have a good talk with Foreign Secretary Macmillan, and he said he would like very much to see the Secretary some time next week before his departure to explore his latest thinking so that he, Sir Roger, could pass it on to Macmillan. The Secretary agreed and said he would be very glad to see Sir Roger.

The Secretary then said he had asked Sir Roger to come in to talk to him primarily about the Bandung Conference. The Secretary

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<sup>1</sup>Source: Department of State, Central Files, 670.901/4-755. Top Secret. Drafted by Merchant. A marginal notation in an unidentified hand indicates the Secretary approved this memorandum in draft.

felt that the Bandung Conference could exercise a real influence for peace with respect to the Formosa situation if something constructive came out of it. On the other hand, the Secretary had received a recent indication, from Burma he believed, that at Bandung it was probable that a resolution might be adopted which neither the US nor the UK would like. If any resolution or statement came out of Bandung which seemed to give a green light to the Chinese Communists to take Formosa, the possibility of hostilities which could not be confined to the offshore islands and Formosa was greatly enhanced. If, on the other hand, some resolution or statement could come out of Bandung calling for a cease-fire and calling on both parties not to resort to force, the chances of maintaining peace in that area would be very considerably enhanced. In other words, the question of war or peace in the Far East could be significantly affected by what happens at Bandung.

In strictest confidence, the Secretary said he could tell Sir Roger that if assurances could be obtained through the Bandung Conference that the Chinese Communists would agree to a cease-fire regarding Formosa which would leave the islands to be fought for, this would in itself be a considerable contribution, although it would obviously be nowhere new as good as an over-all cease-fire such as envisaged in the draft New Zealand Resolution prepared for presentation to the UN. The Secretary said he had decided to urge certain friendly countries which would be represented at Bandung to propose a cease-fire if the subject of peace or the subject of Formosa came up at the Conference.

Sir Roger asked if the Secretary would suggest a general cease-fire or indicate that even a cease-fire for Formosa leaving aside the question of the offshore islands would be helpful. The Secretary replied that he did not contemplate suggesting that the friendly countries propose a cease-fire for Formosa and the Pescadores only, rather a general cease-fire.

The Secretary then said he had been considerably depressed last evening in thinking over the general situation in Asia. He felt that there were signs that Asian solidarity in an anti-Western sense might be hardening. He did not like Nehru's speech<sup>2</sup> at all. He had attacked the Manila Pact as an organization which increased tension and might lead to hostilities; he had attacked NATO, claiming it gave Portugal Western support in Asia with respect to Goa; he had attacked the Union of South Africa; he had attacked the West for "meddling" in the Middle East. Nehru's speech had in spirit, though not in content, reminded him of a speech made by a Czech, Hromadka, during the 1948 World Council of Churches at Amsterdam.

<sup>2</sup>Apparent reference to the remarks made by Nehru in Parliament on March 31.

Hromadka had taken the general line that Western civilization had failed and that some new type of civilization was necessary to replace it. Nehru's speech had the same general ring. With respect to Asia, the Secretary felt we were up against a bigger and more long-term problem than the details or incidents which make daily headlines in the press. In effect, he felt that there were Asian elements that were pushing for a pan-Asian movement which would be by its very nature and concept anti-Western. He hoped that the British might, prior to Bandung, also use their very considerable influence with certain friendly Asian countries so that both the Formosa situation and the over-all problem of pan-Asianism might not become more aggravated.

Sir Roger said he would report this conversation to his Government, and he personally felt that they would wish also to take a similar line. He asked to what countries the Secretary contemplated sending messages with respect to a cease-fire between the Chinese Communists and the Chinese Nationalists. The Secretary replied that he had not decided as yet, but had in mind Pakistan, the Philippines, Thailand, Turkey, possibly Iraq, and Lebanon in the event that Malik represented that country at Bandung. If Malik went to Bandung, the Secretary would urge him to take a position as indicated above. Sir Roger said that if the Secretary could let him know the sense of the instructions we sent out, and the countries to which they were sent, it would be most helpful. The Secretary replied that he would hope to be able to pass this word on to him tomorrow, giving a list of the countries and the tenor of our instructions.<sup>3</sup>

The Secretary reiterated his grave concern regarding the Formosa situation and his belief that the action of the Chinese Communists will be influenced to a very considerable extent on what backing or approval they believe they will get from other Asian powers. He then mentioned and described in some detail the Chinese Communist activity in building up and improving their air fields along the coast and in the interior area opposite and just to the north and south of Formosa.

Sir Roger then said the situation in Burma was disturbing. The Burmese were running out of money and felt they must sell or barter their rice. They had recently made a deal with the Chinese Communists which involved swapping rice for machinery and other products and which involved Chinese technical experts "with all that goes with it" coming to Burma. The British Ambassador to Burma, Gore-Booth, "had had a go at the Burmese about this but was not at all successful". The Secretary mentioned that when he recently visited

<sup>3</sup>The Secretary's decision in the matter is set forth in telegram 1295 to Ankara, April 8, not printed. (Department of State, Central Files, 670.901/4-855)

Rangoon, the Burmese had expressed their great concern over the problem of rice surpluses and had been inclined to blame the US for its policy with respect to disposing of surplus agricultural products. The Secretary said we were only sending rice to Japan and that we had done this on the basis of Japanese assurances that they would continue to purchase their regular amounts in their normal markets such as Burma.

DMacA

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43. **Memorandum of a Conversation, Department of State, Washington, April 9, 1955<sup>1</sup>**

SUBJECT

Bandung Conference; U.S. Policy in the Event of Hostilities Between Egypt and Israel

PARTICIPANTS

Dr. Charles Malik, Lebanese Ambassador  
 The Secretary  
 G—Mr. Villard  
 NE—Mr. Francis Allen

The Secretary opened the discussion saying that he had just been at the White House and had told the President that the Ambassador was going to Bandung.<sup>2</sup> The President had expressed his personal pleasure at the news. The Secretary then gave a short explanation of the legal position as regards Formosa and briefly discussed the history of the island, emphasizing that Chinese control had been tenuous for several hundred years before its formal cession to the Japs in 1895.

The Secretary then stressed, as he had the previous day, that the question of peace or war in the Far East may be determined at the conference. He explained that the Communist Chinese would probably use the conference as a means of ascertaining whether their use of force to capture Formosa would have the moral support of the

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<sup>1</sup>Source: Department of State, Central Files, 670.901/4-955. Confidential. Drafted by Allen. A handwritten marginal notation by O'Connor reads: "OK for dist RO'C".

<sup>2</sup>During a conversation held the previous day between the Secretary and Ambassador Malik, Dulles expressed his hope that Malik would attend the conference. "The Ambassador replied that if the Secretary personally thought that it was important for him to go to the conference, it would be an honor for him to fall in with the Secretary's wish. He would cable his government immediately that he was going." (Memorandum of conversation by Allen, April 8; *ibid.*, Secretary's Memoranda of Conversation: Lot 64 D 199)

countries of Asia as a whole. They may seek moral support for their position through a formal resolution, or possibly through informal conversations with other delegations. On the other hand, if a considerable number of delegations urge that the conference call for renunciation of the use of force in the Formosa straits, it might well deter the Communist Chinese from undertaking aggression.

The Secretary said that apart from the specific current issues at the conference there was a very real danger that it might establish firmly in Asia a tendency to follow an anti-Western and "anti-white" course, the consequences of which for the future could be incalculably dangerous. In this sense the whole concept of human brotherhood, of equality among men, the fundamental concepts of the United Nations, are in jeopardy. It was true, of course, that in the past the record of the Western powers in Asia had not been without regrettable faults. There was nothing to be gained, however, by the Asian and African powers falling into the same faults, particularly the fault of racialism, in the opposite direction. He was disturbed by Nehru's recent speech which seemed to emphasize only the bad things about the West. If at the conference only the bad things in the record of the West are emphasized it would be easy to give impetus to an "Asia for the Asians" movement. The West, of course, has been dynamic and aggressive and frequently shown a sense of racial superiority; but it also has contributed to human welfare in the realm of technical and material progress, and it has carried with it the Christian outlook on the nature of man. The West had carried good things as well as bad to Asia. It would be tragic if the Asians should select only the bad things in the record of the West, such as racialism, to imitate.

The Secretary mentioned the Pacific Charter as an example of real improvement in the Western approach to Asia. Its language regarding the independence of nations was stronger than that of the UN charter; and it was a useful symbol of the West's current attitudes towards Asia's problems.

Ambassador Malik pointed out that the idea of an Afro-Asian grouping had had its origin in the Arab-Israel problem and in the United Nations, particularly in 1950-1951 when the British had encouraged the Asian, Arab and African delegations to join together as a moderating influence on what were regarded as the "too extreme" policies of the US in Korea. He had thought at the time that this was a dangerous development which might lead to the growth of anti-Western Asian racialism.

It was particularly important that the Western powers coordinate their points of view in matters affecting Asia to minimize the danger of any power seeking the support of the Afro-Asian nations against the policies of other powers since such a course of action would inevitably strengthen and encourage Asian anti-white racialism.



The Ambassador said he thought the Communists would try to make a Communist "demonstration" out of the conference, and would also stress anti-white racialism. He thought it would not be difficult to deal with any direct Communist moves that might be attempted. On the other hand there would be a lot of bargaining with the Arab states representatives which might be dangerous. For example, offers might be made to support the Arabs on the North Africa and Palestine questions in return for Arab support of Communist or neutralist goals. Iraq and Lebanon would probably hold out against anti-Western or neutralist proposals, but Egypt would probably be on the other side. Both the Egyptians and the Saudis and possibly the Syrians would probably follow a neutralist or anti-Western line. On the other hand the Arabs as a bloc could be counted on to be anti-Communist; but they would be extreme on the Palestine and North African questions.

[Here follows discussion of the situation in Gaza.]

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**44. Memorandum From the Director of the Policy Division in the Office of Foreign Military Affairs, Department of Defense (Sullivan), to the Counselor of the Department of State (MacArthur)<sup>1</sup>**

*Washington, April 14, 1955.*

**SUBJECT**

Comment on Department of State Memorandum of Conversation No. 233 of March 18, 1955<sup>2</sup>

In considering this matter, the following points were discussed:

1. The Joint Chiefs of Staff consider the Songkla line the *last* line of defense for Malaya. It is felt that in the event of a conflict in Southeast Asia the line should be drawn much farther north, preferably north of Thailand.

2. There is serious question whether, with the rest of Southeast Asia mainland in enemy hands, any position on the Malaya peninsula is defensible.

3. It is felt that this bid for political support is a likely forerunner to seeking a military commitment in this area.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/4-1455. Top Secret.

<sup>2</sup>Document 36; No. 233 is a Department of Defense control number.

4. At the present time there exists a bilateral between Thailand and the United Kingdom on the border region in question permitting certain freedom of movement to armed forces in the pursuit of rebels. It would appear that this vehicle might be used, through an interpretation or modification, to achieve the agreement desired by the Australians. Of these, a modification of the existing agreement appears most desirable. If this can be accomplished, the Australians might work out a small infrastructure arrangement to include roads, barracks, storage, and similar facilities.

Charles Sullivan

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45. **Telegram From the Department of State to the Embassy in India<sup>1</sup>**

*Washington, April 20, 1955—7:28 p.m.*

1604. Joint State-FOA message. Dept has received messages from Embassies in number of Asian Colombo Plan countries asking for clarification of Indian invitation to Simla meeting May 9. According to our reports invitation reads about as follows:

"During Mr. Harold Stassen's visit to New Delhi first week of March, he indicated United States Government would like to have views of Asian regional recipients of United States foreign economic aid for consideration in conjunction forthcoming United States Presidential presentation aid program to Congress. Mr. Stassen said he would like such countries to develop a suggested pattern for the use of United States aid. The Indian Government agrees with this suggestion and accordingly would appreciate being advised as to the willingness of the Government of blank to send a representative to a preliminary meeting on this subject May 9 at Simla."<sup>2</sup>

This invitation, with emphasis on US aid, presents obvious problems for us in connection with aid presentation to Congress and has also caused concern in certain Asian countries—some of which

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<sup>1</sup>Source: Department of State, Central Files, 890.00/4-2055. Confidential; Priority. Cleared extensively within the Department, initialed by Hoover and Stassen, and approved by Nolting. Repeated to Bangkok, Colombo, Djakarta, Kabul, Karachi, Manila, Phnom Penh, Rangoon, Saigon, Vientiane, and Tokyo.

<sup>2</sup>The quoted material is a summary based on information received by the Thai Government. (Telegram 2603 from Bangkok, April 19; *ibid.*, 890.00/4-1955) Text of the Indian note, received by the Thai Government on April 8, is an enclosure to despatch 497 from Bangkok, April 22. (*Ibid.*, 890.00/4-2255)

do not receive US aid and some of which fear US aid will be subject to multilateral apportionment.

According to GOI minutes of Feb. 27, 1955 meeting between Gov Stassen and party and Finance Minister Deshmukh and other Indian officials, Governor Stassen suggested "there might be a meeting of officials well in advance of the next CPCC meeting to consider this matter further and to evolve an agreed plan and he thought that the Government of India might take the initiative in this regard. He was sure that the US Gov would welcome the idea and he felt that the UK would also be in agreement. The main consideration from their point of view was their desire to do what the Governments of the region would like to be done.

"The Finance Minister agreed that there should be a meeting of the officials. It should be made quite clear that what was contemplated was the setting up of a small Secretariat to provide continuity and also to be in close liaison with the Technical body. It was not the intention to use the CPCC as an allocating body for assistance to the region and the aid should continue on the bilateral basis as at present."

This exchange summarizes our understanding of the purposes of Simla meeting. Other references in Stassen meetings in New Delhi can be found to support and elaborate our suggestion for Asian initiative to strengthen Colombo Plan organization and Indian understanding of how organization might develop. In particular Fin Min Deshmukh stated at Feb 27 meeting "In the case of the Asian countries, the allocation of development assistance among the countries in the region might prove to be somewhat awkward. Meanwhile the bilateral arrangement had been working harmoniously. He thought that the strengthening of the Technical Assistance Programme by setting up a Technical Corps of experts in the region, to advise on schemes and projects referred to them and also to assist those countries which needed assistance, in the formulation of integrated development programmes or individual projects and the setting up of a permanent Secretariat for the Colombo Plan Consultative Committee could be agreed upon. The relationship between the Secretariat and the Technical body could be reviewed from time to time as they developed."<sup>3</sup>

We believe it would be highly desirable for you to approach Fin Min Deshmukh and explain to him the unfortunate reactions which have resulted from couching invitation to Simla in terms of consultation on utilization of US aid as yet unapproved by Congress. Further, very real concern has been caused in various Asian countries that the

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<sup>3</sup>Regarding Deshmukh's meetings with Stassen, see footnote 2, Document 38.

Colombo organization will henceforth dispose of or allocate US aid. For the time being we are asking our Embassies in the Asian Colombo countries to seek or await clarification from India. We believe this preferable to indicating to Govs such countries that Indian invitation and stated purposes of Simla meeting are not in accord with our understanding.

You should emphasize that we appreciate initiative that Indians have taken and that we wish to do what we can to assure success of meeting. However we believe that accomplishment these objectives required clarification of Indian invitation with emphasis being placed on strengthening Colombo Plan organization along lines Deshmukh conversations with Gov Stassen. We believe that if Indians agree to put Simla meeting on basis Stassen discussions with them, reaction here and in Asia to such a meeting will be greatly improved.

Please report fully on developments thus far and results your conversation with Deshmukh.

For information addressees: assuming that clarification along above lines made by Indians, you should encourage government to which you are accredited to send representative to Simla meeting.<sup>4</sup>

Dulles

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<sup>4</sup>In telegram 1607 from New Delhi, April 23, the Embassy noted that both it and TCM had discussed the substance of telegram 1604 with the Indian Government and that as a result that government was sending to those missions concerned a telegram containing such a clarification. In conclusion the Embassy stated that it and the TCM both recommended, in view of this clarification, the "good faith with which GOI has consistently attempted implement Stassen-Desmukh discussions", and the importance of not discouraging Asian initiative, that interested U.S. missions be instructed to encourage attendance at the Simla meeting. (*Ibid.*, 890.00/4-2355)

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46. **Memorandum From the Counselor of the Department of State (MacArthur) to the Secretary of State<sup>1</sup>**

*Washington, April 20, 1955.*

On March 31, Sir Percy Spender called on Livie to say he gathered it was now agreed that there would be intimate military plan-

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<sup>1</sup>Source: Department of State, Central Files, 790.5/4-2055. Top Secret.

ning among the ANZUS members and the UK on a secret basis within the general cover of ANZUS.<sup>2</sup> Since none of the records of the Menzies conversations substantiated any agreement on our part to engage in such four-power secret military talks with respect to the defense of Malaya and Southeast Asia, I was asked to carry the ball on this and to get a US position to give to Sir Percy.

I consulted with the Department of Defense, and there was strong objection on the part of the Defense Department and the JCS to such four-power military talks. There was also strong objection on the part of Mr. Robertson, and all these objections were concurred in by Mr. Merchant. In essence, the Department of Defense felt that such conversations were designed to extract from us specific force commitments with respect to Malaya, etc., and furthermore, the Department of Defense and the Department of State were agreed that knowledge of such talks would probably become known and would create a major crisis with our Asian partners in the Manila Pact.

Yesterday I talked to Sir Percy Spender and told him that the Department of State and the Department of Defense could not agree to such four-power military talks. I stressed that we attach greatest importance to ANZUS and that there were provisions for tripartite military and political conversations within the ANZUS framework, but that the question of four-power talks was another matter. Sir Percy said this was consistent with the position we had taken but there would be disappointment on the part of his Government. He specifically asked me if this position opposing four-power military talks was concurred in by you and the top people in Defense, and I replied in the affirmative. I think the Australians understand and will accept our position, but Sir Percy may discuss this with you, and I wished you to know that I had said you concurred in the position which I outlined to him yesterday.

DMacA

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<sup>2</sup>In his memorandum of the conversation held with Spender on March 31, Merchant stated that "Sir Percy mentioned to me that from the Menzies visit with Admiral Radford, he gathers that it was now agreed that there would be intimate military planning among the ANZUS members and the U.K. His thought (which he implied Admiral Radford either suggested or approved) would be to do this under cover of ANZUS meetings with the British representative coming up the private elevator." (*Ibid.*, FE Files: Lot 56 D 679, MC-Australians) No memorandum of Prime Minister Menzies' conversation with Admiral Radford during the March visit was been found in Department of State files.

47. **Memorandum From the Deputy Assistant Secretary of State for Far Eastern Economic Affairs (Baldwin) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald)**<sup>1</sup>

*Washington, April 28, 1955.*

SUBJECT

Simla Conference

At a meeting this morning in the Deputy Under Secretary's Office, the Under Secretary stated that most of the persons present at yesterday's OCB meeting were greatly concerned about developments in connection with India's invitation to the Simla Conference.<sup>2</sup> They were, he said, particularly concerned about a recent telegram from Karachi<sup>3</sup> reporting comments by a Pakistan official concerning a meeting of Asians to discuss the Simla Conference which was held in Bandung during the Afro-Asian Conference.

At that meeting D.K. Nehru, a member of the Indian Delegation, described the Indian Government's version of what should be discussed at Simla including "multilateral instead of bilateral distribution of U.S. aid." The Under Secretary added that some very strongly critical remarks about Stassen's approach to the Indians during his visit to New Delhi were made at the OCB meeting. The majority sentiment expressed at this meeting, he said, caused him to feel that consideration of postponement of the Simla meeting would be desirable. He referred to a feeling in the OCB that the discussions that might take place at the Simla Conference would produce resentment and increase opposition to the Mutual Security legislation in Congress.

The Deputy Under Secretary generally concurred in the Under Secretary's remarks.

Fritz Nolting said that he was unable to agree completely. He had carefully read the record of Stassen's conversations in New Delhi<sup>4</sup> and, while admitting the possibility of some misinterpretation

<sup>1</sup>Source: Department of State, FE Files: Lot 56 D 679, Simla Conference. Confidential.

<sup>2</sup>The "Preliminary Notes re OCB Meeting", dated April 28 and drafted by Max Bishop, contain no mention of discussion of this topic at the April 27 OCB meeting. (*Ibid.*, OCB Files: Lot 62 D 430, Preliminary Notes)

<sup>3</sup>Telegram 1592 from Karachi, April 26, not printed. (*Ibid.*, Central Files, 890.00/4-2655)

<sup>4</sup>See footnote 2, Document 38.

of the language used, he did not believe that Stassen's remarks ran counter to the policy with respect to regional economic cooperation and the Colombo Plan as expressed in NSC 5506. He admitted that the United States should not support a conference at which Asian nations attempted to tell the U.S. how to distribute aid, but believed that could be avoided by an appropriate telegram to New Delhi and to our missions in the other countries concerned. He warned against any action by the U.S., possibly resulting from resentment against Nehru, which would be regarded in Asia as a deliberate affront to India, and expressed the opinion that our basic objective should be to endeavor by means of aid and otherwise to enable India to remain non-Communist regardless of Nehru's policies and public utterances.

Jack Jernegan spoke more briefly but along the general lines of Nolting's remarks.

Before the Under Secretary returned to his office, he expressed the opinion that the \$200 million President's Fund for Asian Economic Development would have hard sledding in Congress. He repeated a statement which he had made at a previous meeting that it would probably be necessary to present this fund as a part of the Defense program in order to avoid Congressional opposition.

After the Under Secretary had left the meeting, the discussion of the Simla Conference continued. By that time, however, the focus of the conference had shifted away from the immediate problem to the question of the U.S. aid policy with respect to India. That conversation produced no conclusive results.

Before the meeting broke up, I suggested that with respect to the Simla Conference we send a positive and direct telegram instructing our Embassy in New Delhi to make it clear to the Indians that there was still misunderstanding regarding the purposes of the Simla Conference; that the United States would inform the invited countries that it welcomed the idea of a conference which would devote itself solely to means of strengthening the Colombo Plan, including the establishment of a secretariat, but expressing opposition to broader terms of reference which would include matters concerning U.S. aid which were exclusively matters to be decided by the U.S. Government. Copies of this telegram would be sent to our missions in other invited countries which would make appropriate approaches to governments of those countries and, if possible, suggest that their acceptance of the Indian invitation make it clear that the terms of reference did not include items objectionable to the United States.

The meeting adjourned without a decision being made with respect to further action.

48. **Minutes of a Cabinet Meeting, White House, Washington, April 29, 1955, 10 a.m.-12:15 p.m.**<sup>1</sup>

[Here follows discussion of unrelated subjects.]

*Report on the Bandung Conference*—The Secretary of State said that at the beginning we assumed that the conference was going to be dominated by Chou. Actually, it turned out that the conference was dominated by a group of friendly Asian nations who believed in association with the West. Sec. Dulles said that the final communiqué of the conference,<sup>2</sup> except for the mention of the Palestine question, was a document which we ourselves could subscribe to. Even its references to colonialism were in accord with what we feel in our hearts (though we are unable to say them publicly). The Secretary listed about eight points of the communiqué which were consistent with our own foreign policy.

The Secretary felt that the conference was a very severe reverse for Mr. Nehru and meant a great loss of prestige for him. He attributed this to the fact that Nehru could not adapt himself to the pressures which developed at the conference, while Chou very astutely did adapt himself to those pressures. Chou thus achieved a certain personal success.

Secretary Dulles considered it quite significant that Chou made no attempt to defend the USSR at the conference—even though the Soviet Union came under intense criticism on “colonialism” charges. The Secretary felt that the conference came out well for us because of the great amount of pressure which was put on Chou to refrain from acts of violence. We had feared that there was a good possibility that Chou would come away from that conference having “sold” the Asian nations on the line that the United States, rather than China, was the aggressor in the Far East, and thus gain a green light to go ahead and start violence in the Formosa area. Just the opposite occurred.

Our position now is that we will be willing to discuss a cease-fire in the area with the Chinese Communists but will not discuss any matters of substance with them without the participation of the Chinese Nationalists. The Secretary said that our way was clear to do this because in the Security Treaty which the Nationalists signed

<sup>1</sup>Source: Eisenhower Library, Whitman File, Cabinet Meetings. Secret. Drafted by Bradley H. Patterson, Jr., Assistant to the Secretary to the Cabinet. Among the 32 people present were the President, the Vice President, and Secretaries Dulles, Wilson, and Humphrey.

<sup>2</sup>Dated April 24. For text, see Royal Institute of International Affairs, *Documents on International Affairs, 1955* (London, Oxford University Press, 1958), p. 429.



with us last December, they are bound not to use offensive force—(1) except in self-defense, and (2) unless we agree to the attack. This means that the Chinese Nationalists have, in fact, already agreed to their part of a cease-fire and if the Chinese Communists agree likewise, we will *have* a cease-fire. All this might not have happened if the Bandung Conference had taken the trend we feared. This is a good development but we don't boast about it.

Sec. Dulles pointed out that the friendly Asian countries put on an amazing performance at Bandung with a teamwork and coordination of strategy which was highly gratifying—even though none of them enjoyed the personal prestige of Chou. As a result, these nations have a new sense of self-reliance and self-confidence which will serve us all well in the future.

[Here follows discussion of unrelated subjects.]

Bradley H. Patterson, Jr.

#### 48. Circular Telegram From the Department of State to Certain Diplomatic Missions<sup>1</sup>

*Washington, May 3, 1955—8:45 p.m.*

639. Ref New Delhi 1605,<sup>2</sup> 1607.<sup>3</sup> This is a joint State-FOA cable. US welcomes GOI initiative for Simla meeting and suggests addressees encourage attendance, as US particularly wishes to see development economic cooperation between Japan and India and other countries of free Asia.

US favors setting up a small permanent secretariat for the Colombo Plan Consultative Committee to provide continuity, to prepare for annual meetings of the ministers, and to have attached to it appropriate technical consultants. We see no objection to exploration by the Colombo Consultative Group of some form of liaison between Colombo and the OEEC.

<sup>1</sup>Source: Department of State, Central Files, 890.00/5-355. Confidential. Drafted by Stassen and revised in the Bureau of Economic Affairs and by Hoover; cleared by Murphy, Hoover, and Stassen; and approved by Nolting. Also sent priority to New Delhi and to Bangkok, Karachi, Rangoon, Tokyo, Colombo, Manila, Saigon, Djakarta, Phnom Penh, and Vientiane. Some of the revisions are indicated in footnotes below.

<sup>2</sup>In telegram 1605, dated April 23, the Embassy forwarded to the Department the verbatim text of the proposed Indian agenda, dated April 21, for the Simla Conference. (*Ibid.*, 890.00/4-2355)

<sup>3</sup>See footnote 4, Document 45.

US, however, does intend to continue US aid on a bilateral basis and would not favor multilateral recommendations or negotiations regarding US aid to countries of Asia. This bilateral handling of aid was made clear to Government of India in Stassen group discussions in Delhi and believe Government of India understands this and agrees with it. It would, therefore, be most desirable that Items 1 and 2 of proposed agenda should not be included<sup>4</sup> and if Items 3 and 4<sup>5</sup> were recognized to be primarily problems for Asian countries to arrange between themselves within their own resources and not to involve US aid.<sup>6</sup>

It is also important for all participants in Simla Conference to realize that US aid program for Fiscal Year 1956 cannot be implemented unless and until US Congress passes the necessary authorizing and appropriating legislation.

Assume no resolutions or communiqué will be adopted Simla meeting which would have implications critical of US or would otherwise adversely affect US Congressional reaction.<sup>7</sup>

In conclusion, significant economic cooperation of Japan and India with other Asian and Western countries may develop from the beginnings of the Simla meeting and from the Colombo expansion at Ottawa in 1954. This is US objective and these preliminary stages must be handled with care toward this end.

Dulles

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<sup>4</sup>Agenda item 1, according to telegram 1605, was discussion of the pattern of utilization of U.S. aid in terms of possible greater regional emphasis. Item 2 called for discussion of practical problems which had arisen in the utilization of U.S. aid.

<sup>5</sup>Agenda item 3 was discussion of the utilization of the \$200 million which had been mentioned for allocation for development projects which would have the effect of promoting intraregional trade. This is an apparent reference to the proposed President's Fund for Asian Economic Development. In agenda item 4, talks were proposed on setting up machinery to provide credit to enable Asian countries to tide over short-term balance of payment difficulties.

<sup>6</sup>In Stassen's original draft, this sentence did not end with "aid" but continued as follows: "unless it be comparatively small portion of the \$200 million President's Asian fund."

<sup>7</sup>In Stassen's draft, the following paragraph appeared at this point: "US considers it would be desirable at rather early date for Simla Conference to be expanded to include all other Colombo members, UK, Canada, Australia, New Zealand, and US, and become a preparatory session for the Colombo Consultative Ministers Group now scheduled to meet in Singapore in late 1955. Government would undoubtedly wish to consult UK prior to such broadening of the Simla session."

50. **Memorandum of a Conversation Between the Counselor of the Turkish Embassy (Savut) and the Secretary of State, Department of State, Washington, May 4, 1956<sup>1</sup>**

SUBJECT

Asian-African Conference<sup>2</sup>

The Secretary began by asking Mr. Savut to tell Ambassador Erkin he was sorry to learn of his transfer to Madrid after seven years of service in Washington. Mrs. Dulles would also regret this news, as she had become very fond of Mrs. Erkin. Mr. Savut hoped the Secretary would understand why his Ambassador had asked to be excused from keeping today's appointment: he was somewhat upset at instructions just received from Ankara necessitating his almost immediate departure from Washington, whereas he had hoped to remain for at least two months longer.

It was in connection with the Asian-African Conference, the Secretary explained, that he had asked the Ambassador to call. The Secretary said he had followed the developments in Bandung very closely and with the deepest interest. He wanted to express to Mr. Savut, and through him to the Turkish Government, his admiration for the splendid way in which the Turkish delegation, as representatives of the only NATO country present, had upheld the NATO ideals of collective security. According to our reports, the Secretary remarked, the Turkish delegates had exerted a most important and probably a determining influence on the content of the final communiqué, with its references to United Nations principles and communist-style colonialism.

As for the Secretary's personal views, he thought events would bear out his belief that the conference had played a decisive role at a most critical period in world events. It was very much in the balance as to which direction things might go in Bandung. The conference could take a course which would encourage the Chinese Communists in pursuing their aggressive policies by force; on the other hand, it could show them that, in using force, they would not have the weight of the other Asian countries behind them. It was because of the uncertainty at the time that Assistant Secretary Robertson and Admiral Radford had gone to Formosa, to observe any moves which the Chinese Communists might have decided to take. Fortunately, he

<sup>1</sup>Source: Department of State, Central Files, 670.901/5-455. Official Use Only. Drafted by William O. Baxter on May 5.

<sup>2</sup>In a briefing memorandum to the Secretary, May 3, George V. Allen wrote in part:

"The Turkish Government is to be commended on its performance at the Bandung Conference. It sent an excellent small delegation headed by Deputy Prime Minister and NATO Permanent Representative Zorlu." (*Ibid.*, 670.901/5-355)

believed, the outcome at Bandung had been such as to have a deterrent effect on Chou En-lai, who found he could not count on the unquestioning support of all his Asian neighbors.

In conclusion, the Secretary reiterated his high appraisal of the Turkish contribution in enunciating forcefully and impressing upon other members of the conference the views of the free world.<sup>3</sup>

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<sup>3</sup>In the course of conversations held with R.S.S. Gunewardene, Ceylonese Ambassador (on May 4), and Hashim Khalil, Iraqi Chargé (on May 5), the Secretary informed each of U.S. approval of the course taken by his government at the Afro-Asian Conference. (Memoranda of conversation by Charles D. Withers, Officer in Charge of India-Nepal-Ceylon Affairs, May 4, and A. David Fritzlan, Officer in Charge of Arabian Peninsula-Iraq Affairs, May 5; both in Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199)

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**51. Memorandum of a Conversation Between the Lebanese Ambassador (Malik) and the Secretary of State, Department of State, Washington, May 5, 1955<sup>1</sup>**

**SUBJECT**

Report on Bandung; Situation in Syria

The Secretary opened the conversation by inviting Ambassador Malik's observations on the Bandung conference. The Ambassador described a one and a half hour's private talk with Chou En-lai which he said followed about twenty hours' debate with Chou in various committees. Dr. Malik inquired of Chou whether he had any messages which he wished transmitted to Washington. Chou had no specific message, but stated that Malik had his permission to report the substance of their interchange in detail and with "impartiality." The Ambassador handed the Secretary a long written memorandum.<sup>2</sup>

The Ambassador felt that it was important for friends of the United States who attended the conference to have extensive informal discussions with Department officers. He also mentioned the possibility of interviews with key members of Congress and reported that he had stopped in Canberra on his way home for meetings with the Australian Government.

With respect to the substance of the conference, Ambassador Malik stated that the most important result was the strengthening of

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<sup>1</sup>Source: Department of State, Central Files, 670.901/5-555. Secret. Drafted by Hart on May 10.

<sup>2</sup>Not found in Department of State files.

Communist China; it won friends and good will. In fact, the conference appeared staged for this purpose. Three things are now clear: (1) it will be difficult for the US now not to negotiate with Communist China; (2) it will be difficult for the US to counter the good will generated towards Communist China; (3) it will be difficult for the US to keep Communist China out of the UN.

Dr. Malik asserted that the US press was dead wrong in concluding that Nehru's stature was diminished substantially. Nehru retains power because of India's position in the area, his personal relationship to Communist China, and India's membership in the Commonwealth. The American press was equally wrong in claiming Western gains from the conference. The results could have been worse, but the emergence of Communist China was a distinct defeat for the West.

Although Sir John Kotelawala's speech<sup>3</sup> was a bombshell, more important is the fact that his attitude had changed completely by the following day when he seemed "washed out." For the rest of the conference, he hardly opened his mouth. In the Ambassador's opinion "someone sat on him." Sir John refused to support pro-Western resolutions prepared by Dr. Malik and others. Mohammed Ali also began to change his position and became silent by Friday of the conference. Except for his opening and closing speeches, Romulo was generally silent and took no part in drafting texts. The real struggle at the conference lay not in speeches delivered but in the committee work, and here it became clear that there was a general reluctance to attack international Communism and expose its character.

A bloc of five Middle Eastern states—Turkey, Iran, Iraq, Pakistan and Lebanon—was formed at the beginning. The Saudis took no active part while Egypt and Syria leaned toward "at least the neutralist if not the Communist orbit." Apart from these two states, the Middle East Moslem world was on the side of the West. This illustrates that Islam, when face to face with the rest of Asia is likely to feel with the West; while when shut up with the West alone, it is restless.

If an historian were to evaluate the conference one hundred years hence, he would say that four issues lay behind all the speeches:

<sup>3</sup>In his speech before the Political Committee of the conference on April 21, Prime Minister Kotelawala stated that it was the duty of Asian and African states openly to declare their opposition to Soviet colonialism as well as to Western imperialism. Speaking of Eastern European nations, he asked: "Are not these colonies as much as [are] any of the colonial territories in Africa and Asia?" For an extract from the speech, see Royal Institute of International Affairs, *Documents on International Affairs, 1955* (London, Oxford University Press, 1958), p. 412.

1. *The UN*—Would the Asian-African countries form an exclusive club outside of the UN? At Bandung, the answer was in the negative, and the battle in favor of their working through the UN was won.

2. *Racialism*—Would the "colored" races form an exclusive group directed against the West? There was no clear decision on this point.

3. *International Communism*—To what extent has it invaded the Asian-African mind? Malik was sorry to report that despite the fight waged by anti-Communists, the general tone of the conference indicated that the "day is far spent" in softening and undermining the minds of Asia and Africa for Communism. There was a general lack of nerve and it was impossible to get the phrase "International Communism" into the text of the communiqué.

4. *Relations with the West*—On this issue the conference did more harm than good, although it could have been worse. Fortunately, the question of another conference was left undecided. In Malik's view, no such meeting should be held for at least five years.

The Secretary replied that Malik's appraisal of the conference was different from his own in certain respects. The Secretary felt that although the Chinese Communists had made gains in disarming people, this had been done only at the price of abandoning some of their more belligerent policies. As he had indicated to the Ambassador before the conference, the decision of war or peace may have hung in the balance. Had Chou felt that he had some tacit backing for an attack on Formosa, war of considerable dimensions might have resulted. The fact that the Chinese Communists encountered sentiments which forced them to make their peace proposals was a considerable gain for the moment. Dr. Malik personally had made a real contribution to peace. Dr. Malik interjected that he doubted that the Chinese Communists had come with the intention of obtaining endorsement by the conference of a policy of attack on Formosa. They would have known there was no chance for such a result, nor even of the conference declaring the US an aggressor in the Taiwan area. The Secretary resumed that he felt a relaxation of tensions in the area is apparent and that this is not an inconsiderable result. The Secretary added that he recognized the long-term implications brought out by the Ambassador; but as regards Chou's peace talk he took comfort in the saying that "hyprocrisy is a tribute vice pays to virtue."

The Secretary expressed his gratitude for Ambassador Malik's report and said that he was very anxious for key Departmental officers to interview Malik on the Bandung Conference. He himself was leaving the next day with some of his principal advisers, but others would remain. Had his own Tuesday statement<sup>4</sup> on Chou's offer

<sup>4</sup>April 26; for text, see Department of State *Bulletin*, May 9, 1955, p. 755.

reached Bandung before Malik left? Malik replied in the negative. He related that when Chou commented that the State Department's Saturday "conditional" response<sup>5</sup> to his negotiation offer seemed to constitute a rejection, Malik had cautioned Chou not to accept any response as definitive until it came from the Secretary or the President.

Ambassador Malik then commented briefly on the situation in Syria which he described as "the worst in the world." He felt that the Communists had succeeded in forming a common front with the left-wing parties which they in fact controlled; were persecuting the friends of the West; and might seize control of the Government.<sup>6</sup>

<sup>5</sup>April 23; for text, see *ibid.*, May 2, 1955, p. 727. This statement and that cited in footnote 4 above dealt with the question of the possibility of direct talks on the Taiwan Straits question.

<sup>6</sup>Ambassador Malik discussed the Afro-Asian Conference again in a conversation with Murphy, Allen, and other officials on May 10: "On balance, taking all factors into account, he wished to stress that the conference had been a setback for the West despite all the favorable results that could be mentioned, because of the content of the communiqué and the favorable manner in which Chou En-lai was accepted by the conference as a whole." (Memorandum of conversation by Francis Allen; Department of State, Central Files, 670.901/5-1055)

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## 52. Telegram From the Office of the Permanent Representative to the North Atlantic Council to the Department of State<sup>1</sup>

*Paris, May 11, 1955—8 p.m.*

Polto 2279. From USDel.<sup>2</sup> Following summarizes Secretary's statement on Far East upon resumption Plenary Working Session of Council this morning:

Secretary said he was happy that NATO had decided consider Far East questions. It is right Council should do so because of intrinsic importance these questions and their effect on European areas. Communists still adhere to principle originally laid down by Stalin and since reiterated many times that road to victory in West lies through revolution in Asia. In many ways Communist challenge in Far East much more dangerous than in West, with Chinese Communists adopting more belligerent attitude than Russian Communists. After October Revolution in Russia, period of calm and consolidation

<sup>1</sup>Source: Department of State, Central Files, 790.5/5-1155. Secret; Priority. Repeated to the capitals of all other NATO members.

<sup>2</sup>Reference is to the U.S. Delegation to the Ministerial Session of the North Atlantic Council, May 9-11.

prevailed. Since then, Soviet moves while formidable, have not involved open use of force, with exceptions Finland and Poland. Chinese Revolution more intense and prolonged than Soviet October Revolution. Secretary then traced course of Chinese Communists belligerent action beginning with conquest of mainland, this followed by their efforts in North Korea to prevent unification, North Korean aggression and open Chinese intervention, culminating in forcing back United Nations forces charged with responsibility of resisting aggression. This followed by conquest of Tibet and intervention in Indo-China through Viet-Nam, culminating in victory in Dien Bien Phu. After Indo-China armistice, Communists stepped up their activities in Formosa Straits by bombardment, occupation off-shore islands, and belligerent propaganda. Emphasized first fact which characterizes Chinese behavior and differentiates it to degree from Soviet behavior is greater belligerent attitude of Chinese Communist regime.

Second important factor is size of Chinese population mass with cultural influence it has throughout Far East. This contrast with Russian barbarianism which has historically been rejected by Western Europe.

Thirdly, Chinese populations throughout Far Eastern countries represent Chinese Communist asset for boring from within which has no exact parallel in Europe, although Communist parties in Western Europe perform somewhat similar function.

Finally, free countries in Far East lack unity which Europe is striving to achieve. Political, economic, cultural, and religious differences tend to create disunity. Free Asian countries constitute thin, straggling line along periphery, incapable of achieving effective solidarity.

Secretary continued that under circumstances one might wonder whether area defensible at all or should not better be abandoned. This is thesis we cannot accept. Stakes are too high. All these countries have great potential value. Japan, for example, has immense industrial power comparable to that of Ruhr in Europe. If industrial capacity Japan united with Chinese and Soviet manpower on continent, combination would be formidable indeed. We all saw immensity of threat which Japan alone constituted in last war and can readily realize greater threat she would pose if her capabilities thus augmented. Moreover such countries as Indonesia and Malaya are vital from viewpoint raw materials. They are also of immense strategic importance from point of view control of channels of communications. Philippines represents symbol of what West can do in bringing dependent peoples towards self-government and independence. Australia and New Zealand of great political and strategic importance to West. We cannot afford to abandon these positions. Fortunately, most of them are island and peninsula positions where United States



can maintain superiority of power of kind on which it is best able to concentrate. In providing this power, United States feels that it is responding to wishes of people of area themselves who wish to preserve their independence. Apparent that odds are formidable and stakes high, but prospects for success are not negligible.

United States purposes in Asia no different from what they are in Europe. United States believes in: (1) standing firm in face threatened aggression; (2) collective security and (3) eschewing aggression for itself and conducting its policies in such way as minimize possibility war.

Secretary then proceeded outline obstacles to collective security in Asia: (1) differences among countries as previously outlined; (2) other Western countries with capacity and resources to make contribution to collective defense do not have same Pacific Ocean stakes as United States. Therefore United States until recently forced rely mainly on bilateral arrangements with R.O.K.,<sup>3</sup> Japan,<sup>4</sup> Nationalist China,<sup>5</sup> Philippines,<sup>6</sup> and in ANZUS. Also United States special position in Okinawa. Recently, however, as first multilateral pact in area eight powers signed with United Kingdom and France, as well as United States, participation for defense Southeast Asia. [*sic*] This is beginning of collective security in area, but would be wrong assume that fact of pact represents any consolidation of strength and resources comparable to what has been built up in NATO.

Two principal danger points exist today, Formosa and Viet-Nam. In Formosa, United States has concluded treaty of mutual assistance for two essential reasons: (1) Republic of China is staunch ally which in last war fought against our enemies before we did. We feel that loyalty to an ally is not demerit, even though that ally may have fallen on hard times. Recalled this happened once before when Chinese Nationalists moved capital to Chungking. (2) Formosa occupies vital position in chain of offshore islands and peninsula positions which extend from Aleutians to Australia and New Zealand. Loss of Formosa would almost certainly result in loss of other essential links in chain, not only because of strategic consideration involved but also because psychological effect on peoples of area would be such that they would be tempted to make their accommodations in face formidable forces.

<sup>3</sup>For text of the Mutual Defense Treaty between the United States and the Republic of Korea, signed at Washington on October 1, 1953, see 5 UST (pt. 3) 2368.

<sup>4</sup>For text of the Security Treaty between the United States and Japan, signed at San Francisco on September 8, 1951, see 3 UST (pt. 3) 3329.

<sup>5</sup>For text of the Mutual Defense Treaty and accompanying notes between the United States and the Republic of China, signed at Washington on December 2, 1954, see 6 UST 433.

<sup>6</sup>Text of the Mutual Defense Treaty between the United States and the Philippines, signed at Washington on August 30, 1951, is printed in 3 UST (pt. 3) 3947.

Treaty with Nationalist China limited to defense of Formosa and Pescadores. These islands had not been Chinese since 1895 and before that time were held only tenuously. They were detached from Japan at end of last war because United States had will and power to do so. United States felt bound by obligations incurred Cairo Conference,<sup>7</sup> so, under Japanese armistice<sup>8</sup> terms turned over Formosa to Republic of China.

Secretary recognized legal formalities remained.

Adjacent to mainland are islands which have been held by Republic of China for long time except for temporary Japanese occupation. Two of them—Quemoy and Matsu—recently attracting much attention. United States not legally or morally committed to defense of these islands and there is no question of United States acting in their defense except under circumstances in which Chinese Communists attack them in combination with attack against Formosa. In these circumstances United States would not sit idly by and permit islands be taken. Chinese Communists have never made any distinction between their claims to these islands and to Formosa and Pescadores. Their emphasis has always been on taking entire position. Various Western nations have, with good intentions, tried to find out in Peking whether Chinese Communists would be willing renounce use of force against Formosa and Pescadores if offshore islands were abandoned to them. These proposals have been rejected by Peking and are of doubtful acceptability by Chinese Nationalists.

Situation in this area may have been temporarily improved as result Bandung Conference; there had been some concern in United States as to whether conference might approve use of force by Chinese Communists to assimilate these areas. Fact that conference did not do so was one of its greatest achievements and may help check series of aggressive Chinese Communist moves. Possible that situation may result in stalemate in which each side maintains its claims, but in which neither side tries to achieve them by violence. United States earnestly hopes this will be case. In reply Chinese Communist suggestion that negotiations be undertaken, United States has responded favorably. For moment atmosphere less threatening, but

<sup>7</sup>For text of the communiqué of the Cairo Conference, released to the press in Washington on December 1, 1943, see Department of State *Bulletin*, December 4, 1943, p. 409. For documentation on the conference, see *Foreign Relations*, The Conferences at Cairo and Tehran, 1943.

<sup>8</sup>In the Instrument of Surrender, signed aboard the USS *Missouri* in Tokyo Bay on September 2, 1945, Japan accepted the terms of the Proclamation by the Heads of Government of the United States, China, and the United Kingdom (issued at Berlin (Potsdam) on July 26, 1945), calling on it to renounce territories which included Taiwan. For the Instrument, see Department of State *Bulletin*, September 9, 1945, p. 364. Text of the Proclamation is printed in *Foreign Relations*, The Conference of Berlin (The Potsdam Conference), 1945, vol. II, pp. 1474-1476.

Chinese Communists air buildup in hinterland, particularly in Fukien area with emphasis on airfield construction and POL storage, is particularly worrying. This buildup obviously designed for operations against Formosa itself with immediate purpose of establishing air control over Formosa area. United States under pressure from Chinese Nationalists to use their air power, but thus far resisted this pressure in effort not to start chain of mounting attack and counter-attack. In adopting this policy, United States accepting risks since balance of local air power is shifting. However, United States prepared take risks as contribution to cause of peace and hope in retrospection, that this policy will not represent cause of war.

Secretary went on to express awareness of concern in Europe regarding United States policy toward Asia. He assured ministers they could be confident United States does not have double personality, pursuing one policy in Europe and different one in Asia. It is true United States is Pacific power to much greater degree than any other member of NATO. United States population center moving toward Pacific. Chief Justice, Vice President, and Republican leader of Senate are all Californians. Europeans cannot expect us to have an Atlantic policy but no Pacific policy under these circumstances. Both are of equal importance but despite fact we face in both directions, we do not have dual personality. Europeans know what United States hopes to achieve and stands for in Europe. We do not want war. Present administration inherited Korean war and its first action was to terminate it. United States has had its war in Asia and stopped it; this was not easy. We want peace in Pacific as we want it in Atlantic. But we know that we shall achieve this only through same tactics of strength and determination. United States will refrain from provocative action in Asia as it has in Europe. If ministers are confident of United States policy in Europe, they can have equal confidence in United States policies in Asia. United States would be glad to have any European country share its responsibilities in Pacific, by contributing manpower, prestige, etc. Perhaps greater share of responsibility would result in greater understanding of complexities, much more knowledge and wisdom is required than that which derives from study of map which fails disclose fears, ambitions, etc. of peoples concerned. Study of map might show Scandinavia indefensible, but we all know overriding considerations which make it necessary to defend this area. Those who think problem can be solved by putting more water between Chinese Communists and ourselves do not understand complexities of problem. If thesis that 100 miles of water would be better than five miles, then 5,000 miles would be better than 100 miles. Logic of this is that United States would revert to isolationism and Secretary did not think any ministers present wanted this to come about. Task of maintaining morale of peoples and forces of these

areas one of most formidable we have. We approach everything we do in Asia with same effort to implement our policies intelligently and loyally as we do in case of Europe. In doing so, we hope to be able to check Communism in East as in West.

Perkins

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### 53. Editorial Note

At the National Security Council meeting on May 19, procedures for developing a United States position on a four-power heads of government meeting were discussed. NSC Action No. 1406, taken at the meeting, directed the Planning Board to prepare recommendations on the question. In this action, the NSC also instructed the Board to determine the United States position on "Far Eastern issues which might be raised, including the basis for US opposition to a Five-Power [including the People's Republic of China] meeting."

On July 7, the NSC discussed the matter again and, in NSC Action No. 1420, made recommendations which were embodied in NSC 5524/1, "Basic U.S. Policy in Relation to Four-Power Negotiations", dated July 11 and approved by the President that day. (Memoranda of discussion by S. Everett Gleason, May 20 and July 8 are in the Eisenhower Library, Whitman File, NSC Records. NSC Actions No. 1406 and 1420 are in Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council. NSC 5524/1 is *ibid.*, S/S-NSC Files: Lot 63 D 351, NSC 5524 Series)

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### 54. Memorandum of a Conversation, Department of State, Washington, May 24, 1955<sup>1</sup>

#### SUBJECT

The Bandung Conference

#### PARTICIPANTS

The Secretary

General Carlos P. Romulo

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<sup>1</sup>Source: Department of State, Central Files, 670.901/5-2455. Confidential. Drafted by Young. The source text bears the notation "OK for dist" in an unidentified hand.

Mr. Niles Bond, UNP

Mr. Kenneth T. Young, Jr., PSA

General Romulo was asked to come in to see the Secretary about the Bandung Conference today. The Secretary congratulated the General on his fine work at Bandung and expressed gratification over the final communiqué. In spite of one or two things in it that were not altogether favorable, the Secretary said that the communiqué contained all of the things the United States and the Philippines stood for.

Romulo, in turn, congratulated the Secretary for his successful efforts in Paris and Vienna.<sup>2</sup> Romulo told the Secretary that his radio and television broadcast last week<sup>3</sup> had been a wonderful and inspiring thing for Asia. As a result of the Bandung Conference, the agreements in Paris, and developments in Vienna, Romulo thought things were shaping up well.

He particularly praised the Secretary's policy on Viet-Nam. The Secretary replied that there were very great difficulties with the French who do not realize that the only salvation for Viet-Nam is to support, completely and genuinely, a really independent government there. The Secretary was glad to note Philippine interest in Viet-Nam.

As for Bandung, Romulo made the following points:

1. Unlike many others, he did not believe Bandung represented a great personal victory for Chou En-lai. While acknowledging Chou's vaunted cleverness and charm, Romulo expressed his very strong personal conviction that Chou had made so many promises to everybody that he was not only disbelieved but ridiculed. Romulo said that every morning at breakfast various delegations compared notes on what promises Chou En-lai had made the previous evenings. He cited this to illustrate his point that Chou En-lai did not win over many delegates.

2. The anti-neutralist delegations worked together closely and with great effect. The Turkish delegate was particularly able. Romulo hoped the United States would take into account the successful efforts of these delegates.

3. Romulo was greatly disturbed over Chou's effect on Prince Wan. Romulo claimed Wan had been completely "beguiled". He said that in the political committee Prince Wan would not even subscribe to the condemnation of colonialism and that even when Romulo put the question directly to Prince Wan, the latter made an ambiguous reply. Romulo said that Prince Wan took an increasingly soft attitude toward Chinese Communism and apparently believed all their promises to him.

<sup>2</sup>Secretary Dulles visited Vienna for the signature of the Austrian State Treaty on May 15. For documentation on conclusion of this treaty, see vol. v, pp. 1 ff.

<sup>3</sup>"An Historic Week," broadcast from the White House on May 17. For text, see Department of State *Bulletin*, May 30, 1955, p. 871.

4. Nehru did not like the conference and was disappointed in its results. Romulo was sure Nehru had promised Chou En-lai that the conference would have favorable results from their mutual point of view. However, it did just the opposite. Romulo said Nehru's principal preoccupation was to pave the way for Chou En-lai with all the delegations at Bandung, and do everything he could to create a favorable impression for the Chinese Communists. As for U Nu, Romulo felt that he was completely dominated by Nehru.

5. The Department's first statement<sup>4</sup> on Chou En-lai's offer to negotiate was very badly received in Bandung, particularly by friends of the United States. According to Romulo, several delegates came to him in consternation over what they felt was a slamming of the door which put them in a very bad position vis-à-vis Chou En-lai after their strong attacks on Communism.

<sup>4</sup>See footnote 5, Document 51.

## 55. Telegram From the Embassy in India to the Department of State<sup>1</sup>

*New Delhi, May 24, 1955—7 p.m.*

1833. Evaluation of Simla Conference.<sup>2</sup> Embassy and TCM representatives have now been able interview Indian, Japanese, Indonesian, Philippine and Nepalese Delegates who attended Simla Conference.

### A. Our joint conclusions are:

1. In view lack clear indication from United States side that President's fund was intended preferentially for regional purposes, all delegations with sole exception of Japanese expressed desire give priority now in use foreign aid to national rather than regional development (i.e., existing pattern).

2. There was absolutely no opposition to regional projects as such, but some fear on part smaller nations that Japan and India might use regional approach build up their own prestige and economic position at expense smaller countries.

3. Similarly no delegation opposed in principle to small secretariat for CPCC, but delegations were not convinced that value of secretariat would justify cost. They also failed see need or value of central corps of technicians. All but Japan and India feared this as step toward dominance of region by Japan and India.

<sup>1</sup>Source: Department of State, Central Files, 890.00/5-2455. Official Use Only. Repeated to Tokyo, Manila, Saigon, Vientiane, Phnom Penh, Bangkok, Rangoon, Colombo, Djakarta, Singapore, Karachi, and Kuala Lumpur.

<sup>2</sup>The conference was held May 9-19.

4. All delegations without exception felt conference was most useful as both instrument mutual self-education and in preparation for Singapore Conference,<sup>3</sup> which will now have before it really basic problem of exploring relationships between regional and national development problems. We too agree conference of great value this regard.

5. Japan's presence and outright advocacy of program to develop intra-regional trade and to emphasize multi-national projects such as regional training centers appears to have raised apprehension in certain quarters (Indonesia for instance) that Japan might be attempting reestablish its pre-war economic predominant position under a new guise.

B. On basis of above, Embassy and TCM recommend:

1. President's fund be sympathetically considered by Congress. Assuming, and we think correctly, that the greater the feeling of interdependence among free Asian countries and the more they feel their security depends on their unity, the better they will [be] able withstand economic and political infiltration by international Communism. "[In] Unity there is strength" seems apply to free Asia as well as free Europe. If President's fund finally approved in some form by Congress, it will stimulate gradual development of sound, regionally orientated programs, which may in turn help promote the unity we desire. Now that United States Government has initiated first serious consideration of regional, as distinct from purely national development, Asian countries would be discouraged and confused if we suddenly dropped idea. We stress again that Simla indicated no objection in principle to regional programs, but great need for time to educate and persuade. President's fund should under this concept give preference to projects or programs having strong regional lines for first time, by pursuing subject in full committee at Singapore. This would appear require clarification United States Government's own ideas on regional programs which could then be discussed by American missions concerned with governments sending representatives to Singapore.

3. [*sic*] When appropriate, use be made of fact all countries at Simla indicated vigorously preference for bi-lateral handling of foreign aid to any form of multi-lateral in mixture, in order refute hostile critics who attempt charge United States attaches political strings to its economic aid.

Both Embassy and TCM/I very appreciative courteous message from Stassen to Deshmukh contained Usfoto 1772.<sup>4</sup>

Cooper

<sup>3</sup>Representatives of the members of the Consultative Committee on Economic Development in South and Southeast Asia (the Colombo Plan) met in Singapore October 17-21, 1955. The communiqué of the meeting, dated October 21, is printed in Department of State *Bulletin*, December 12, 1955, p. 994. Documentation concerning the meeting at Singapore is in Department of State, Central File 890.00.

<sup>4</sup>Not found in Department of State files.

## 56. Letter From the Secretary of State to the Secretary of Defense (Wilson)<sup>1</sup>

*Washington, May 26, 1955.*

DEAR MR. SECRETARY: Your letter of May 18, 1955,<sup>2</sup> requests the advice of the Department of State on the political effect of the proposed withdrawal of one of three United States Infantry Divisions of the Far East Command prior to the end of FY 1956, resulting in the following deployment of the remaining United States ground forces within the Far East Command:

Korea	2 Army Divisions
Japan	1 Army Regimental Combat Team
Okinawa	1 Marine Corps Division (less 1 Regimental Combat Team)
	1 Army Regimental Combat Team

The withdrawal of any further United States divisions from the Far East is in itself, and without regard to the precise place in which forces are stationed, to be regretted from the standpoint of the effective conduct of our foreign policy. I assume, however, that this decision is unavoidable.

If it is a matter of disposing two Army divisions in Korea and one Army Regimental Combat Team in Japan, or one Army division in Korea and one Army division plus one Army Regimental Combat Team in Japan, the Department of State is of the opinion that politically it would be much preferable to maintain the two divisions in Korea.<sup>3</sup> The withdrawals of our forces from Korea which have already taken place have been bitterly resisted by the Korean Government, particularly since it has not been feasible for this Government to support a military establishment on the part of the Republic of Korea of the size and character which that Government desires. As this Government recently said to the Commonwealth Governments which desire to reduce their military units in Korea, the efficacy of

<sup>1</sup>Source: Department of State, Central Files, 795B.5/5-1855. Top Secret. Drafted in NA on May 23. In a memorandum to the Secretary dated May 24, concurred in by Murphy and Hoover, Robertson recommended signature. (*Ibid.*, 795.00/5-2455)

<sup>2</sup>Not printed. (*Ibid.*, 795B.5/5-1855)

<sup>3</sup>The JCS were split on the issue. Radford was in favor of the first stated alternative, while the Service chiefs supported the second. A memorandum from the JCS to Secretary Wilson dated May 6, set forth the reasoning of both the Service chiefs and Radford. (Attachment to memorandum to Hoover from Colonel C.A. Randall, May 12; *ibid.*, 795.00/5-1255)

In the letter cited in footnote 2 above, Wilson stated he was prepared to recommend to Eisenhower that two divisions remain in Korea, but that before making this recommendation he wished advice "in regard to the effect on the political situation that such deployment would have in the Far East."



the Joint Policy Declaration of the United Nations members who fought in Korea is greatly enhanced by the continued and effective military contributions of the nations who stand behind it. Further withdrawals of United States forces from Korea would seriously weaken our efforts to persuade our Allies to maintain even token forces in that country. It could also weaken the confidence of the Koreans in United States support and thus increase the possibility of unilateral action designed to involve us in further hostilities against our will.

Conversely, it is politically desirable that we reduce our forces in Japan as rapidly as military circumstances permit. This is one of the best ways to induce the Japanese to increase their own defense effort, and it tends to reduce the friction which inevitably arises there from the continued presence of large United States forces after the termination of the Occupation.

While it appears on the whole politically desirable to reduce our ground forces in Japan to one Regimental Combat Team by the end of FY 1956, this reduction would be more rapid than was contemplated during the recent negotiations with respect to the contribution to be made for the support of United States forces in Japan. Such a reduction also has serious balance of payments implications for Japan. Accordingly, as soon as a decision with respect to the deployment of our forces is made we should like to discuss with Defense at the staff level the implications of the decision with respect to the current relations between the United States and Japan and Korea.

Sincerely yours,

John Foster Dulles<sup>4</sup>

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<sup>4</sup>Printed from a copy that bears this typed signature.

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57. **Memorandum of Discussion at the 251st Meeting of the National Security Council, Washington, June 9, 1955<sup>1</sup>**

[Here follow a paragraph listing the participants at the meeting and agenda items 1-4.]

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<sup>1</sup>Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on June 10.

5. *Deployments and Strength of US Ground Forces in the Far East* (NSC Action No. 1189)<sup>2</sup>

Mr. Anderson said he desired to report to the Council on the status of the redeployment of US divisions from the Far East. He then read from a memorandum by the Secretary of Defense<sup>3</sup> (filed in the Minutes of the meeting) on the subject. Secretary Wilson's memorandum concluded by pointing out that if present plans were adhered to there would be a total of 3-1/3 US divisions in the Far East by July 1956.

The President said that he understood that there were no plans for going below this level of US divisions in the Far East. Mr. Anderson replied that he did not know of any plans to redeploy additional divisions, and Admiral Radford confirmed that there were no plans for reduction below the level of 3-1/3 divisions.

Secretary Dulles commented that in the State Department it was believed that the more troops we can get out of Japan the better it will be for the United States. The President indicated his agreement as to the very great difficulties posed by a country having occupation troops in foreign areas.

*The National Security Council.*<sup>4</sup>

Noted and discussed the current plans for the deployment of US ground forces in the Far East during Fiscal Year 1956, as approved by the President on the recommendation of the Secretary of Defense after discussion with the Secretary of State, and as orally reported at the meeting by the Special Assistant to the President for National Security Affairs.

S. Everett Gleason

<sup>2</sup> Taken at the 208th NSC meeting on July 29, 1954. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council) An extract of the memorandum of discussion at the meeting is printed in *Foreign Relations, 1952-1954*, vol. xv, Part 2, p. 1850.

<sup>3</sup> In the memorandum Wilson stated that in fiscal year 1956 the Far East Command would be reduced by one infantry division. Thereafter there would be two Army divisions in Korea, one Army RCT in Japan, and one Marine Corps Division (less one RCT) and one Army RCT in Okinawa. Wilson stated that this deployment had the approval of the President. (Department of State, Central Files, 795B.5/6-255)

<sup>4</sup> The paragraph that follows constitutes NSC Action No. 1416. (*Ibid.*, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

58. **Memorandum of a Conversation Between the Counselor of the Australian Embassy (Blakeney) and the Deputy Director of the Office of British Commonwealth and Northern European Affairs (Horsey), Department of State, Washington, June 20, 1955<sup>1</sup>**

SUBJECT

Australian Forces in Malaya

Mr. Blakeney called at his request and said he had been asked by Canberra to give us a copy of the announcement of the Cabinet's decision of June 15 to send Australian forces to Malaya. A copy of that statement is attached<sup>2</sup> as is a supplementary memorandum<sup>3</sup> which, Mr. Blakeney says, summarizes the Australian rationale for this action. He said he had been instructed to ask for our reaction to the Australian decision to station these forces (he said they would amount to one battalion) in Malaya and on the specific use to which they would now be put, as stated in the second sentence of paragraph 5 in the second paper attached hereto. He said that his Government would like to feel they had our support. After an informal conversation on the subject I said that I would bring his request to the attention of the proper authorities and get in touch with him in due course. I asked him, incidentally, whether there had been any formal decisions or public announcements by any of the three Commonwealth members concerned as to the decision of the UK, Australia and New Zealand to station a "strategic reserve" in Malaya. He did not seem to know whether there had been such a statement.

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<sup>1</sup>Source: Department of State, Central Files, 743.5897/6-2055. Confidential. Drafted by Horsey.

<sup>2</sup>Dated June 20, not printed.

<sup>3</sup>Printed below.

**[Attachment]****Note From the Australian Embassy to the Department of State<sup>4</sup>**

*Washington, June 20, 1955.*

**AUSTRALIAN FORCES FOR MALAYA***Supplementary Information*

1. The Australian element of the strategic reserve in Malaya will be a contribution to the defence of Malaya as an important part of the Manila Treaty area. Every other member of the Treaty holds defence forces in readiness in the area.

2. We recognise the interdependence of the countries of the area and the need for mutual assistance in combatting the real threat of Communist expansion which has become increasingly concentrated on South East Asia. Our forces will cooperate in deterring aggression.

3. Although subversion rather than armed aggression is the first weapon in the Communist armory and is the most immediate danger to the area, such subversion is backed up by constant threat of armed intervention. In providing a counter to such armed threat we are assisting the countries of the area in solving their internal security problems and, in the case of Singapore and Malaya, in developing their political institutions free from external threat.

4. So far as resistance to armed aggression is concerned the closeness of Communist forces to Malaya and other parts of the Treaty area and the increased tempo of modern war make it essential for a nucleus of defence forces to be in position before any aggression occurs.

5. Plans for external defence of Malaya would be frustrated and the security of the rest of the Manila Treaty area would be seriously endangered if the internal security of the country collapsed as a result of the activities of the terrorists. For this reason Australian forces will with other Commonwealth forces assist the people of the Federation in suppressing the terrorists.

6. It will be clear to the people of Malaya and Singapore that Australia is concerned only with assisting in the defence of their national territory as a vital part of the Manila Treaty area in strict accord with the principles laid down in that Treaty and in the Pacific Charter. Australia welcomes the advances towards self-government so far made in Malaya and Singapore. Australian forces will not play any part in the internal affairs of Singapore or the Federation.

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<sup>4</sup>Confidential.

59. **Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>***Washington, July 11, 1955—6:52 p.m.*

104. For Peurifoy from Secretary. We have been considering here matter of Pathet Lao aggression<sup>2</sup> and have decided this issue should be raised with Council Representatives of Manila Pact Powers in Bangkok.

Even if no concrete action should result, knowledge by Communist bloc that Manila Powers are discussing this matter<sup>3</sup> may be of use to us in Geneva talks. Paragraph 2 of Article IV would appear be proper clause under which item would be raised.

So far as who should raise the question, I would like comments of Embassy Bangkok and Legation Laos. There might be some advantage in suggesting to Laos that they ask the Thais to introduce issue since Thailand is definitely threatened.<sup>4</sup> Basically there would have to be a statement or complaint by Government of Laos probably in addition to statement made on July 8 (Vientiane 28 repeated Bangkok unnumbered<sup>5</sup>).

Since France and UK may not be too happy about this, it may be better to have the initiative come from the Lao and be raised by the Thai.

I would like your views urgently as to how best we should proceed to have this raised.

Dulles

<sup>1</sup>Source: Department of State, Central Files, 790.5/7-1155. Secret; Priority. Also sent priority to Vientiane for Blancke. Drafted in PSA and signed by Dulles.

<sup>2</sup>See also Documents 259 ff.

<sup>3</sup>The word "matter" in Dulles' handwriting replaces the typed phrase "flagrant act of aggression".

<sup>4</sup>The following typed sentence is crossed out after "threatened": "(Thai Ambassador [Pote Sarasin] in conversation today appeared favor this method.)"

<sup>5</sup>Telegram 28, dated July 9, transmitted the text of a communiqué in which the Lao Government expressed concern over Pathet Lao activity in the province of Sam Neua. (Department of State, Central Files, 751J.00/7-955)

60. **Telegram From the Embassy in Thailand to the Department of State<sup>1</sup>**

*Bangkok, July 12, 1955—6 p.m.*

101. For Secretary from Peurifoy. I am confident Thai Government request convene SEATO Council representatives for purpose exchanging views Lao situation can be arranged. Such action would fit in very well with Thai policy of making frequent public reference possibilities subversion or aggression from nearby areas as make weight for continued substantial American assistance. In my opinion initiative by Thai rather than Lao Government would be prompter, more effectively directed, and would also tend avoid possible irritation on part Indians and ICC against Laos for appealing over their heads, as it were, to SEATO. Action now by Thailand would not necessarily foreclose subsequent statement or appeal to SEATO from Laos if feasible and desirable (Vientiane's 28, repeated Bangkok unnumbered not yet received<sup>2</sup>).

Tentatively I suggest Thai Council representatives might submit draft declaration for adoption by Council representatives expressing SEATO concern at reports of situation in Laos, referring to fact Lao territory covered by SEATO protocol, and particularly to obligations under paragraph 2, Article IV. Whether or not such statement ultimately acceptable to Council representatives, particularly France and United Kingdom, in light of facts as developed, I presume principal US objective will have been achieved: i.e., informing Communist bloc and world opinion through international press that SEATO is following developments in Laos with keen interest.

Request I be furnished intelligence data re situation in Laos for use with Council representatives. No detailed official communications yet received by Embassy confirming recent UP reports from Saigon. On basis conversation this morning US Army Attaché<sup>3</sup> from Vientiane, I have impression very little actual fighting has occurred with no evidence active Viet Minh intervention.

If you approve, I believe I can arrange have this matter discussed in Thai Cabinet meeting tomorrow morning July 13 (night July 12 Washington time) with view producing directive to raise matter with Council representatives. Press report Thai Cabinet consideration Lao problem would provide useful news item on which focus world opinion pending SEATO action.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/7-1255. Secret; Niact. Repeated niact to Vientiane.

<sup>2</sup>See footnote 5, *supra*.

<sup>3</sup>Lieutenant Colonel Donald B. Gordon.

I had hoped be able set up arrangements such manner indicate Thai initiative this matter, even to Thai Government itself. However, inasmuch as Thai SEATO Council representative just telephoned say Department informed Sarasin I would be instructed raise Lao problem in SEATO, it will be very difficult conceal United States sponsorship Thai actions.<sup>4</sup>

Peurifoy

<sup>4</sup>In telegram 119 to Bangkok, initialed by Robertson, the Department replied:

"The Secretary has seen your referenced telegram and approves course of action you propose.

"Thai Government should be sure to inform Lao Government prior to raising this issue in order have full support of latter.

"Re last paragraph reftel: During discussion with Thai Ambassador who said this matter should be raised we heartily concurred and said we were asking you for advice as to best method.

"Re intelligence reports: Request Vientiane furnish available data." (Department of State, Central Files, 790.5/7-1255)

## 61. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

*Washington, July 14, 1955—6:4[?] p.m.*

152. Bangkok 118 repeated Vientiane 25.<sup>2</sup> British Ambassador<sup>3</sup> called on instruction 14th to make following points: UK concerned that if Thais raised issue, which they had right to do, result would probably be to antagonize India, destroy Indian cooperation in ICC and prevent possibility achievement solution in Laos by ICC. Also would encourage Soviets raise Far East issues at Geneva which we both wish avoid. For those reasons UK hoped US would join with them in attempting prevent an action which would bring about such unfortunate results. Said UK Ambassador Bangkok<sup>4</sup> instructed, first to try to persuade Thais from raising issue, but if unsuccessful, secondly to attempt to have any resultant statement limited to deploring Pathet Lao action and ensuring statement contained two essential points: a) need to uphold provisions of Geneva Agreement in achiev-

<sup>1</sup>Source: Department of State, Central Files, 790.5/7-1355. Secret; Priority. Also sent priority to Paris for the Secretary, Manila, Wellington, Canberra, Karachi, London, Saigon, Phnom Penh, and Vientiane.

<sup>2</sup>In telegram 118, dated July 13, Ambassador Peurifoy reported that Thailand had requested Council consideration of the Laotian matter, and had mentioned British and French reluctance to hold a Council meeting for this purpose. (*Ibid.*, 790.5/7-1355)

<sup>3</sup>Sir Roger Makins.

<sup>4</sup>Sir Berkeley Gage.

ing a solution in Laos and b) express confidence in efforts of ICC whose authority constitutes best chance eventual settlement Lao problem. Robertson pointed out we did not believe that consideration this issue by Bangkok Representatives who are not a body authorized to take action, would actually set off dire results predicted. Further the Thais would probably not withdraw their request. Actually the open discussion and public statement along lines suggested might well provide a constructive element in stimulating vigorous action by ICC. Makins did not disagree with this viewpoint.

US position therefore that we would not attempt influence Thai action to withdraw resolution, but use our influence to have public statement include: a) deplore Pathet Lao action; b) affirm that Geneva Agreement, recognizing authority Lao Government should be upheld; c) call on ICC for renewed efforts (but not to express confidence in it) and express view ICC now offered best chance effecting settlement.

We informed Makins would transmit such instructions Bangkok for Peurifoy and that Secretary would be notified in Paris, although time factor probably would not permit Secretary's comment prior meeting. Makins believed our position would result in helpful statement.

Peurifoy should therefore follow position outlined above as basic instruction. This does not limit or exclude other points for inclusion in a declaration on public statement which he believes useful.

Makins stated that while Foreign Office hoped for no publicity and for withdrawal Thai action, he personally thought events had gone too far for either hope to be realized. Foreign Office also displeased Thai action without prior consultation and feared would try divert consideration problem to UN, which they opposed.

Hoover

62. Telegram From the Department of State to the Legation in Laos<sup>1</sup>

*Washington, July 16, 1955.*

38. British Embassy this morning read us Lao Government communiqué issued July 16. Substance was: Lao Government astonished

<sup>1</sup>Source: Department of State, Central Files, 790.5/7-1655. Confidential; Niact. Drafted in PSA and approved by Robertson. Repeated priority to Geneva for the Secretary, and priority to Bangkok, Paris, Manila, Wellington, Canberra, Karachi, London, Saigon, and Phnom Penh.



learn from "wireless" Manila Pact representatives Bangkok would consider activity "so-called Pathet Lao". In first place, Government stated, Pathet Lao internal matter within sole competence Royal Government to settle within framework Geneva Agreement and in accordance procedure provided therein. Secondly if Lao Government believed its security "too dangerously threatened", it would be for it to take in full sovereignty measures judged necessary insure territorial integrity.

Vientiane please confirm.<sup>2</sup>

If statement in fact made, seems clear French and/or British successfully exerted strong pressure Lao Government anticipated Department telegram 153 to Bangkok repeated Paris Tosec 5 Manila 166 Wellington 8 Canberra 11 Karachi 94 London 241 Vientiane 31 Saigon 152 Phnom Penh 46.<sup>3</sup> British Embassy representative here said, however, he frankly had no indication British Minister Vientiane<sup>4</sup> had taken such action and that communiqué posed problems also for British now that Manila Pact discussion Laos public knowledge.

Thais had informed Lao Legation Bangkok of intention raise Pathet threat in SEACDT meeting, but it probably true Vientiane itself not at time communiqué issued officially informed by Thais. Nevertheless Lao Government must have learned of SEACDT interest from Western representatives Vientiane.<sup>5</sup>

If asked, we shall tell press 1) we were aware Thais had planned raise this matter at July 18 meeting Council Representatives; 2) in our view aggressive action Pathets constitutes threat to peace and security of area and as such is proper matter for discussion by Council Representatives; 3) Council Representatives not action body; 4) in any event no action would be taken under Manila Pact with respect Laos except at specific request Lao Government.

We shall point out that paragraph 3 of Article 4 of Treaty specifically provides "that no action on territory of any state designated by unanimous agreement under paragraph 1 of this Article or on any

<sup>2</sup>In telegram 59 from Vientiane, July 17, the Legation confirmed that the Lao Government had issued the communiqué after first learning of the matter from a radio broadcast. "Prime Minister [Katay] was irritated and had drafted communiqué of which [Foreign Minister] Phoui did not have copy." (*Ibid.*, Central Files, 790.5/7-1755)

<sup>3</sup>This telegram, dated July 14, discussed British and potential French opposition to consideration of the Laotian situation by the Council representatives, and concluded: "In order head off probable British French pressure Lao Government to veto Thai proposal, request Peurifoy insure Thai have already informed Lao of intention raise matter with Manila Pact representative." (*Ibid.*, 790.5/7-1455)

<sup>4</sup>Lord Talbot de Malahide.

<sup>5</sup>In telegram 60 from Vientiane, July 17, repeated to Bangkok, Saigon, Paris, and Phnom Penh, the Legation stated in part: "While Talbot may have conceivably played some role (he was apparently the only foreign representative who received a copy of communiqué) it appears initiative of communiqué was Katay's." (*Ibid.*, 790.5/7-1755)

territory so designated shall be taken except at invitation or with consent of government concerned."<sup>6</sup>

Hoover

<sup>6</sup>In telegram 60, cited in footnote 5 above, the Legation also reported:

"Re point one of US position, we asked whether Katay would object to resolution first deploring Viet Minh action in support of PL, which alone is preventing settlement PL issue. Katay confirmed he would, and said he had no objection to points two and three. Later he said if such resolution comes out on meeting he would make favorable comment on it. (He had understood resolution already passed; we informed him meeting was July 18.)"

In telegram 189 to Bangkok, July 17, sent also to Vientiane and repeated to Geneva for the Secretary and to Paris, London, Karachi, Manila, Wellington, Canberra, Saigon, and Phnom Penh, the Department concurred in this suggestion, and stated that the U.S. position set forth in telegram 152, *supra*, should be revised accordingly. (*Ibid.*, 790.5/7-1755)

### 63. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

*Washington, July 21, 1955—7:23 p.m.*

241. British Embassy on instructions has informed us Foreign Office believes Council Representatives communiqué published July 18<sup>2</sup> is sufficient, particularly taken in conjunction Prince Wan press conference. Foreign Office therefore wishes no further communiqué concerning SEACDT discussion no matter how issued. Latter phrase interpreted mean no communiqué whether by eight representatives or by Thai alone if reference SEACDT made.

Reasons are: 1) Any further communiqué would be linked visit Lao Crown Prince.<sup>3</sup> (Requested explanation failed make this point clear, but apparently British consider SEACDT communiqué would

<sup>1</sup>Source: Department of State, Central Files, 790.5/7-2155. Secret. Drafted in PSA and approved by Robertson. Also sent niact to London, Paris, and Canberra; repeated to Geneva for the Secretary and to Manila, Wellington, Karachi, Vientiane, Saigon, and Phnom Penh.

<sup>2</sup>According to telegram 159 from Bangkok, July 18, the pertinent section of this communiqué reads: "At the request of the Thai representative, the Council representatives exchanged information and views about the recent fighting which took place near Mouang Peun (Laos)". Ambassador Peurifoy stated that he neither approved nor objected to this communiqué. (*Ibid.*, 790.5/7-1855)

The communiqué was issued following the Council meeting held that day. At the meeting, participants failed to agree on a draft communiqué embodying the Department's views. Text of the draft and a summary of discussion at the meeting are in telegram 158 from Bangkok, July 19, not printed. (*Ibid.*, 790.5/7-1955)

<sup>3</sup>Crown Prince Savang Vatthana.

be arrogation Lao powers.) 2) While British do not go so far as French in considering Representatives' terms reference do not permit mention political matters in communiqué, they nevertheless believe political statement this case "inappropriate and provocative" in light Lao Government communiqué. Such statement would give Communists handle attack SEACDT as interfering internal affairs sovereign government. 3) Mere fact of announcement, no matter how worded, would irritate ICC and impede settlement. Resumption political negotiations Vientiane additionally cited. End summary.

Our object is let Communists know Manila Pact powers concerned about Laos and remind them Laos protected by SEACDT. We continue believe second communiqué is best means achieving this aim, and think British should be reminded their fall-back position if Thai persisted in raising matter at Bangkok meeting (Deptel 152 to Bangkok<sup>4</sup>) was to insure resultant statement included three points which current draft contains in substance.

We submit following draft substitute as 1) probably acceptable British French Australians; 2) concealing from Communists dissension among eight signatories on effective line action; 3) avoiding offending Lao Government by deploring only Pathets by name; 4) eliminating "finding" against Viet Minh.<sup>5</sup>

"In connection with reports to the effect that attacks have been made by lawless elements against forces of the Royal Lao Army, the Southeast Asia Collective Defense Treaty Council Representatives during their last meeting exchanged information and views regarding this situation at the request of the Thai Government in accordance with their function of consultation on matters relating to the security of the Treaty area.

The Representatives noted that the Geneva settlement recognized the sovereignty, independence, unity, and territorial integrity of Laos.

They declared their full agreement with the attitude of the International Commission for Supervision and Control Over the Implementation of the Agreement on the Cessation of Hostilities in Laos, which on June 15 expressed to the Prime Minister of Laos its support for the Lao Government's full authority over the northern provinces. They recognized that action by the International Commission offers the best immediate chance of a settlement of this dispute and felt sure that the International Commission would persevere in its efforts to this end."

<sup>4</sup>Document 61.

<sup>5</sup>Reference is to the following section of the draft mentioned in footnote 2 above:

"They deplored Viet Minh interference Laotian affairs through support and direction Pathet Lao defiance of the Laotian Government which has included Pathet Lao armed attack against Laotian National Army garrisons legally stationed in the two northern provinces. These attacks are contrary to the terms of Geneva agreement, which should be firmly upheld."

Recommend Paris London Canberra inform Foreign Offices we feel strongly second communiqué needed in order develop Manila Pact prestige, particularly among small states of Southeast Asia, and present revised draft as our compromise proposal.

Peurifoy requested attempt secure Council Representatives concurrence new draft.

Hoover

#### 64. Telegram From the Embassy in Thailand to the Department of State<sup>1</sup>

*Bangkok, July 27, 1955—5 p.m.*

252. SEATO Council Representatives met this morning consider proposed revised draft communiqué re Lao situation as submitted by us (Deptel 241, July 21<sup>2</sup>).

France, Pakistan and UK opposed issuance any communiqué. Australia, New Zealand (represented by UK), Philippines and Thailand prepared accept. In light opposition three members French chairman considered Council Representatives lacked authority issue communiqué.

UK Representative<sup>3</sup> expressed view communiqué would add neither to prestige nor security SEATO and that communiqué issued July 18 (Embtel 159 July 19<sup>4</sup>), coupled with subsequent public statements by Thai Foreign Minister and Laotian Prime Minister, adequately covered situation since no further attacks had materialized and "restraint" represented best course.

French chairman acknowledged gravity Lao situation and fact provisions Geneva Accords have not been carried out.

French perplexed by difficulty drafting communiqué which would not on one hand seem place total responsibility on Pathets and thereby appear intervene in Laotian internal affairs or, on other hand, refer participation Viet Minh of which inadequate proof existed at this moment. While not optimistic concerning outcome current Lao Government-Pathet negotiations with participation ICC he considered highly undesirable take any SEATO action at this time which would tend "internationalize" issues and thereby provide opportuni-

<sup>1</sup>Department of State, Central Files, 790.5/7-2755. Secret. Repeated to Vientiane, Paris, London, Karachi, Manila, Wellington, Canberra, Saigon, and Phnom Penh.

<sup>2</sup>*Supra.*

<sup>3</sup>Ambassador Gage.

<sup>4</sup>See footnotes 2 and 5, *supra.*

ty "internationalization" by Communist powers. He considered communiqué July 18 substantially met original Thai request for exchange views and that it only natural powers having obligations under Geneva Accords should approach situation in somewhat different manner from those which do not.

Pakistani objections appeared not too firmly held and if objections British and French could be overcome I suspect Pakistani concurrence would be forthcoming. New instructions from Karachi would be required however. Thai Representative stated communiqué still highly useful and though prepared accept proposed draft he would prefer add language at end of first paragraph stating "Thai Representative explained that according reports reaching his government these attacks were result Viet Minh intervention." Failing acceptance such proposal his government prepared make unilateral statement along these lines subsequent to release communiqué. Through such statement his government hoped show clearly no intervention Lao affairs involved and thereby meet Katay's position (Embtel 214 July 23<sup>5</sup>).

For the record and particularly for benefit our Asian friends I strongly reiterated US position along following lines. Referring at outset to statement by UK Representative I observed I had never known an international body to show more "restraint" than present Council Representatives. I then pointed out:

1. Situation in Laos dangerous and gives no indication improvement despite months negotiation.
2. Highly important situation receive full international publicity.
3. Communist world must understand seriousness with which SEATO regards situation.
4. Communists can only be encouraged by inability SEATO agree even on most innocuous lines action.
5. Inaccessible geographical location and difficult political situation indicate Laos likely remain fertile field Communist activity.
6. Spectacle SEATO weakness not calculated increase confidence Lao Government in SEATO.

Council Representatives subsequently approved pious statement proposed by French chairman (merely for minutes) stating exchange information and views re Laos had been profitable and had demonstrated necessity following closely developments there.

*Comment:* In final analysis I consider British responsible frustration our efforts. French chairman informed me he authorized concurrence rather [than] constitute sole opposing vote, but denies having re-

<sup>5</sup>In telegram 214, Peurifoy reported in part: "I have just been informed Prince Wan discussed with Katay proposed new communiqué following council representatives meeting this morning. Katay again apparently takes position failure refer Viet Minh gives communiqué appearance intervention Lao affairs." (Department of State, Central Files, 790.5/7-2355)

ceived instructions along lines Paris 381 July 26 to Department<sup>6</sup> (received here only after meeting adjourned). Pakistani position probably attributable to UK.

Nevertheless, I believe our labors useful in that (1) some international publicity re Laos resulted, (2) British and French somewhat sensitive and embarrassed at obstructionist light in which they have appeared and consequently more likely acquiesce when future circumstances may demand prompt SEATO action.

Peurifoy

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<sup>6</sup>In telegram 381, repeated to Bangkok as 2, the Embassy in Paris reported learning from the Foreign Ministry that the French wished to make certain changes in the draft communiqué (text in telegram 241, *supra*) and that these changes had been coordinated with the British. (Department of State, Central Files, 790.5/7-2655)

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65. **Letter From the Chairman of the Joint Chiefs of Staff (Radford) to the Australian Ambassador (Spender)<sup>1</sup>**

*Washington, July 28, 1955.*

MY DEAR MR. AMBASSADOR: At my request the Joint Staff has given careful consideration to the purely military aspects of your memorandum on ANZAM planning for the defense of Malaya<sup>2</sup> and I have attached their comments to this letter.<sup>3</sup> In regard to the broader problems posed in your memorandum and discussed with you and with Prime Minister Menzies, my personal views follow.

It is noted that your memorandum deals almost exclusively with the defense of Malaya, a contingency which implies the loss of the rest of the Southeast Asian mainland. While it is militarily wise to plan for contingencies, I believe that at this time the larger aspects of the defense of Southeast Asia as a whole (Thailand, Laos, Cambodia and South Vietnam) should be given priority. In other words, I feel that the defense of Malaya lies to the north, and further, that the greatest threat to Malaya stems from internal subversion rather than from overt external aggression.

Therefore, I feel strongly that the planning efforts most likely to result in a successful defense of Malaya are those directed toward

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<sup>1</sup>Source: Department of State, Central Files, 790.5/7-2855. Secret. Attached to a covering note dated July 28, not printed, to Robertson from Rear Admiral T.J. Hedding, Deputy Director for Strategic Plans, Joint Staff.

<sup>2</sup>Not found in Department of State files.

<sup>3</sup>Printed below.

maintaining the security and sovereignty of those countries to the north of Malaya; Thailand, Laos, Cambodia, and South Vietnam. Subsequent to such planning it would then be appropriate to direct our efforts toward contingency planning for Malaya.

Now in connection with planning for the defense of Southeast Asia as a whole, and the proposal in your memorandum to conduct Four Power consultations for this defense, I consider it most inappropriate to conduct such consultations outside the framework of the SEATO. I am sure you are aware of the implications of such actions, should they become known, on the future meetings of the Military Advisors of the Manila Pact. Therefore it is my view that we should not engage in planning for the defense of this area without full representation of all the signatory powers.

In regard to further and more detailed coordination of contingency planning for the defense of Malaya, I not only consider that the present ANZUS planning machinery is adequate for this purpose, but that it is the only planning organization which can function in this field without considerable political repercussions.

Another question posed or implied in your memorandum is the matter of U.S. support in meeting force deficiencies and in the field of logistics and infrastructure requirements. Concerning force deficiencies, Mr. Dulles' remarks to the SEATO representatives set forth the U.S. position in this matter.<sup>4</sup> He stated in essence that the responsibilities of the United States are so vast and farflung that we believe we would serve best not by earmarking forces for particular areas of the Far East, but by developing the deterrent of mobile striking power plus strategically placed reserves. As to the provision of support in the field of logistics and infrastructure, I am sure you are aware of statutory provisions governing the matter of such assistance. Formal government to government negotiations would be necessary. It is my personal opinion that the U.S. would only consider such aid in relation to defense of the Southeast Asia area as a whole, and providing that it could be fitted in to our world-wide aid requirements.

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<sup>4</sup>See Document 18.

I would appreciate your holding this correspondence in strict confidence.

Sincerely yours,<sup>5</sup>

### Enclosure

In the absence of detailed plans, detailed comments on the military aspects of the memorandum cannot be furnished. General comments follow:

a. The subject plan does not assess any allied military action that would take place prior to the Songkhla operation. Although this assessment is lacking, the force requirements in the plan appear reasonable for the conditions stated.

b. The Songkhla position being near the Malayan border could be quickly reached by Commonwealth troops stationed in Malaya. However, a defense line at the Kra Isthmus would be shorter than one across the Peninsula at Songkhla and would preserve more territory for the free world. The Kra line was determined by the Five Power Planners to be the best final defensive line.

c. It is noted that the Commonwealth Strategic Reserve would be composed of forces positioned in the Manila Pact area where they would serve both as a deterrent to further aggression and as a nucleus of additional forces if required. However, these forces should not be allocated from Commonwealth forces presently in Korea where their presence as part of the forces of the United Nations Command serves even more as a deterrent to Communist aggression.

d. Whether or not the United States would use atomic weapons in the event of overt Communist aggression in Southeast Asia would depend on the circumstances prevailing at the time. In this regard the military position, disregarding political considerations, was quite appropriately stated in the Final Report of the Five Power Military Conference of June 1954.<sup>6</sup>

<sup>5</sup>Printed from an unsigned copy.

<sup>6</sup>Dated June 11; for text, see *Foreign Relations*, 1952-1954, vol. xii, Part 1, p. 554.



66. Telegram From the Embassy in Australia to the Department of State<sup>1</sup>*Canberra, August 11, 1955—4 p.m.*

53. In conference at Prime Minister's office at his request August 10 he gave me his copy Radford's letter July 28<sup>2</sup> to Spender including enclosure. Prime Minister expressed concern re its possible inconsistency with assurance which Prime Minister had received in Washington. Prime Minister had on his desk lengthy report from Casey respecting Radford's letter from which he read portions which described letter as not in accordance with Washington discussions. Prime Minister also had before him his speech to Parliament of April 20, 1955 and read me portions relating to his assurances in Washington (see Embassy despatch 463, April 21<sup>3</sup>). Prime Minister said tenor of Radford's letter had been forecast to External Affairs by an earlier report from Spender quoting information which Herries<sup>4</sup> had recently received in Washington.

Prime Minister's concern presumably relates to assurances from the President reported Deptel 211<sup>5</sup> that "we were prepared to discuss military details in appropriate forum to be determined in further US-Australian discussion. Carney referred to work already done in five power military talks", and also phrase in agreed statement reported Deptel 214<sup>6</sup> "I was informed that though the tactical employment of forces was a matter which would have to be worked out in detail on the services level, the US considered that such effective cooperation was implicit in the Manila Pact".

I said that while I had not previously seen the Radford letter and have not seen Australian memo on ANZAM planning referred to in it, I did have in mind our reports of conferences the Prime Minister had in Washington and also Prime Minister's statement in Parliament of April 20 and that they seemed to me quite consistent, but that so also did Radford's letter.

Prime Minister said that perhaps we had in mind channelling further discussions through ANZUS and said that he was aware of politically sensitive situation among other SEATO powers, and suggested that it was always possible to have a UK representative stand-

<sup>1</sup>Source: Department of State, Central Files, 790.5/8-1155. Top Secret; Priority.

<sup>2</sup>*Supra.*

<sup>3</sup>Not printed. (Department of State, Central Files, 743.2/4-2155)

<sup>4</sup>Rear Admiral D.H. Herries, Principal Military Adviser to Ambassador Spender.

<sup>5</sup>Telegram 211, dated March 16, contained a summary of the Menzies-Eisenhower conversation held on March 14. (Department of State, Central Files, 033.4311/3-1655) For a memorandum of the conversation, see Document 33.

<sup>6</sup>Dated March 22, not printed. (Department of State, Central Files, 033.4311/3-2255) For text of the statement, see the enclosure to Document 37.

ing by at time of ANZUS conference. I made no reply to that and particularly avoided any indication of approval of latter suggestion. He did not refer to five power military talks nor did I. (US Army Attaché in Australia Colonel Milner reports that in conferences he had with Australian Brigadier Daly, who assisted Australian Military Adviser Sir John McCauley<sup>7</sup> at July 1955 meeting of SEACDT military advisers at Bangkok,<sup>8</sup> Daly advised Milner that Bangkok conference was considered highly successful by Australian delegation. Daly's only qualification being that the test of results of that conference would occur at January 1956 meeting of military advisers at Melbourne, at which time Australians believe Manila Pact nations will be requested to accept concrete military obligations.)

Prime Minister said he was leaving for Melbourne and will return Saturday, August 13. He asked me to study Radford letter further and discuss it with him again Saturday or Sunday. I inquired whether there was anything he specifically wished me to do meanwhile. He answered no. Please send instructions if any particular line desired; otherwise will maintain principally listening attitude. I also have in mind and may mention that when Prime Minister conferred with Secretary March 15<sup>9</sup> and in discussions later between Tange and Merchant (see Deptel 216<sup>10</sup>) import of Radford letter had already been forecast.

Probably Australians may intend to pursue this further at ANZUS council meeting. Casey sent word to me few days ago requesting earlier date for that meeting but withdrew request upon ascertaining Secretary's plans.

Australians desire for more active participation in joint military planning is, of course, familiar theme. The Malayan phase is related to the sensitive political nature (Embassy despatch No. 12 July 13<sup>11</sup>) of Australian troops for Malayan issue in Australian domestic politics, particularly as aggravated by UK General Churchill's recent unfortunate statement that Australian troops can be used "anywhere in Southeast Asia". Australian Government is under constant attack on this issue by Evatt,<sup>12</sup> leader of opposition, who although engaged in serious controversies within his own Labor Party, shows present prospects of maintaining control of party. There is much discussion possibility government calling general election within next few

<sup>7</sup>Chairman, Joint Chiefs of Staff Committee and Chief of the Air Staff.

<sup>8</sup>Meeting held July 6-8. A copy of the "Report by the Military Advisers to the Council of the SEACDT", dated July 1955, is the enclosure to despatch 29 from Bangkok, July 15, not printed. (Department of State, Central Files, 790.5/7-1555)

<sup>9</sup>See Document 34.

<sup>10</sup>Dated March 23, not printed. (Department of State, Central Files, 033.4311/3-2355) Regarding the Tange-Merchant conversation on March 18, see Document 36.

<sup>11</sup>Not printed. (Department of State, Central Files, 743.00/7-1355)

<sup>12</sup>Herbert Evatt.

months. The sending of Australian troops to Malaya might be an important issue. Hence Menzies perhaps fearful of political accusations that his assurances to Parliament on April 20 were not justified.<sup>13</sup>

Peaslee

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<sup>13</sup>In telegram 48 to Canberra, August 12, drafted in BNA and signed by Dulles, the Department replied as follows: "Department considers line you have taken and propose to take in future talks with the Prime Minister on planning matter to be entirely proper. Continue maintain in so far as possible sympathetic listening attitude, matter will no doubt arise in September 24 ANZUS meeting for additional airing." (Department of State, Central Files, 790.5/8-1155)

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67. **Letter From the Acting Director of Central Intelligence (Cabell) to the Secretary of State<sup>1</sup>**

*Washington, September 12, 1955.*

DEAR MR. SECRETARY: The individual who supplied the information which follows, with the obvious desire that it be passed on to the policy levels of the United States Government, is a responsible and patriotic Philippine . . . personality who has requested that his identity not be revealed. Because of the content and the policy character of the information, I have felt it advisable to bring it to your personal attention, rather than distributing it through the usual governmental channels.

The observations are presented in the context of what the source describes as the rapidly deteriorating morale of the Asiatic members of "SEATO", due to an utter lack of accomplishment of the organization and the highhanded manner in which the U.S. military are running it. The source stated that they represent the consensus of opinion of the Philippine delegation, and implied that the Pakistanian and other Asian delegations shared this feeling:

a. CINCPAC in its military planning was patently unprepared for the creation of a collective security organization in the nature of "SEATO". Admiral Stump, following its inception, found himself confronted with representatives of Asian countries in which he had little or no confidence and of whose military capabilities he was not sure. This has resulted in the United States postponing as long as possible participation of Asian members in the serious planning necessary to carry out "SEATO" military objectives. This is exemplified by the complete lack of accomplishment of the April Staff Planners' Conference at Baguio and the July Military Advisors' Conference at

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<sup>1</sup>Source: Department of State, Central Files, 790.5/9-1255. Secret.

Bangkok. These conferences, although highly publicized, were a waste of time and resulted in nothing except making plans for future conferences. This lends credibility to the premise that the United States is using the conferences for nothing but propaganda purposes.

b. Since the United States and the United Kingdom, in the light of their suspicion and distrust of Asian members, were not prepared for the establishment of "SEATO", they intend to run the real show without allowing Asian members any substantial say in matters of command and direction.

c. Since the Asian members have no say in major political and military decisions, they are rapidly losing interest in the entire organization, and the spirit of collective security on which "SEATO" was predicated is being rapidly defeated. When the representative of a member nation made a tentative suggestion at the recent military planning conference that a Chairman for a military planning committee be elected, the U.S. representative (unnamed) stated that he was not going to take orders from anybody except the U.S., which statement defied the principles under which "SEATO" was founded and caused a great deal of hard feeling toward the United States.

d. The organizational structure of "SEATO" makes it seem that the Philippines have a treaty with CINCPAC rather than with the United States. It was originally decided that the Military Advisors would submit their proposals directly through the Council Representative (previously Ambassador Peurifoy for the United States) to the Ministers. Admiral Stump, in July at an informal gathering of several military advisors in Bangkok, said he would not subordinate himself to the Council Representative and would use his own channels for transmitting his proposals; i.e. a proposal would go from Admiral Stump to Navy to Defense to State. This confirmed in the minds of the Philippine delegation that their treaty was largely with CINCPAC.

e. If the situation outlined above continues to exist, "SEATO" is not really necessary. There have hitherto been no accomplishments which could not have been made without "SEATO".

The source expressed himself as feeling that remedial action could and should be taken to correct the defects described above, and to make out of "SEATO" the kind of collective security organization vitally needed in the area. He said that the Asian members of "SEATO" want to follow the lead of the United States, but that the United States must show confidence in its followers and allow them at least some voice in major "SEATO" decisions.

I am also sending this to Admiral Arthur W. Radford, Chairman of the Joint Chiefs of Staff; Honorable Reuben B. Robertson, Jr., Acting Secretary of Defense; and Honorable Douglas MacArthur II, Counselor of the State Department.

Sincerely,

C.P. Cabell<sup>2</sup>

*Lieutenant General, USAF*

<sup>2</sup>Printed from a copy that bears this typed signature.

68. Memorandum of a Conversation, Department of State,  
Washington, September 12, 1955<sup>1</sup>

PARTICIPANTS

The Acting Secretary  
Mr. Murphy  
Mr. MacArthur  
Mr. Robertson  
Mr. Merchant

Richard G. Casey, Australian Foreign  
Secretary  
Australian Ambassador  
Mr. John Quinn, Australian Division of  
External Affairs  
Mr. F.J. Blakeney

Mr. Casey called on Mr. Hoover by prior appointment.

Mr. Hoover opened the conversation by thanking Mr. Casey warmly for the contribution of the Australian Government of \$50,000 for flood relief in this country.

Mr. Casey, at the invitation of Mr. Hoover, then turned to the substance of the meeting. He said that he realized the ANZUS meeting would be short.<sup>2</sup> They had, however, certain other questions to raise with us which they hoped might be settled bilaterally in the next few days. The first of these subjects related to how the Australian overseas forces might be most effectively employed if war came. In this connection he said that the correspondence with Admiral Radford bothered the Australian Cabinet. They did not know exactly in what direction now to go. In fact, they felt "set back on their haunches." Mr. Casey then referred to the fact that Prime Minister Menzies had committed himself to the Australian Parliament on the matter of Malaya after his visit to Washington last spring. They had hoped to be made privy to our broad strategic plans in the Far East and in particular for Malaya. They did not expect nor want to be told all of our planning in intimate detail but they had expected to receive some fairly specific guidance. In this connection Mr. Evatt was busily searching for ammunition to overthrow the Government and Mr. Casey felt there was some reason to suppose that he might attach himself to the Malaya commitment as an issue. At this point Ambassador Spender read the passage in Menzies' speech relating to his Washington visit which had been approved by the President. Mr. Casey again made the point that this general problem might have a major bearing on the next election which was not necessarily far distant.

The Acting Secretary responded by stating that we welcomed these talks with our friends the Australians. He felt that on major issues we saw eye to eye. He then said that he wished to make clear

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<sup>1</sup>Source: Department of State, Central Files, 790.5/9-1255. Secret. Drafted by Merchant.

<sup>2</sup>For minutes of the ANZUS Council Meeting held on September 24, see Document 71.

that Admiral Radford's letter represented the considered views of the U.S. Government. We regarded it as entirely consistent with the Menzies' statement which the Ambassador had read, and that it had therefore come as something of a shock to us that the Australians should be unhappy over it. He reminded the Foreign Secretary that we had consistently believed that all military planning in Southeast Asia should be within the framework of the Manila Pact. He added that when one came to Malaya we must realize that in the event of war a great deal of military action in the north within the Peninsula or up the entire length of the China coast would have occurred before Malaya became an active theater.

Mr. Casey suggested that in fact we regarded the defense of Malaya as a last-ditch affair, and Mr. Hoover agreed.

Mr. Casey then said that he felt completely ignorant of U.S. military planning except for our general views on the maintenance of mobility and the necessity of ascertaining where the initial action might break out in a hot war. He assumed that we had a dozen or more contingent plans but he did not know. In any event, the Australians had put up their Kra Plan as in effect a plan for a plan which represented a basis on which to obtain our views. The Ambassador asked if we could not at least agree that Malaya was an area to be defended. Mr. Casey interjected the question of how were plans to be made? In ANZUS? If so, how to add the UK?

At the Acting Secretary's request Mr. MacArthur pointed out that Malaya represented merely a segment of the problem and that plans must necessarily be prepared across the board. We were concerned lest the organization set up at Bangkok should languish. We had had high hopes for its constructive utilization but to date these hopes have been disappointed. He raised the question of Laos, pointing out that the Manila organization had failed to act effectively. There was some discussion at this point of the details of that incident.

Mr. Casey then raised the question as to the feasibility on security grounds of top secret planning within the Manila Pact organization. Mr. MacArthur acknowledged that there were difficulties but pointed out that there was a great deal of basic planning still possible and desirable in that framework.

Mr. Casey then said that he realized that the matter of possible use of atomic weapons inhibited disclosures to other partners by the U.S. military. He said, however, that he had with him a half dozen questions on strategic and military matters which he wished to leave with the Acting Secretary with a view to later securing answers.<sup>3</sup> He

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<sup>3</sup>Casey submitted the questions in an enclosure to a letter to Hoover, dated September 13, neither printed. (Department of State, Central Files, 790.5/9-1355) See also Document 73.

said that he had an engagement to see Admiral Radford<sup>4</sup> and asked whether it would be embarrassing to the Admiral if he plunged into substance with him.

The Acting Secretary urged him to talk frankly with Admiral Radford and felt that he would find it very useful. Mr. Casey mentioned that he had seen Admiral Stump in Hawaii who had been very pleasant but obviously reluctant to talk substance. He mentioned that their Chief of Staff General Wells would arrive in Washington the following day and would be present at the ANZUS meeting as an adviser. He inquired whether it was our intention to have a senior military advisor present.

Mr. Hoover replied that we welcomed the presence of General Wells as an advisor and hoped to have Admiral Radford in a similar capacity.

The Ambassador then said that he wished to revert to the Menzies' statement. He said that there was an obvious deficiency in the equipment which the Australians could produce but one had to agree on an appreciation of Malaya to ascertain the exact extent of the deficiency. Thereafter, it would be necessary to determine how the U.S. could contribute to meeting it.

Mr. Hoover in closing the meeting expressed his appreciation for the frankness of their talk.

Mr. Casey said that he was happy to have had the chance to air the central topic of their concern which he hoped to be able to discuss again with the Acting Secretary. He then added that there were certain other questions which they wished to raise. These were:

1. Possible reduction of Australian forces in Korea
2. Antarctic
3. ANZUS agenda
4. Location for ANZUS meeting
5. Netherlands New Guinea
6. Status of our talks in Geneva with the Chinese Communists
7. U.S. organization for the conduct of the cold war
8. The planned expansion of operations by the Australian radio.

On these points the Acting Secretary gave to Mr. Casey a brief summary of the situation listed as Item 6; confirmed our expectation that the ANZUS meeting should be held in Washington; and explained our ideas under Item 3 as being to avoid a formal agenda and to take up all subjects to be discussed under three general headings. He noted that we wished specifically to discuss Laos.

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<sup>4</sup>See the memorandum, *infra*.

Mr. Hoover also suggested that in Mr. Allen Dulles' absence Mr. Casey should discuss Item 7 with General Cabell of CIA and Item 8 with Mr. Streibert.<sup>5</sup> He said that he would telephone both of them to alert them to Mr. Casey's visits.<sup>6</sup>

It was further agreed that on the other items listed by Mr. Casey word would be sent to him at the Embassy as to the best method of covering them. (It was subsequently arranged for Mr. Murphy to meet with the Foreign Secretary on Wednesday<sup>7</sup> to go over these items and that on the conclusion of that meeting<sup>8</sup> Mr. Hoover would meet them to have a further discussion on the main topic.)

As Mr. Casey left the Acting Secretary told him that we were taking a hard look at the matter of the composition of the U.N. Commission on Atomic Radiation.

<sup>5</sup>Theodore C. Streibert, Director of the U.S. Information Agency.

<sup>6</sup>Memoranda of Casey's conversations with Cabell and Streibert have not been found in Department of State files.

<sup>7</sup>September 14.

<sup>8</sup>No additional record of this meeting has been found in Department of State files.

Horsey's memorandum of the conversation held September 14 among Hoover, Casey, Murphy, and other officials is not printed. (Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199)

A general summary of Casey's Washington conversations, prepared in EUR, reads in part: "It has been made clear to Casey by all concerned that we believe that planning for the defense of South East Asia should be carried on within the Manila Pact framework and that we will not participate in any inner-circle, all white planning for the area with UK, Australia and New Zealand." (Undated summary is attachment to memorandum from Merchant to Hoover, September 16; *ibid.*, Central Files, 790.5/9-1655)

## 69. Memorandum for the Record by the Deputy Director for Strategic Plans, Joint Staff (Hedding)<sup>1</sup>

*Washington, September 14, 1955.*

The Minister for External Affairs of Australia, Mr. Richard Casey, accompanied by the Ambassador of Australia, Sir Percy Spender, called on Admiral Radford this afternoon and their conversation lasted about an hour. Rear Admiral Hedding was present during the conversation.

<sup>1</sup>Source: Department of State, Central Files, 790.5/9-1455. Secret. Also circulated as TAN Ref 2/51 in the Reference Paper series assembled in preparation for the ANZUS Council Meeting. (Attachment to a note dated September 22 by J. Stewart Cottman; *ibid.*, Conference Files: Lot 60 D 627, CF 552)



In general, the conversation concerned itself with Australia's concern, as expressed by Mr. Casey, as to future military arrangements and how to plan for a "hot war". He was particularly concerned as to the size of the armed forces that should be planned for and as to their possible deployments, "how large" and "where would they be used". As he stated, this has political implications and might become a political issue. Mr. Casey stated that the "Malaya Proposal" was in the nature of a "feeler", and felt that the U.S. was "not happy" about the proposal.

Admiral Radford replied that he was not "unhappy" about the Malaya Proposal and restated his previous views as expressed to Prime Minister Menzies and as contained in his letter to Sir Percy Spender,<sup>2</sup> that the defense of Malaya lies to the north, that priority in planning should be given to this area (Thailand, Laos, Cambodia and South Vietnam). Further, that the greatest threat to Malaya stems from internal subversion rather than from overt external aggression. Planning for the defense of Southeast Asia as a whole must be conducted within the framework of SEATO. As to force deficiencies in this area, the United States can serve best by developing the deterrent of mobile striking power plus strategically placed reserves rather than by earmarking forces for particular areas. In regard to the provision of equipment and infrastructure, this is a matter of formal government to government negotiations and must be related to the defense of the area as a whole and to world-wide aid requirements.

In regard to planning for a "hot war", Admiral Radford stated that it was more difficult to plan for or prepare for "limited wars" than for a global war since the latter is an "all out effort", whereas in situations less than global war it is most difficult to determine what action must be taken, "how much is enough", "how large" and "where". Military planners cannot give exact answers to political questions or determine precisely how to meet the many and variable conditions that may develop in situations less than global war.

In regard to the specific problem confronting Australia, Admiral Radford stated that Australian forces should be designed to meet their Commonwealth responsibilities and to be available to meet SEATO responsibilities. These forces should be mobile forces, designed for operations in the general Southeast Asia area, supportable within their economic capabilities and for the "long pull". They should be backed up by an adequate Reserve Program designed to support transition into a global war.

Admiral Radford felt it was desirable for these forces to support the Malayan situation both as a means of training the forces and to establish an "overseas" concept. These forces should be available to

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<sup>2</sup>Document 65.

SEATO and not be indefinitely tied to Malaya. With respect to the specific types of mobile forces, he felt these forces should be tailored to the area. Also, it might be well for Australia to develop their own concept of "mobile" forces.

Sir Percy Spender asked about equipment for these mobile forces, and as to infrastructure to support their operations. In regard to equipment, Admiral Radford felt that in the event of an emergency in the SEATO area, that arrangements could be worked out for the provision of equipment for Australian forces made available to SEATO. However, the matter of MDAP equipment for Australia must be related to the requirements of the whole area as well as global requirements. Concerning infrastructure, Admiral Radford stated that the U.S. should not provide this type of aid, even though arrangements might be made for MDAP equipment.

Mr. Casey asked if the present ANZUS machinery was adequate. Admiral Radford replied yes, further that it really had not too much to do at present. In reply to a question as to the possible full-time assignment of a senior military representative to Melbourne, Admiral Radford replied that he did not consider such an assignment to be desirable. However, it might be possible to have a member of CINCPAC's staff visit Melbourne perhaps a couple of times a year for short periods.

T.J. Hedding<sup>3</sup>

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<sup>3</sup>Printed from a copy that bears this typed signature.

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70. **Memorandum From the Chairman of the Joint Chiefs of Staff (Radford) to the Secretary of State<sup>1</sup>**

*Washington, September 21, 1955.*

I passed to Admiral Stump a copy of Lt. Gen. Cabell's letter of 12 September<sup>2</sup> containing the observations of an unidentified Philippine . . . man concerning the Asian reaction to SEATO. Attached is a copy of Admiral Stump's comments on this letter.<sup>3</sup> I

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<sup>1</sup>Source: Department of State, Central Files, 790.5/9-2155. Top Secret. Also sent to Gordon Gray, Douglas MacArthur II, and Deputy Secretary of Defense Reuben B. Robertson, Jr. The source text bears the following marginal notation by O'Connor: "Sec saw—no answer RO'C".

<sup>2</sup>Document 67.

<sup>3</sup>Message TS 109927 from Admiral Stump (at Honolulu) to Radford, dated September 17, not printed. Stump stated in part: "In spite of gross exaggerations, false

*Continued*

concur in Admiral Stump's comments and recommend that they be studied with the same care accorded the original letter.

I would like to point out that the observations of this particular Philippine . . . man are not at all surprising, and that similar observations could probably be obtained from other Asian representatives in SEATO. As Admiral Stump has explained in his comments, the Asian members generally, and understandably, desire a NATO type organization in the Pacific. Since U.S. policy does not contemplate such an organization, disappointment and irritability on the part of Asian members, particularly on the working level, is to be expected and should not be the cause of undue concern.

Arthur Radford

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impressions and obvious 'personal ax to grind' observations are considered to be a generally valid appraisal of U.S. role and probable intent within SEACDT at least in minds of segment of Philippine . . . . Consider this measurably less true on part Pakistan and Thailand."

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**71. United States Minutes of the ANZUS Council Meeting,  
Department of State, Washington, September 24, 1955,  
9:30 a.m.<sup>1</sup>**

TAN-MC-1

PARTICIPANTS

*United States*

The Secretary  
Mr. Hoover  
Mr. Merchant  
Mr. MacArthur  
Mr. Robertson  
Admiral Stump  
Mr. Miner<sup>2</sup>

*Australia*

The Minister of External Affairs, Mr.  
Casey  
The Australian Ambassador, Sir Percy  
Spender  
The Australian Counselor, Mr.  
Blakeney

*New Zealand*

The Minister of External Affairs, Mr.  
Macdonald  
The New Zealand Ambassador, Sir Leslie  
Munro  
The New Zealand Minister, Mr. Laking  
Permanent, non-political head of the  
New Zealand Ministry of External  
Affairs, Mr. McIntosh  
Armed Forces Attaché of New Zealand  
Embassy, Brigadier McKinnon  
Second Secretary of the New Zealand  
Embassy, Mr. Hunter Wade

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<sup>1</sup>Source: Department of State, Conference Files: Lot 60 D 627, CF 552. Secret. No drafting officer is indicated on the source text.

<sup>2</sup>Robert G. Miner, Officer in Charge of Commonwealth Affairs.

Head of Southeast Asian Affairs of  
Australian Ministry of External  
Affairs, Mr. John Quinn  
The Australian Chief of Staff, General  
Wells  
Principal Military Adviser to the  
Ambassador, Rear Admiral D.H.  
Herries

The Secretary opened the meeting by expressing his pleasure in participating in another meeting of the ANZUS Council. He said that events had shown the solid basis of the ANZUS relationship and its utility to all the partners.

Since the last meeting some new relationships had been formed but these did not detract from the significance, and in some ways the unique qualities, of ANZUS. He considered ANZUS an organization of continuing vitality and growth. He inquired the Australian and New Zealand views concerning procedure for the Council meeting.

Mr. Casey said that there was little time and there were many subjects to cover. In addition to the one overriding matter Australia wished to discuss, he would also appreciate learning the U.S. views on the situation in individual countries in S.E. Asia. Other matters of lesser import could be dealt with through the usual diplomatic channels. The overriding question for Australia was how to fit in her defense preparations with U.S. plans in event of war, Mr. Casey said. He referred to his recent conversation with Admiral Radford which he considered most helpful but which had resulted in no promise of any real insight into U.S. war plans in the event of large-scale conflict. It seemed to Mr. Casey that the kind of information Australia desired and needed could not be obtained through any Eight-Power planning under the Manila Pact. The difficulties of Four-Power (U.S.-U.K.-Australia-New Zealand) planning were well known and need not be reiterated. There thus remained only the ANZUS forum. Even this was not too satisfactory because the U.K. which had substantial interests and commitments in the Far East, was not a member of ANZUS. Mr. Casey suggested that there might be a more extended ANZUS Council Meeting at Honolulu within the next few months at which Australia could hope to secure the kind of insight into U.S. plans that it needed. This meeting could be held under whatever security safeguards and other conditions the U.S. desired. Mr. Casey mentioned that Australian commitments in the Far East and the dispatch of troops to Malaya were domestic political issues. He said, in confidence, that there might be general elections within the next few months and that in any electoral campaign the present

government would need to be more certain than it now was that its defense preparations fitted in with U.S. plans.

Mr. Macdonald expressed his thanks to the Secretary for making an ANZUS meeting possible despite all the other numerous demands on his time. He wished only to support some of the points mentioned by Mr. Casey. New Zealand military planning, he said, would be helped materially if U.S. guidance were available. It would be of great assistance also to learn U.S. views on S.E. Asia.

The Secretary said that he appreciated the importance of Mr. Casey's and Mr. Macdonald's remarks but the U.S. was, as they would realize, not particularly prepared to discuss purely military questions in this meeting. Our basic military philosophy for the area was well known. The Secretary had explained it at Bangkok and had mentioned it in his recent U.N. speech. As the other Ministers knew, the U.S. had not contemplated a military organization of the Manila Pact similar to that of NATO. The conditions in the area covered by the Manila Pact did not lend themselves to defense by combined forces in place and in being as in the NATO area. The purpose of all our planning, the Secretary said, was not to fight a war but to deter a conflict which could never be anything except disastrous, particularly under conditions of modern warfare. It followed, therefore, that to maintain the deterrent potential it was necessary to maintain the strength to hit the enemy where it hurt. We do not believe in disposition of forces in the Far East in a way that would commit us to fight on the enemy's terms as to place and time. Our strategy was based on concept of mobile power, primarily sea and air forces able to attack the aggressor where it would do the most damage. This retaliation would always of course bear a distinct relationship to the area of conflict. For example, no one would imagine that we would bomb Moscow if Vietminh should attack Vietnam. He believed that it was inadvisable to choose a particular area, such as Malaya, and make clear that this was the only place that could and would be defended. Such a policy would have most unfortunate consequences, particularly with regard to Asian members of the Manila Pact.

The Secretary said that our defense plans for the Far East must be flexible because, unlike Europe, there was no one point of concentrated power like the industrial complex of Western Europe which merits and requires to be defended by forces in being and in place. This European complex was so important that an aggressor would be willing to take great punishment in order to seize it quickly. But in Europe, as well, defense of a good deal of the area depended upon deterrents and mobile striking of forces. Norway was a case in point.

The Secretary said that the U.S. concentration on mobile forces in the Far East did not minimize the value of ground troops. Ground forces in being in the area made clear that there would be resistance

to aggression and would slow up an attack, if it should come, pending the application of mobile striking forces. We therefore encourage the buildup of ground forces in Vietnam, Thailand, the Philippines and elsewhere. Any contribution that Australia and New Zealand can make to forces in the area would be useful and welcome. The Secretary said that he could not provide any answers about how a war would be fought if it came in the Far East. There were too many theatres and too many areas to make it feasible to prepare definitive plans. He trusted that this picture of our broad plans might be useful but any details would of course have to be forthcoming from our military.

Mr. Casey expressed his appreciation for the Secretary's exposition. He returned to the question as to how the Australians could secure the information they needed concerning U.S. military plans and again mentioned a possible ANZUS meeting at Honolulu.

The Secretary replied that there might be an erroneous premise in Mr. Casey's thinking. The Secretary was not at all sure that we had in hand the kind of plans Mr. Casey mentioned. It might well be that the Far Eastern theatre was too vast and the imponderables too many to permit the development of detailed plans for every contingency. He asked Admiral Stump for his comments.

Admiral Stump said that the Secretary's exposition was an excellent generalization of our general plans. The U.S. military viewpoint was simply stated. It was to strike where needed and useful and not to tie our forces down to any points the enemy might choose.

Mr. Casey said he understood this viewpoint and appreciated the fact that there could not be plans for all eventualities. He did feel, however, that probably plans had been drawn up to meet certain more likely eventualities. He hoped that the U.S. did not get the impression that the Australians were being too inquisitive or persistent on this point.

The Secretary replied that we on our part did not wish to appear unduly reticent. The situation did not lend itself to the kind of planning usually envisaged. No doubt the U.S. had certain plans in the event the enemy should attack Korea or Formosa. It was much more difficult to make plans for S.E. Asian defense. The area covered such a wide expanse of territory, particularly if it were necessary to take into account defense measures necessary to prevent Indonesia from falling into enemy hands.

Ambassador Munro asked a specific question: If Vietnam went Communist would there be a plan for defending Thailand and the regions to the south.

Admiral Stump remarked that most of our military planning for S.E. Asia was based on the kind of eventualities the Ambassador mentioned. Requirement plans were drawn up for various situations

by military agencies of SEACDT. Australian and New Zealand officers were very important members of the SEACDT military agencies. The Admiral said that U.S. felt that Australian and New Zealand forces were, and always would be, the most dependable troops of vital importance. His suggestion was that Australia build up her forces and reserves to the state of readiness so that in event of hostilities, they could be deployed where agreed and where needed. The Admiral admitted that this kind of advice would not be very helpful for ammunition in a political campaign.

Ambassador Spender said that the question for Australia was political in the highest sense: that Australia must determine the balance of its defense forces by branch, type and elements, its manpower and matériel requirements in event of war. Australia had only a limited capacity and required U.S. assistance and guidance in making sure that its defense contribution would fit into the general U.S. plan. The Ambassador felt that this guidance and assistance could be provided through ANZUS machinery.

Mr. Macdonald said there was one real difficulty with this suggestion: U.K. had considerable forces, commitments and interest in the area but was not a member of ANZUS.

Mr. Casey returned to the possibility of another ANZUS meeting within the next few months to discuss military questions and added that he had talked with Admiral Radford regarding stationing a senior U.S. officer at Melbourne for liaison with Australia. Mr. Casey's version of this conversation with Admiral Radford was that the Admiral had responded quite favorably to the latter suggestion, although pointing out the difficulties of finding the right man and keeping him up-to-date with Pentagon thinking. Mr. Casey said that he was encouraged by the Admiral's fairly ready acceptance of this idea of a U.S. liaison officer at Melbourne. (Mr. Casey's account does not agree with Admiral Radford's memorandum of September 14.<sup>3</sup>)

The Secretary said that although the U.S. had many far-flung responsibilities, it was certainly not too preoccupied to give serious consideration to Australia and Australian desires. The U.S. attaches especial importance to ANZUS, which has qualities of firmness and dependence [*dependability?*] not duplicated elsewhere. He wished the Ministers to be assured that we were sincerely desirous of doing everything we could to meet their legitimate concerns as to the nature of our military thinking so that they might fit their planning into the coordinated whole.

Mr. Casey then turned to the subject of coordination in cold-war activities, stating that he was sorry that Mr. Allen Dulles had not been in Washington last week during Mr. Casey's visit. The Secre-

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<sup>3</sup>Reference is presumably to Document 69.

tary said that he would endeavor to put his brother in touch with Mr. Casey.

Mr. Casey then asked if it would be possible to have a meeting of the ANZUS Military either on the level of Military Representatives or on that of the Staff Planners. He mentioned that the SEATO Staff Planners meeting on November 1<sup>4</sup> might be followed by an ANZUS Military meeting. Discussion ensued as to the feasibility of whether such a meeting would provoke suspicion among the Asian Members of the Pact and whether it would meet the needs of the situation, as U.K. would not be represented. The latter point was stressed by the New Zealand Representative.

Admiral Stump expressed his opinion that any Four-Power planning would be resented by the Asian members and would provide our enemies with a useful propaganda weapon in S.E. Asia. He believed we should limit our multilateral meetings to those of organizations established by direct treaties. ANZUS was such an organization. ANZUS and its subordinate agencies had every right to meet when and where the members desired. In addition, he said, bilateral meetings among the members of the Manila Pact were customary and accepted; for example, the U.S. had bilateral consultations with Asian members that received MDAP equipment and these discussions are not limited to questions of matériel. He did not believe that the Australian suggestion, put forward by Mr. Casey, that the U.S. be the formal coordinator of all plans under the Manila Pact was desirable or necessary. The Admiral mentioned that SEATO Staff Planners were meeting on November 1 and that the Australian and New Zealand officers concerned were the same ones who would be involved in ANZUS Staff planning. He felt that it would be more convenient for a meeting of ANZUS Staff Planners to be held prior to the November 1 meeting rather than afterward.<sup>5</sup>

Ambassador Munro mentioned that there had been some very useful and confidential meetings last year on a Four-Power basis in Washington attended by the Australian and New Zealand Ambassadors, Sir Robert Scott of the British Embassy and officers of the Department. He inquired as to the feasibility of a renewal of these meetings.

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<sup>4</sup>The SEATO Military Staff Planners met at Honolulu November 1-16. A copy of their report was forwarded to the Department under cover of a letter dated December 30, 1955, from Lieutenant General Alonzo P. Fox, Director of the Office of Foreign Military Operations, Department of Defense, to Walter Robertson, but was not forwarded to the Department's central files with the letter. (Department of State, Central Files, 790.5/12-3055)

<sup>5</sup>For a summary of the ANZUS Staff Planners meeting held in Honolulu October 24-28, see Document 74.



The Secretary remarked that he thought it would be appropriate for the ANZUS Council meeting to give some thought to the constructive aspect of the question. He had in mind discussion of ways and means of building up the Manila Pact rather than of circumventing it. He felt that anything that detracted from the value and prestige of SEACDT would be a very serious mistake. In his opinion, the Manila Pact served as a serious deterrent to aggression in S.E. Asia. The proof was that the situation in the area was much better now than it had been a year ago. He recalled that at the time of the Geneva Armistice discussions there was a fairly general feeling that all Indochina would be lost within a year's time. This disaster had been avoided in part at least, because of the deterrent effect of the Manila Pact.

The Secretary emphasized that anything that tended to undermine the Pact or cause the Communists to think that SEACDT was purely a paper organization would have very unfortunate consequences. There were, he admitted, disadvantages and limitations in discussions on an Eight-Power basis. These disadvantages, however, must be balanced against the very real gains that had been made in the area. He was sure that Mr. Casey with his intimate knowledge of S.E. Asia, would agree that it was most important that we strengthen SEACDT rather than devote ourselves to discussion of ways and means of getting around the difficulties of an Eight-Power discussion. The Secretary said that we must keep pumping vitality into SEACDT as it was the greatest safeguard in the area.

The Australians and New Zealanders inquired if the Secretary had any specific suggestions to make in this regard. The Secretary replied that he had been thinking of the possibility of a meeting of the Foreign Ministers under the Manila Pact. The U.N. sessions provided an occasion, but, on the other hand, everyone was extremely busy. There were many meetings throughout the world and it was difficult for all concerned to plan on attending yet another. Perhaps there could be a Manila Pact meeting at the Undersecretary level.

At the Secretary's request, Mr. MacArthur said that the Department had been giving some thought to this question. The Treaty envisaged an annual meeting at the ministerial level. The Asian partners put considerable store in this principle. The Department had been thinking of a Manila Pact meeting sometime during the first three months of 1956. There were many questions of substance to be settled before deciding upon a meeting, however. For example, what accomplishments could the Ministers point to in a year of the Manila Pact? What substantive proposals could be made? What new ideas could be brought forward? The Department was thinking about these questions but U.S. had no specific proposals to offer at this time.

Mr. Casey mentioned that he would shortly be traveling in most of the countries of S.E. Asia and would have opportunity for discussion with political leaders throughout the area and with Nehru as well. He would be most happy to raise with them any matters the U.S. might suggest. He understood from this morning's discussions that one point that he should stress would be the U.S., like Australia, takes SEACDT most seriously and is anxious and willing to strengthen it in all feasible ways. He would also take the opportunity on his visits to inquire and ascertain views concerning a ministerial meeting and the questions that might be discussed.

At the Secretary's request, Mr. Robertson outlined the situation in South East Asia. He referred to the continued retention by Pathet Laos of the two northern provinces of Laos and the failure of the I.C.C. to protest this violation of the Geneva Agreement. Mr. Robertson mentioned our objections to the plan drawn up by I.C.C. and submitted to their respective governments for the settlement of the Laos question: (1) that it would leave the administrative machinery in the two northern provinces under Pathet Laos uncontrolled before and during elections; (2) that it envisaged after elections integration of Pathet Laos and Pathet Laos forces with the Royal forces with the consequent serious danger of infiltration; and (3) that, in effect, this I.C.C. plan was a clear violation of Geneva Accords which had envisaged full control of all parts of Laos by the Royal Government.

Discussion ensued concerning details of the plans and the difficult position of Canada in the I.C.C., flanked as it was by Communist Poland and neutralist India. It was accepted that as the Canadian Government had not yet formally adopted the plan proposed by I.C.C., there was still time for each of the ANZUS countries to work against its acceptance.

Mr. Robertson then turned to discussion of Vietnam. He reported that Vietminh's letter of complaint that no agreement had yet been reached on elections was being circulated by U.K. and U.S.S.R. to the Geneva Powers. India had asked for a September or October meeting in New York of the Co-chairmen of the Geneva Conference. The U.K. was trying to prevent such a meeting. Mr. Robertson explained that the American, French and British officials in Saigon agreed, however, that we should all press Diem for elections for a South Vietnam assembly. Mr. Robertson explained Diem's internal political difficulties. He pointed out that people in South Vietnam were psychopathically opposed to the Geneva Agreement and hostile to the I.C.C. He believed that Diem should shortly announce a vote for elections for an assembly in the region under his control and let this assembly authorize consultations with Vietminh concerning nation-wide elections. This seemed the best way to answer criticism of failure to initiate discussions. Such consultations are important

from the international standpoint. In discussions with Vietminh on this question, Diem would certainly have the support of the Free World in demanding iron-clad guarantees for the establishment of conditions for really free elections. Mr. Robertson mentioned the difficulties of Diem's position and pointed out that he was nobody's puppet; that he had gained stature by making clear that he was not going to follow blindly any foreign advice.

Mr. Casey pointed out that he had sent a rather stiff personal message to Diem at the time of the recent anti-I.C.C. incidents in South Vietnam. Somewhat to Mr. Casey's surprise this message had been well received by Diem. The Australian Minister stated that his Government would be most willing to help in any way it could in bringing about the desired result in Vietnam. He said that the Vietnamese regarded the Australians as friendly, perhaps more so than the great powers.

After discussion concerning the increased military strength of Vietminh in the area, there was brief reference to the situation in Thailand. Mr. Casey inquired concerning General Pao's visit to the United States and his present position. Mr. Robertson explained that nothing had come of the General's visit as he had been shorn of his power and influence by Prime Minister Phibun by the time he arrived in the U.S. In response to a question by Mr. Casey, Admiral Stump stated there had been no great build up of air fields in Thailand, that only the field at Bangkok would take jet planes. Some roads were being planned but no military highways had been built.

When Mr. Casey again mentioned that he would be glad to put forward, in his visits in S.E. Asia, any ideas which the U.S. considered useful, Admiral Stump mentioned that there was a general unawareness of the very real accomplishments that had been made in the military planning field of SEACDT. He stated that if other countries agreed, he hoped to give considerable publicity to the November 1 meeting of the SEACDT Staff Planners, as this meeting would be the culmination of many previous military consultations and much planning and would provide a fitting occasion for retailing the accomplishments in this field. He hoped that he would secure the agreements of the governments concerned for the publicity he had in mind.

The Secretary and the Australian and New Zealand Ministers agreed that this would be an excellent idea. Mr. MacArthur pointed out that it would be most helpful if the military accomplishments of SEACDT were given extensive and favorable press coverage throughout the Asian countries. It was generally agreed that so far the Manila Pact had had a poor press and that steps should be taken to improve this situation.

Mr. Casey then inquired concerning the position of Quemoy and Matsu. The Secretary replied that any significant military developments could be mentioned by Admiral Stump. For his own part, he wished to emphasize the political aspect. The U.S. was trying to avoid a situation in which the question of off-shore islands would have to be resolved by force. There was a time last winter, the Secretary said, when it appeared that the U.S. might be confronted by the choice of either accepting a serious Nationalist defeat and considerable Communist victory, or of participating in a war of unpredictable magnitude. The Secretary explained that the U.S. was trying to avoid this dilemma by spreading the doctrine of the avoidance of the use of force and endeavoring to bind the Communists to this doctrine. This thesis had been put forward by friends at the Bandung conference and had been elaborated on in subsequent statements of the Secretary. The U.S. was now engaging the Communists in talks feeling that while the Communists were talking they were not likely to undertake any military ventures. In sum, the U.S. was trying to create world opinion against the use of force by the Communists in this area and a realization by the Communists that it would be the better part of wisdom to accept the status quo. The Secretary pointed out that, for our part, we were doing our very best to prevent the use of force to settle what might be termed similar questions. Chancellor Adenauer and the Free World had agreed that force should not be used to reunite Germany. The U.S. had been forced to use great pressure in Korea to prevent attempts to bring about unification of that country by force. We saw no reason why an exception should be made for Communist China. So far this doctrine has been successful. It would be helpful if Mr. Casey, during his visit to S.E. Asia, could spread this doctrine, which might be applied to Kashmir and Goa as well. The Secretary mentioned that Nehru, he felt, was exercising considerable restraint with regard to the Goa situation.

Mr. Casey then asked if the U.S. considered it was possible for the Nationalist Chinese to maintain their regime and morale for, say, five years hence if nothing catastrophic intervened.

Mr. Robertson replied that the U.S. did consider it possible, unless the Chinese Nationalists should lose the support of large sections of the Free World. He pointed out that within five years there might be events on the Chinese mainland which would be of considerable encouragement to the Chinese Nationalists while world-wide acceptance of Red China would raise serious questions not only for Chinese Nationalists on Formosa but for the overseas Chinese and those on the mainland now in the Communist grip.

In reply to Mr. Casey's question concerning developments in Indonesia Mr. Robertson stated that we had been very encouraged by the pro-western attitude of the present caretaker government and

hoped that the elements of the present regime would be successful in the forthcoming elections. He also mentioned Indonesia's desire to improve relations with Australia.

Mr. Casey then raised the question of Antarctica. He said that since his talk with the Acting Secretary on September 14 there had been new developments. The Russians had exposed their plans for future activities in Antarctica. These plans envisaged regular flights of aircraft to Antarctica, probably as many as five or six a year. This increased Russian interest seemed to the Australians more menacing than any previous Soviet concern in the area. Mr. Casey said that the Australians hoped that the U.S., U.K., New Zealand and Australia could get together to concert their positions with regard to Antarctica.

Ambassador Spender stated that the Australian idea is primarily directed to counteract Soviet expansion in the area. He felt that any internationalization of Antarctica would only benefit the U.S.S.R. Australia felt that there should be the fullest talks before any other new developments occur.

Mr. Hoover explained the U.S. position prior to U.S.S.R. interest in the area. He stated that the Soviet threat required a complete re-evaluation of our position. The U.S. was now gathering material for a re-assessment of its policy but was not yet in a position to discuss the matter authoritatively.

The meeting terminated with examination of a draft communiqué. Minor revisions were made.<sup>6</sup> The Council rose at one o'clock.

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<sup>6</sup>For text of the communiqué, see Department of State *Bulletin*, October 3, 1955, p. 534.

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## 72. Memorandum of a Conversation, Department of State, Washington, October 6, 1955<sup>1</sup>

### SUBJECT

Southeast Asia Collective Defense Treaty

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<sup>1</sup>Source: Department of State, Central Files, 790.5/10-655. Secret. Drafted by Bell. A typed uninitialed marginal note reads: "This has not been cleared and is an informal record of the meeting. No Distribution to overseas posts nor other U.S. Government agencies. (per C—Mr. MacArthur)" In an attached note dated October 12 to Robert G. Barnes, Director of the Executive Secretariat, Richard R. Selby of the Reports and Operations Staff stated that the memorandum "was not cleared with the Secretary on Mr. MacArthur's instructions."

## PARTICIPANTS

Secretary of State, John Foster Dulles  
Mr. Gordon Gray, Asst. Secretary of Defense  
Admiral Radford and Mr. Charles Sullivan, Department of Defense  
CIA—Messrs. Allen Dulles, Frank Wisner  
USIA—Messrs. Streibert and Berding  
C—Mr. Douglas MacArthur, II  
FE—Assistant Secretary Mr. Robertson  
PSA—James D. Bell

The Secretary stated that the meeting had been called to discuss the Southeast Asia Collective Defense Treaty which he described as having tremendous potentialities for good or evil.<sup>2</sup> The Treaty, he said, was unique in two respects; it joined the West and Asia and it also joined Western colonial powers with states which only recently were colonies. The Treaty thus cuts across the Communist line of attempting to separate the former colonial peoples from former imperialist powers. This has great political significance, particularly as an example to other Asian countries. If the treaty leads to disappointment and futility, aid and comfort will be given to those who would break up this kind of alliance. The Treaty in itself helps combat Communist attempts to try and capture, capitalize on and exploit Nationalist movements in Asia. This world-wide Communist technique is presently endangering Africa and the Middle East and might now even be considered as jeopardizing the United Nations. The Soviet-Asia-Arab bloc is faced with SEATO as practically the only vehicle which can strike a counterblow.

We are challenged with the problem of making the Pact have greater vitality. A greater sense of fellowship is needed. However, we cannot reverse the policy of avoiding development of a NATO in the Far East and we must continue to adhere to our policy of not creating forces in being under the Treaty. It is not difficult to see that this causes a feeling of disappointment among the Asian powers and that they want something more substantial.

Perhaps we could accomplish more if the advantages and the significance in the over-all world picture were realized. Giving the Treaty a feeling of reality and substance provides advantages which are not confined to the particular operation. Whatever we may be

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<sup>2</sup>This meeting was called by Dulles after MacArthur had so recommended in a memorandum to the Secretary dated October 1. "We are faced with a serious situation with respect to the development of the Manila Pact because of the general impression, held very strongly by the three Asian members, that the Manila Pact organization has bogged down and nothing really constructive is being accomplished." MacArthur had then pointed out that positive accomplishments should be on record by the time of the next Manila Pact ministerial meeting and that measures to this end should be concerted on an interagency basis. (*Ibid.*, 790.5/10-155)

able to carry forward under the Treaty will have a by-product value. In this respect it might be useful to have some joint maneuvers.

Admiral Radford at this point stated that Admiral Stump had, in fact, recently made arrangements to place an American destroyer under the command of the Pakistan Navy for a visit the Pakistan Naval Forces were making to Indonesia. Admiral Radford said that the Philippines were the most restless with respect to developments in the military field and that he had recently had Admiral Stump's views on the subject. In fact, Admiral Radford said, considerable progress is being made on military matters.

Mr. MacArthur stated that under the agreement reached at Bangkok we were committed to a meeting on the Ministerial level early next year and that we must give serious thought to what should be discussed at that meeting. He said he felt good progress was being made in the military field and that the proposal for a research and analysis center by the Countersubversion Committee<sup>3</sup> had been well received by the Asians. He suggested the desirability of making an assessment of what has been accomplished in the military planning, countersubversion, public information and political fields. It also is necessary to determine what is in the mill and can and should be accomplished between now and February, what projects should be pushed forward and what projects might be suitable for discussion at the Ministerial meeting. A good deal of this would be a matter of timing.

The Secretary stated that he believed we should arrive at some conclusion with respect to the time of the Ministerial meeting before going to Geneva, as any great delay might result in a number of other things arising which could block the holding of the Ministerial meeting.

Mr. MacArthur agreed fully and asked for the Secretary's views.

Mr. Streibert raised the question of the anniversary of the Treaty which Mr. MacArthur pointed out has already passed.

The Secretary said that we should suggest the end of February or the beginning of March for the Ministerial meeting.

Mr. Berding suggested the meeting might be held in Karachi.

Mr. MacArthur suggested that Karachi was a little remote and isolated and that possibly we should not take any specific stand on a place for the meeting but rather elicit the views of others.

Mr. Streibert stated that from a point of view of getting publicity, which the Secretary had indicated he thought was desirable, it would be hard to accomplish very much without the establishment of a central public relations office. He stated that his people were

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<sup>3</sup>The Counter-Subversion Committee of the SEACDT had most recently met in Manila, September 12-17. Documentation on the meeting is *ibid.*, Central File 790.5.

working with the Department of State on an over-all plan that he thought was pretty good. In addition, he said that we must christen the organization, that we must reach agreement on what to call it. He pointed out that Manila Pact had too much connotation of the Philippines and that SEACDT could not be pronounced.

Mr. Streibert further said that it would be virtually impossible to achieve any publicity without having some substance on which to work. He particularly suggested some personality such as a Secretary-General, preferably an Asian.

In recent talks with Mr. Gray of Great Britain, Mr. Streibert learned that, although the British were "dragging their feet", at a discussion of the public relations aspect of the Treaty in Bangkok this, according to Gray, does not represent the London view.

Mr. MacArthur indicated that the mere establishment of a public relations officer in a central place would not necessarily solve the problem. He stated that it is necessary to convince the Asians that they must make an impact on other Asians and sincerely work to build up the Treaty.

The Secretary referred to the desirability of bringing other states in the area into the Treaty. He mentioned specifically Indonesia. Mr. MacArthur suggested Ceylon might be the next state to adhere to the Treaty.

Mr. Berding raised the possibility of having certain other Pacific nations indicate their support of the Treaty or of the Pacific Charter. He mentioned specifically Chile, Peru and Mexico. He suggested the usefulness of obtaining some kind of a joint resolution from the Congresses of these states.

Admiral Radford stated in his view that the real immediate problem was to tackle the Laos and Viet-Nam situation. He cited particularly Laos in which fighting might begin within a month and a half. He stated that the Treaty would live or die depending on the attitude and action of SEATO with respect to the developments in Laos. If the Communists were permitted to take over the two northern provinces without any semblance of opposition or interest on the part of SEATO, the loss of prestige would be irretrievable. Therefore, our policy should be to take the lead in helping to solve such urgent problems which exist in the area right now.

Mr. Allen Dulles mentioned the fine work being done by the Filipinos in Free Viet-Nam through Operation Brotherhood.<sup>4</sup>

Mr. Robertson stated that British and French interest must be stimulated. He referred to the fact that the British and the French

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<sup>4</sup>For a description of the origins of Operation Brotherhood, see Edward G. Lansdale, *In the Mist of Wars* (New York: Harper and Row, 1972), pp. 168 ff.



sabotaged the previous effort to consider and publicize the question of Laos by the Council Representatives.

The Secretary pointed out that after he had told Lao leaders that they would have SEATO help in the event of an emergency the French and the British gave the Lao contrary views.

Mr. Robertson observed that the British never really wanted SEATO. The Secretary agreed.

Admiral Radford pointed out that Australia had a great interest and was genuinely ready to help.

Mr. MacArthur said one aspect of the problem was that it would be impossible to get any precommitment with respect to action in an emergency by the Council even if the Prime Ministers were present. He said that it was impossible to make specific force commitments. However, it was his view that joint maneuvers would have the advantage of giving the appearance of practicing to come to the assistance of the Southeast Asian states.

Admiral Radford stated that the Southeast Asian states are aware that SEATO will be as effective as the United States wishes to make it. He recommended encouraging both the Thais and the Filipinos to give as much support as possible in helping to solve Southeast Asian problems. He questioned the possibility of very extensive joint maneuvers and said that the publicity would be limited and then only in the countries involved in the area. Mr. MacArthur said that was just where we wanted the publicity.

With respect to Laos, Admiral Radford stated that we should demonstrate our willingness to help through the Thais. The Admiral then read from a telegram from the Embassy in Bangkok<sup>5</sup> setting forth some of the actions which might be taken through Thailand to strengthen the Lao Government. Admiral Radford stated he thought the proposals in the telegram were the sort of thing which might usefully be undertaken.

Mr. Allen Dulles pointed out that some Laotians were being trained in Thailand. He also mentioned briefly the proposal to establish a research and analysis center at which overt material on Communism and Communist activities would be gathered and analyzed.

Mr. Wisner stated that at the recent meeting of the countersubversive group in Manila an agreed estimate on the Lao security situation had been obtained. He also said that further accomplishments could be achieved in (1) exchange of information on Communist personalities and activities and (2) mutual assistance to control the movements of Communist personalities and materials. He suggested that further accomplishments might be sought in the fields of police

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<sup>5</sup>Not identified.

and security services by bringing such activities under the Pact, possibly through a joint training center in the area.

Mr. Bell briefly reviewed the accomplishments of the Karachi meeting of economic experts<sup>6</sup> with particular reference to agreement on questionnaires and reports with respect to economic dislocation due to obligations assumed under the Treaty.

It was suggested that thought might be given to having Malaya become a member of SEATO. Mr. MacArthur stated that this would pose a number of exceedingly complex problems.

Mr. MacArthur suggested the desirability of getting an assessment of what had been accomplished to date under the Treaty; what kind of reports had been made by the various Committees and subcommittees; and what sort of reports should be made to the Council and to the Council Representatives. The purpose would be to see where we are and how we are to progress in the future. Such an assessment would include a review of the work in progress and suggestions as to possible future developments. Such an assessment should be useful in helping draw up an agenda for the meeting at the Ministerial level.<sup>7</sup>

With respect to a name for the organization, at Mr. MacArthur's request, the Secretary said he would be willing to accept the term "SEATO" which is widely used in the area.

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<sup>6</sup>The Economic Experts Meeting of the SEACDT was held June 20-23. Documentation is in Department of State, Central File 790.5.

<sup>7</sup>In a letter to Gordon Gray, October 11, MacArthur stated that the Secretary had designated William J. Sebald to head an ad hoc interagency working group (State, Defense, CIA, USIA) to achieve the purposes described in this paragraph. (*Ibid.*, FE Files: Lot 56 D 679)

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**73. Letter From the Acting Assistant Secretary of Defense for International Security Affairs (McGuire) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, November 18, 1955.*

DEAR MR. ROBERTSON: I refer to your letter of 23 September 1955<sup>2</sup> requesting information for use in discussions with the Australian Ambassador on the questions presented by the Australian Foreign Minister to the Acting Secretary of State on 13 September 1955.<sup>3</sup>

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<sup>1</sup>Source: Department of State, Central Files, 790.5/11-1855. Top Secret.

<sup>2</sup>Not found in Department of State files.

<sup>3</sup>See footnote 3, Document 68.

The attached comments, prepared by the Joint Chiefs of Staff and in which I concur subject to the comments indicated below, are forwarded for such use as may be appropriate in your discussions with the Australian Ambassador on this subject. Comments on the inclosure are keyed to the JCS comment under the numbered question:

Question 3: Discussion of sub-paragraph d with the Australian Ambassador may not be desirable since he may request precise definition as to just what the U.S. is prepared to do in order to demonstrate its determination. As you are aware, certain aspects of this problem are under review in the NSC planning board at the present time. Other than as indicated under sub-paragraph b of the JCS comment on this question, this Department does not contemplate, at this time, stationing additional forces close to the area or materially increasing the scope of operations of such U.S. units which may from time to time be in the area. Conduct of major combined training exercises should be held in abeyance pending the completion of a study by the SEATO military advisers on problems involved. Further, it is present policy to avoid establishing a military organization for SEATO similar to that of NATO.

Question 6: The last sentence should be qualified as follows:

"The release of all classified military information to SEATO will be made in accordance with the provisions of U.S. Policy Governing the Disclosure of Classified Military Information to Foreign Governments, dated 7 November 1955.<sup>4</sup> Under this policy, only U.S. Military Intelligence items up to and including the classification Top Secret, may be made available to SEATO when such intelligence pertains to the SEATO area only. Release of classified material to individual SEATO countries must be in accordance with the U.S. Disclosure Policy referred to above."

Question 7: Please note the comment includes two statements of U.S. policy with respect to Korea. For security reasons you should paraphrase the proposed answer to this question before discussing it with the Australian Ambassador.

Sincerely yours,

E. Perkins McGuire

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<sup>4</sup>Not printed.

[Enclosure]

**Memorandum From the Joint Chiefs of Staff to the  
Secretary of Defense (Wilson)<sup>5</sup>**

*Washington, November 1, 1955.*

## SUBJECT

Defense of Southeast Asia

In response to a memorandum by the Deputy Assistant Secretary of Defense (ISA), dated 30 September 1955,<sup>6</sup> subject as above, the Joint Chiefs of Staff submit, in the Appendix hereto, comments on the questions presented by the Australian Foreign Minister on 13 September 1955 which may be used in discussions with the Australian Ambassador.

For the Joint Chiefs of Staff:

**Arthur Radford<sup>7</sup>**

*Chairman  
Joint Chiefs of Staff*

### Appendix

**COMMENTS ON QUESTIONS PRESENTED BY AUSTRALIAN  
FOREIGN MINISTER REGARDING DEFENSE OF SOUTHEAST  
ASIA**

*Question 1:* "What is the United States broad strategic concept for the defense of Southeast Asia and where should Australia's contribution in the United States view fit into this concept?"

*Comment:* The Joint Chiefs of Staff concur with the remarks on this subject made by the Secretary of State during the ANZUS Council Meeting on 24 September 1955.<sup>8</sup> In addition, the manner in which Australia's contribution can fit into this concept should be clearer after the conference of the Staff Planners to the Southeast Asia Collective Defense Treaty (SEACDT) at Pearl Harbor on 1 November 1955 and the Military Advisers Conference at Melbourne in January 1956.<sup>9</sup>

<sup>5</sup>Top Secret. No drafting information is given on the source text.

<sup>6</sup>Not printed.

<sup>7</sup>Printed from a copy that bears this typed signature.

<sup>8</sup>See Document 71.

<sup>9</sup>Regarding the Staff Planners meeting, see *infra*. Regarding the Military Advisers meeting, see footnote 2, Document 81.

*Question 2:* "What in the United States view is the relative importance of Malaya in limited and global war?"

*Comment:* From a military standpoint Malaya is relatively more important to the free world in a global war because of her strategic location as a base for air and naval forces. In a limited war, before Malaya could be threatened by external aggression, Thailand, Laos, South Viet-Nam, and Cambodia must have been overrun and U.S. air and naval power in the area must have suffered a disastrous defeat. Against a military aggressor capable of accomplishing the foregoing it is doubtful that Malaya could be held. Therefore, in a limited war, the best defense of Malaya may be said to be the fullest possible support of the SEACDT with military planning carried out in accordance therewith. This may also turn out to be the best defense of Malaya in global war.

*Question 3:* "How can the spread of Communism to Thailand, Laos, Cambodia and South Viet-Nam be checked successfully?"

*Comment:* This is an objective in which military considerations must support and be closely coordinated with political, economic and psychological courses of action. From the strictly military point of view, implementation of the following courses of actions would assist in achieving this objective:

a. Creation of indigenous forces capable of maintaining internal security within their own countries and providing a delaying action to external aggression.

b. The maintenance in the Far East of U.S. mobile striking forces and strategically placed reserves.

c. The creation, by other SEACDT members, of mobile forces capable of being committed on short notice to a collective defense, and a manifestation of a determination to so employ these forces.

d. Demonstration of U.S. determination to react promptly against aggression by attacks against the military power of the aggressor.

*Question 4:* "If Laos, Cambodia and South Viet-Nam become Communist would the United States allow Communist control to spread to the Malayan border without taking military action?"

*Comment:* What the United States would do under this hypothetical situation is dependent on many factors not stated. If we are to assume that the three countries were lost to Communism without the SEACDT having been invoked, whether or not U.S. military action would be taken in defense of Thailand would depend upon the nature of the threat to Thailand and Thailand's reaction to it. From a military viewpoint, if Thailand were attacked and requested aid under SEACDT it could be expected that the U.S. would honor its SEACDT commitments and take retaliatory action against the aggressor.

*Question 5:* "Does the United States think that Malaya can be successfully defended if Thailand and Indochina are under Communist control?"

*Comment:* Like the previous question this one also involves a hypothetical situation not likely to obtain in the near future. It indicates, as do most of their questions, the Australian preoccupation with the defense of Malaya per se and their lack of faith in the effectiveness of SEACDT. As pointed out in the comment on the 2nd question, the military effort to stop Communism should be made farther to the north, and, if we are to assume the loss of Thailand and Indochina to the Communists, we must also assume a defeat of U.S. air and naval power. In this event perhaps Malaya could not be successfully defended.

*Question 6:* "In view of Admiral Radford's references to the use of SEATO to satisfy our planning needs, does the United States think that the security objections originally associated with SEATO planning have now been overcome?"

*Comment:* The Joint Chiefs of Staff do not believe that all the security objections originally associated with SEACDT planning have been overcome. However, it is believed that the first step in overcoming these security objections has been taken with the publication in July 1955 of the Southeast Asia Collective Defense Treaty Security Policies and Procedures regulations. For the present, though, all releases of classified information to SEACDT must be handled on a case-by-case basis in accordance with the United States Disclosure Policy.

*Question 7:* "How important is it to the United States that Australian troops be kept in Korea?"<sup>10</sup>

[Here follows discussion of the United States attitude toward the retention of Australian and other United Nations troops in Korea.]

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<sup>10</sup>In a memorandum to Kenneth Young, January 20, 1956, John M. Kavanaugh, Officer in Charge of Australia and New Zealand Affairs, stated that although a formal reply to Casey's questions had not been conveyed to the Australian Government, substantive answers to some of the questions had none the less been given to the Australians at the ANZUS meeting on September 24 and on several other occasions. He suggested therefore that no formal answer be given to the questions provided the Australian Government made no specific further inquiry in the matter. Young initialed the approval line of Kavanaugh's memorandum. (Department of State, Central Files, 790.5/9-1255)

74. **Telegram From the Commander in Chief, Pacific (Stump), to the Chief of Naval Operations (Carney)**<sup>1</sup>

*Honolulu, November 24, 1955—12:49 a.m.*

241049Z. Second meeting of ANZUS Staff Planners was held Pearl Harbor, 24-28 Oct 1955.<sup>2</sup> 15 copies complete report being forwarded separately.<sup>3</sup> During conference, 3 agenda items were considered as follows:

Agenda item 1—Future trends in Southeast Asia including an assessment of the position subsequent to or in the absence of elections in South Vietnam.

Agenda item 2—A study of the military measures which should be undertaken for the defense of Southeast Asia under conditions short of overt Communist aggression.

Agenda item 3—Study of the probable course of operations in the event of overt Communist aggression in Southeast Asia and of the various major counter-measures which might be employed including an estimate of their likely effects. Brief highlights of conclusions reached follow.

Agenda item 1:

(A) In event of all Vietnam elections, Vietnam would pass under complete Communist domination within short period.

(B) If all Vietnam elections are not held, there is major chance of South Vietnam remaining anti-Communist during period under review.

(C) Burma unlikely to succumb to Communism by 1959 and is likely to maintain strict neutrality in cold war.

(D) Present indications in Indonesia are that Communists will find themselves in opposition and unlikely to gain control by constitutional means by end 1959.

(E) Indonesia Communist Party, however, is in strong position and in absence of development of effective counter-force their hold on country by end of 1959 could well be such as to make emergence of Communist Indonesia a short term probability thereafter.

<sup>1</sup>Source: Department of State, Central Files, 790.5/11-2455. Secret. Repeated to the Secretary of Defense, the Air Force and Army Chiefs of Staff, and the Department of State. The source text is the Department of State copy.

<sup>2</sup>The first meeting of ANZUS Staff Planners had been held in Honolulu on November 6, 1952. For text of the report of that meeting, November 25, 1952, see *Foreign Relations, 1952-1954*, vol. xii, Part 1, p. 242.

<sup>3</sup>Text of the report, undated, is attached to a January 19, 1956, letter to Walter Robertson from Lieutenant General Alonzo P. Fox, Director, Office of Foreign Military Affairs, Department of Defense, neither printed. (Department of State, Central Files, 790.5/1-1956)

## Agenda Item 2:

(A) Military measures should be undertaken which fall into 3 general categories,

- (1) Strengthening of military forces and facilities,
- (2) Special measures and
- (3) Evolving of coordinated and agreed military plans and policies.

(B) Military measures to be undertaken should be under aegis of SEACDT or through other recognized arrangements.

(C) There is need to consider measures required to combat spread of Communism involving use of Communists of quasi-overt military action, a technique not readily identifiable as overt aggression.

(D) Use of armed force by Communists including quasi-overt military action should be met in similar fashion by anti-Communist forces.

(E) Military measures to combat quasi-overt military action is responsibility of country concerned. However, it may be necessary to deploy other forces into threatened countries to aid in their defense.

(F) If planned objectives of existing military aid programs are achieved by 1960, it should be militarily possible to counter Communist expansion under conditions short of overt aggression. During intervening period however, there is distinct threat to security of Southeast Asia which could require other military measures. Preparations should be made accordingly.

(G) Foregoing conclusions under agenda item 2 not valid in respect to Indonesia. At present time and for some time to come, Indonesia would require substantial and successful conditioning by psychological, political and economic means before maximum benefit could be derived from military measures.

## Agenda Item 3:

(A) Defense of Southeast Asia is collective effort requiring maximum participation of allies.

(B) Free territory of Southeast Asia should be considered an entity and allied strategy should be based on its defense as a whole.

(C) In event of overt Chinese Communist aggression, the course of action which will most effectively reduce threat is aerial attack by friendly air forces upon selected targets on Chinese mainland.

(D) Successful air attacks would reduce enemy threat to such proportions as to make successful defense of Southeast Asia possible.

(E) Provision of military support to South Vietnam forces in event of renewed overt Viet Minh aggression is necessary and feasible course of action essential to implement strategy for defense Southeast Asia outlined in this report.



*General comments:* Australian and New Zealand delegations came to meeting prepared to discuss defense of Southeast Asia based on defense of Malaya rather than on so-called forward strategy. At conclusion of meeting these delegations completely accepted principle of forward strategy in Southeast Asia and had a much greater appreciation of defensibility of this area. This change in attitude can be traced directly to 2 items of information provided these delegations by the US:

(1) Summary of US military aid programs for countries in Southeast Asia and

(2) Attack of selected targets on the Chinese mainland as a course of action in support of military operations in event of aggression by Communist China against Southeast Asia. It was necessary to provide this information in order to arrive at a mutual understanding of all the considerations and factors involved in a defense of this area. Consequently, as a result of information provided on military aid, the Australian and New Zealand delegations now understand force goals and force objectives for certain countries in Southeast Asia and have a clearer picture of their progressively increasing capabilities in connection with maintaining internal security and developing ability to defend against external attack. They also clearly recognized forces required in defending Southeast Asia would be less if attack of selected targets were employed as a course of action in military operations. Meeting was concluded with complete agreement and mutual understanding.

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**75. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>**

*Washington, December 2, 1955—1:14 p.m.*

1764. Dept officers met Dec 1 with Hubert Graves UK Embassy Washington and Gage, UK Ambassador Thailand. Our position outlined in some detail with emphasis on need for strengthening SEATO particularly in view major Soviet offensive in South and Southeast Asia aimed at discrediting Western-inspired "military blocs" fostering growth of neutralism and emphasizing Soviet desire to cooperate and assist in economic development to raise living standards, etc.

We also pointed out recent meeting Baghdad Pact indicated much more rapid organizational development than SEATO and Asian SEATO members would interpret this development as indication pri-

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<sup>1</sup>Source: Department of State, Central Files, 790.5/12-255. Secret. Drafted by Bell and MacArthur; cleared by Sebald; and approved by MacArthur. Repeated to Singapore, London, and Paris.

mary emphasis by Western powers on Middle East to neglect of SEA where SEATO in being for over a year has developed less rapidly.

We emphasized strongly:

1. Need for effective backstopping organization in FonOffs so SEATO Reps Bangkok could receive effective and timely guidance;
2. For every member to be represented Bangkok;
3. For each Mission at Bangkok to have an officer to devote full time to SEATO; and
4. March meeting must have substance and be success, particularly in view Soviet offensive in area. This in part depends on comprehensive report to Council<sup>2</sup> with sound recommendations for future. We asked UK Embassy for Foreign Office views particularly on how keep spirit alive and strengthen SEATO.

Gage agreed in general presentation. Pointed to agreement on Public Relations office as step forward and cited need for effective Secretary-General.

Graves summarized SEATO needs as follows:

1. Improve backstopping by Foreign Offices;
2. Strengthen representation Bangkok;
3. Demonstrate we regard treaty as vital;
4. Increase feeling among other Asian countries that treaty is essential for preservation of area;
5. Prepare report for Council which will show Asia and world what SEATO has done, is capable of doing and will do.

Gage referred to legalistic haggling over words at Council Reps meetings particularly by Filipinos. We agreed suggest Filipinos this be avoided. UK agreed attempt get Pakistan strengthen its representation Bangkok.

We gave British brief outline progress plans leading to March meeting. Emphasized timing and necessity producing report with evaluations and recommendations by Feb 1.

We stated there appears to be some misapprehension as to Public Relations office. Emphasized Dept does not desire bellicose propaganda but rather to create greater understanding purposes and objectives SEATO and how it benefits Asian members.

Graves promised forward our views Rob Scott Singapore and FonOff prior Dec 6.<sup>3</sup>

<sup>2</sup>This report in its final form, "Report of the Council Representatives to the Council", is designated SCR(56)/REP-C and dated March 1956. (*Ibid.*, Conference Files: Lot 62 D 181, CF 666) For a partial summary, see footnote 2, Document 91.

<sup>3</sup>The opening date of the next scheduled meeting of SEATO Council Representatives. A summary of developments at this meeting, which lasted until December 10 and was devoted to the drafting of the report to the SEATO Council is contained in despatch 320 from Bangkok, December 13. (*Ibid.*, Central Files, 790.5/12-1355)

Gage raised question earlier fiasco Council Reps re Laos and suggested such developments could be avoided through prior bilateral UK-US consultations such matters.

We also saw Offroy (French Amb Bangkok) subsequently and outlined our views as above. He concurred and cited need greater emphasis economic aspects SEATO.

Offroy believes for March Council meeting to be success it imperative we strike new note and not simply repeat presentations made Bangkok last Feb. He believes while continuing to make progress on military side, which has been very useful, new emphasis must be on Article III of Treaty, particularly re economic cooperation, so that Treaty is not construed solely as military alliance. He felt if there were a few projects such as Mekong River survey which could be undertaken under SEATO rubric much would be done to give Asian partners new lift and to counter Soviet effort aimed at developing spirit of neutralism in area thus detaching then isolating SEA countries from West. Dept reps said they recognized need develop Article III, and UK here also concurred.<sup>4</sup>

Dulles

<sup>4</sup>According to telegram 170 to Canberra, December 7, sent also to Wellington, Bangkok, and Singapore, Department officers outlined views regarding SEATO similar to those set forth above to representatives of the Australian and New Zealand Embassies on December 5. (*Ibid.*, 790.5/12-755)

## 76. Memorandum From the Counselor of the Department of State (MacArthur) to the Secretary of State<sup>1</sup>

*Washington, December 2, 1955.*

### SUBJECT

Background against which SEATO Ministerial Meeting will be held in March

<sup>1</sup>Source: Department of State, Central Files, 790.5/12-255. Secret. Attached to the following handwritten note by MacArthur: "Mr. Secretary—I would hope you might have a chance to read the attached memo relating to Southeast Asia. The situation has changed drastically since we signed the Manila Pact with the entry of the Soviets into the area on an active basis. I would also hope we could have a meeting next week with you as I think this is a subject which you should talk to Macmillan about in Paris."

The memorandum bears the handwritten notation by Macomber: "Sec saw WM". No record has been found in Department of State files of any meeting held as suggested by MacArthur, or of a discussion concerning Southeast Asia by Dulles and Macmillan during the Secretary's visit to Paris in December.

MR. SECRETARY: I have tried to put down on paper in this memorandum the serious situation we face in South and Southeast Asia as it relates to our general policy in that area, with particular reference to SEATO. The purpose of this memorandum is to focus on the problem with a view to having a meeting with you some time next week, and I am sending copies of this memo to Messrs. Murphy, Robertson, Allen, Merchant, Bowie, and Prochnow. I have, for convenience, divided the memo into two parts.

The first part deals with the fundamental situation we face there in light of the Soviets' new initiatives in this area, which change radically the situation as it was when we signed the Treaty at Manila.

The second part of the memorandum relates to certain fundamental deficiencies, both at Bangkok and in backstopping arrangements of the Foreign Offices of the member countries. Organizational arrangements in themselves solve no problems, and the recommendations for strengthening the fundamental organizational arrangements are designed to get the governments of the member countries to face up to the problems of the area in effectively backstopping their representatives in Bangkok.

#### *I. Political and Psychological Situation in the Area as a Result of Recent Developments*

The situation which we now face with respect to the future of SEATO is infinitely more serious in certain respects than when the Manila Pact was signed. At that time, the major danger was from the activities of the Chinese Communists, particularly in Vietnam and Laos, but also in the rest of the area, notably Malaya. The new element which has been injected is the opening up by the Soviet Union of a major theater of operations in the Middle East and South-Southeast Asia which has been pointed up by the Arab arms deals and the recent visit of Bulganin and Khrushchev to India, Burma, and Afghanistan.

The Soviet tactics in Southeast Asia seem aimed in the first instance at spreading the concept of neutralism, and in this they have powerful if unwitting allies in India and Burma. By stressing the peaceful purposes of the Soviet Union and creating an impression of a relaxation of tensions; by attacking Western-inspired "military blocs" as likely to lead to war (which none of the Asians wish); and by stressing that military blocs are responsible for frittering away of resources which could be used to effect immediate economic progress with a consequent rise in living standards, the Soviets make a powerful appeal in these under-developed countries. Particularly effective is their reiteration that the Soviet Union wishes to assist the Asian countries in their economic development with no strings attached

and no military, political or other commitments being a pre-requisite for such aid.

The Soviet objectives are not obscure. They doubtless feel that if they can successfully spread the concept of neutralism, they will in the first instance detach the Southeast Asian countries from their associations with the West, and thus isolate them. At the same time, present Soviet tactics (particularly the visits of Bulganin and Khrushchev) will strengthen the moral position of the Communist Parties in the Asian countries and will give them a respectability which they have heretofore lacked. This will substantially increase their ability to bore from within and to penetrate the governments and parliaments so that eventually a peaceful Communist take-over would be possible through "legal" as opposed to insurrectionary methods. This has a great advantage, because friendly and allied countries can give support to a government which is resisting an open insurrection, whereas if the country goes Communist by "legal" processes, the question of friendly aid or assistance doesn't arise.

The problem which we face is not one where the Southeast Asian countries will go by the boards in the next year or so, but one where if we do not immediately undertake effective counter-measures, we may see these countries drift first into neutralization and then into Communist hands in the period of the next five or six years.

In the light of the present situation, we must take effective steps to counter the feeling of discouragement of our Asian partners in SEATO, not only because of the effect on them but because of the effect on neighboring Asian countries, some of which such as Ceylon are well disposed and might later join SEATO if they believe it is making an effective contribution to the area. If SEATO bogs down and becomes meaningless, the Asians may be prone to take the view that they tried to cooperate with the West in a collective security arrangement; that the experiment was a failure; and that, therefore, they must turn elsewhere and adopt a different concept (neutralism) if they are to find solutions to their problem.

The importance of the March meeting is simply that if we do not breathe new life into SEATO, the process of disintegration will probably be accentuated, even though it will not be immediately visible. While the original emphasis on the military aspects of SEATO was in keeping with the situation obtaining at that time and the military threat of further advances by the Vietminh and the Chinese Communists, this emphasis by itself no longer corresponds to the problem we now face, particularly in light of the new Soviet activities in the area.

To give a new lift to SEATO, it seems essential to develop greater economic cooperation under Article III of the Treaty. At the

present time, our activities in the economic field (at United States insistence) are limited to studies of economic problems which are directly related to the military burdens which the Asian members of SEATO are shouldering as a result of SEATO membership. It seems essential to develop economic cooperation in fields which can be directly related to the economic welfare of the countries and not simply to their military stance.

From the United States viewpoint it is all the more important, because we have reliable reports that the Asian members blame the United States entirely for failure to implement Article III of the Treaty. There are projects which the United States is planning to finance such as the Mekong River survey which, I believe, could usefully be undertaken as SEATO projects. We should immediately make a thorough survey to see where projects are possible which might be undertaken as SEATO operations. In the next year or so, such projects would not require any tremendous expenditures of money, and might well be financed from the President's special fund for the area. Furthermore, they could be undertaken without interfering with or replacing the Colombo Plan organization, with which we could also cooperate.

If we take the initiative in giving leadership to the development of Article III, we could give a great lift to our Asian partners. Furthermore, such action would serve to diminish the effectiveness of neutralist propaganda and would tend to make non-Asian countries more sympathetic to SEATO. Such action, more than anything else, would provide a new lift and spirit in SEATO, and without it it is difficult to see what we can do or say at the March meeting which will not be a repetition of past statements and policies which are not adequate to meet the new situation. The "Spirit of Geneva" and the less bellicose and more peaceful posing of the Chinese Communists have created a general impression in the area that the danger of hostilities, which was great a year ago, has vastly diminished, and that the really important thing now is economic progress. However, I do not of course mean that we should not press ahead with our SEATO military planning and support, because this is important. But, we must balance what we do in the military field with activity and initiative in the economic field to establish the fact that SEATO is not only important to the countries concerned in terms of military security, but also in terms of economic development and well-being.

## *II. Organizational Defects of SEATO*

Since the successful first meeting of the SEATO Ministerial Council last February in Bangkok, there have been progressive indications that our Asian partners feel that SEATO has bogged down and that it is not, and never was, the intention of the Western mem-

bers to make it an effective organization. This feeling is in part due to the great inexperience of our Asian partners in collective security arrangements, and the consequent belief that once the Manila Treaty was signed it would immediately solve all their problems, military and economic, without a period, which is necessary, to develop any international organization of this character.

On the other hand, there is some justification for the Asian sense of disillusionment, particularly in the organizational field. The present situation at Bangkok is unsatisfactory. The Pakistan Permanent Representative to SEATO is their Ambassador to Burma, and the only Pakistan official in Bangkok is responsible for administrative work, visas, consular functions, and other work; New Zealand has no representation at Bangkok; the United Kingdom, Australia, and New Zealand members of the Council Representatives are their High Commissioners in Singapore, and while all very able men, they can only visit Bangkok to discuss SEATO matters about once every six weeks. This in itself would be manageable if each country had a permanent representative at Bangkok (which all have except New Zealand) supported by at least one member of his staff who could devote full time to SEATO matters. At present, of the eight powers the United States is the only diplomatic mission which has an able man subordinate to the Ambassador giving full time to SEATO matters. The fact that the Baghdad Pact organization, which has just come into being, has already created a permanent secretariat and military machinery, and that the METO Ministers themselves will meet again in April, will inevitably cause our Southeast Asian allies to believe that while their Western allies are interested in the Middle East they are engaging in only window-dressing in Southeast Asia.

But, even more important is the fact that from what we have been able to gather, none of the respective Foreign Offices of the SEATO members, with the exception of the United States, has really an organizational set-up within the Foreign Office to give continuing and serious consideration to SEATO and to give prompt and effective guidance to their representatives in Bangkok. We have the impression from our discussions with representatives of the other members that SEATO matters are handled on a haphazard basis in the Foreign Offices when time permits, but that officials for the most part are so involved in current problems that adequate time and attention are not devoted to the development of SEATO. We have discussed this matter frankly with the British and French representatives in Washington,<sup>2</sup> and have urged that their Bangkok staffs be strengthened and that their Foreign Offices develop an effective system of backstopping their representatives. We have also urged

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<sup>2</sup>See telegram 1764, *supra*.

them to use their influence with other members to achieve the same results.

Douglas MacArthur II<sup>3</sup>

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<sup>3</sup>Printed from a copy that bears this typed signature.

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## 77. Editorial Note

In its December 7 Progress Report on NSC 5506 (Document 7), the OCB stated:

"The Board recommends that the Council review the policy set forth in NSC 5506. This is desirable in view of the fact that the Council is currently reviewing NSC 5501 and the need for relating the policies set forth in NSC 5506 and NSC 5429/5 to the new policy. The Board noted that developments since the approval of NSC 5506 with respect to such matters as East-West trade, Soviet economic penetration, and the economic burden of local military establishments, make such a policy review desirable." (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5506 Series)

NSC 5501, "Basic National Security Policy", January 6, 1955, is scheduled for publication in volume XIX.

At its meeting on January 18, 1956, the NSC discussed this progress report and requested the Council on Foreign Economic Policy, "after Council and Presidential action on the forthcoming revision of Basic National Security Policy (NSC 5501), to review NSC 5506 in the light of such basic policy and report its findings back to the NSC." (NSC Action No. 1506; Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)



## 78. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

*Washington, December 22, 1955.*

2025. Representative British Embassy called at Department December 21 give UK views on points raised December 1 meeting British Representative and Sir Berkeley Gage. Our 1764.<sup>2</sup> There follows summary of memorandum<sup>3</sup> handed Department by UK representative:

1. General agreement necessity buildup strength and effectiveness SEATO.

2. There are disadvantages in too active direction SEATO activities from Western capitals or in over rigid and elaborate instructions to delegates in Bangkok. First objective should be more active participation by Asians.

3. Suggest might be useful UK and US representatives Karachi and Manila develop habit discussing specific SEATO items with Pakistanis and Filipinos to arouse interest and stimulate proper instructions.

4. Foreign Office and Sir Robert Scott agree need international secretariat preferably headed by Asian with Western deputy on contributed basis to avoid need common budget which might lead to unnecessary expansion of organization.

5. Foreign Office hopes Scott will be able attend all "important Council Representatives meetings" especially if they held at less frequent intervals (British Representative emphasized belief Council Representatives meet too frequently).

6. Foreign Office agrees importance March report to Council. It endorses Scott's view that Council Representatives should concentrate on selection and definition insure on which Ministerial decisions needed and drafting report for publication by Ministers. Report should be based on functional not geographic scheme. Suggest non-Military report, i.e. Council Representatives report should consist one fairly brief summary and recommendations and second part lengthy papers including country chapters as annex. Annex would be useful for references if necessary by Ministers. First part summary and recommendations would be useful for direct discussions during Ministers meeting.

7. Agree importance avoiding flamboyant and bellicose information activities.

8. Need more practical study ways and means improving existing National security services and facilities and strengthening cooperation.

<sup>1</sup>Source: Department of State, Central Files, 790.5/12-2255. Secret; Niact. Drafted by Bell and approved by MacArthur. Repeated to Singapore, London, Paris, Karachi, Manila, Canberra, Wellington, and CINCPAC (Honolulu). The time of transmission is illegible on the source text.

<sup>2</sup>Document 75.

<sup>3</sup>Not found in Department of State files.

9. Agree need buildup economic aspect without impairing existing channels economic aid. Unlikely UK able contribute anything substantial outside existing UK aid program.

10. UK would oppose too much public emphasis of Military aspect SEATO at March meeting. Recommend US inform SEATO US Military aid activities in area "and thus put a SEATO Label on them". *End summary British Memorandum.*

We commented to UK along following lines:

Re Paras 2 and 3. Agree importance Asian members taking more active role in SEATO.

Re Para 4. We agreed need for strengthening Secretariat including appointment Executive Secretary, preferably Asian. In this connection, we drew attention serious problem confronting Asian members in shortage qualified personnel participate SEATO activities. We said greatest need we thought was for each member nation assign permanently in Bangkok qualified individual on staff Council Reps to participate full time SEATO affairs. We thought such individuals might form permanent working group of Council Reps to give continuing thought and attention to matters for consideration by Council Reps and to carry out activities as directed by Council Reps. Such working group would of course be closely linked with Secretariat and Executive Secretary to serve Council Reps. (UK Reps seemed to agree this concept but it did not appear that UK thinking has developed very far re organizational matters. We also told UK we had general discussions with Australian and New Zealand Reps on SEATO matters but did not reveal extent to which our discussions with latter had delved into organizational problem.)<sup>4</sup>

Re Para 5. We said we thought there was utility in Council Reps meeting fairly frequently and hoped they continue meet biweekly. We would not think that constitution of permanent working group of Council Reps should lead to latter meeting less often, although working group would of course be able themselves deal with some detailed matters which now handled by Council Reps.

Re Para 6. We stressed importance we attached to individual country parts of report since real progress by SEATO can in last instance be documented only by activities countries themselves have undertaken. As to format report, we said this was question which we thought should be left to Council Reps who would be in better position to organize material properly as the drafting of the report pro-

<sup>4</sup>Several telegrams in December 1955 indicate that the recommendations in this paragraph had previously been discussed among Australia, New Zealand, and the United States, and that the three countries were in agreement on the need for some sort of body to implement the work of the Council Representatives. (Telegrams 1900, 1901, and 1903 to Bangkok, December 14; Department of State, Central Files, 790.5/12-1455; telegrams 1977 and 1978 to Bangkok, December 19; *ibid.*, and 790.5/12-1955, respectively)

gressed. We said we thought it difficult attempt give specific guidance to Council Reps re public report until progress had been made in getting together parts of confidential report.

Re Para 10. We noted UK suggestion that US should inform SEATO of US Military Aid activities in area and said that US submission to report would of course contain some information these activities.

Dulles

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79. **Telegram From the Embassy in Thailand to the Department of State<sup>1</sup>**

*Bangkok, December 29, 1955—4 p.m.*

1856. Department pass CINCPAC. Discussions between Department and British Embassy reference SEATO (Deptel 1764 and 2025<sup>2</sup>) appear confirm feeling we have had here for some time that there is considerable and puzzling gap between avowed British desire to build up SEATO and British approach to specific practical problems involved. British approach thus far been characterized by absence positive suggestions and consistent opposition U.S. projects, apparently deriving from implied premise SEATO should remain small, unobtrusive and cheap.

We are concerned British tactics at working level may cause projects Department has aboard to invigorate SEATO in coming year founder at start in Council Representatives and committees when they must be approved in January. Believe approach to British should soon be made at high level (perhaps during forthcoming Eden visit) in effort to obtain more positive British support for U.S. program for SEATO or at least reduction of obstructionism. Latter has increasingly made Council Representatives an arena for United States-United Kingdom contests with Asians as interested bystanders.

We do not believe necessary reconciliation of United States and United Kingdom approaches can take place here because despite excellent local relationship experience in Bangkok has convinced us it is unrealistic to attempt to win British over to our projects individually when their opposition stems from what appears to be almost complete lack sense of urgency and willingness to make even minimum commitments in London and Singapore. We detect also in accounts

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<sup>1</sup>Source: Department of State, Central Files, 790.5/12-2955. Secret; Priority; Limited Distribution. Repeated to London, Singapore, Wellington, and Canberra.

<sup>2</sup>Document 75 and *supra*.

Department's conversations with British Embassy similar reluctance to undertake commitment to expanded SEATO program and think it necessary to take matter to higher levels. If Australia and New Zealand, which appear share our views, could be induced make parallel representations it could have beneficial effect.

Brief recapitulation of principal issues handled by Council Representatives this year illustrates extent to which British approach on practical issues has plagued us thus far. It will be recalled that British opposition to United States proposals prevented issuance communiqué on Laos last summer, forced considerable reduction in size of functions we contemplated for public relations office and research and analysis center, and delayed decision on confidential and public reports<sup>3</sup> to be prepared for Council for over half of the time available for drafting.

Opposition to these United States proposals might not have been so serious had not fact been that they were virtually only real proposals for action taken up by Council Representatives during current year and British themselves failed make any positive suggestions. Should British continue on this track through Committee and Council Representatives meetings next month, it will present serious dangers to our proposals, especially as most of them are related to the issues on which they have already shown their opposition. In that month, we will seek approval of our expanded information program, establishment of research and analysis center, and comprehensive report, all of which they opposed and to which we doubt they are entirely reconciled. Moreover, British caution about expansion SEATO (which we view as sound in concept, excessive in degree) likely to cause practical difficulties in establishment secretariat on sound basis, proposed cultural relations staffs and such reorganization of counter-subversive committees as may be agreed on in Department's current consideration this problem.

Apart from these immediate practical problems, we are concerned with wider implications of apparent US-UK differences of approach to SEATO which affect not only our overall relations with British, but also contain danger that being exposed to constant US-UK differences in Council Representatives may weaken Asian members confidence in effectiveness of treaty. Confess that from this vantage point it is not entirely clear what weight to give various factors behind British reluctance to take more positive attitude in practice towards SEATO. Situation appears quite complex. Fears more emphasis on SEATO might be provocative to ChiComs and Viet

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<sup>3</sup>The public report, titled "First Annual Report of the Council Representatives", was released in all the SEATO capitals on March 1, 1956. For text, see Department of State *Bulletin*, March 12, 1956, p. 403.

Minh, fears it might widen gap between pro-Western and neutralist elements in Asia, and apprehensions it would tend restrict British freedom of action in Malaya and elsewhere each probably play some role in political element of British position. Another element would seem to be fundamental misestimate of extent to which Asian members will tolerate SEATO inactivity without becoming disillusioned (e.g., Scott's remark to Durbrow he gained impression Thai somewhat apprehensive about efforts push SEATO too far too fast—Singapore's despatch 265<sup>4</sup>—which runs counter evidence they in fact disappointed in progress thus far). We have also for some time felt another important element in British attitude is simply lack of attention to SEATO and find this confirmed in London's 2278 to Department<sup>5</sup> and Durbrow's account his talk with Scott which reveals he still does not have issues clearly in mind. Doubtless, too, historic British position in SE Asia and contrasting lack British leadership in SEATO matters creates impulses at this level attempt amend our proposals if only to assert British seniority and experience in SE Asian affairs. Whatever story may be, however, we are satisfied that we can bring about no substantial improvement through purely local dealings on individual issues and are convinced that some understanding with British will have to be reached at higher level if we are to make sound preparations for March meeting.

In any discussion with British anticipate proposal may be made for prior US-UK consultation on proposals before raised in Council Representatives. While often useful to consult in general way with British re our views in advance, suggest great caution entering into anything like firm commitment to bilateral negotiation outside SEATO machinery in effort to iron out agreed positions prior submission to SEATO. Not only would this be offensive to Asian, French, and possibly other members, but as practical matter it has been principally pressure of US-Asian-Australian alignment in Council Representatives in favor of strengthening treaty which had led British to go far as they have to date on our projects and this asset should not be weakened by negotiations in forum where we lack this support.

Anschuetz<sup>6</sup>

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<sup>4</sup>Despatch 265, dated December 13, transmitted the text of a memorandum of a conversation between Consul General Elbridge Durbrow and Scott on December 12 concerning SEATO matters. (Department of State, Central Files, 790.5/12-1355)

<sup>5</sup>Dated December 2, not printed. (*Ibid.*, 790.5/12-225)

<sup>6</sup>Ambassador Peurifoy died in an automobile accident on August 12, 1955.

80. **Minutes of a United States–United Kingdom Foreign Ministers Meeting, Department of State, Washington, January 31, 1956, 10:30 a.m.–12:30 p.m.<sup>1</sup>**

ETW MC-3

[Here follow a list of persons present (19), a table of contents, and discussion on Vietnam (printed in volume I, page 628). In addition to Foreign Secretary Lloyd, British officials included Ambassador Roger Makins, Sir Hubert Graves, and Sir Harold Caccia. Accompanying Secretary Dulles were, among others, Hoover, Ambassador Winthrop W. Aldrich, Robertson, Bowie, and Young.]

*Malaya*

Mr. Lloyd asked the Secretary if he had anything he wished to ask the UK regarding the situation in Malaya. The Secretary replied affirmatively stating that the US has received disturbing reports about the degree of Communist subversion and penetration in Malaya and Singapore.<sup>2</sup> The US is aware that the military phase of the struggle in Malaya has had considerable effect on the terrorists but the problem of Communist subversion although possibly exaggerated in our reports, seems to be a real problem. He stressed that Malaya and Singapore constitute an extremely important place with a close relationship to all of Southeast Asia, particularly Indonesia.

Mr. Lloyd summarized the two different situations in the Federation and Singapore. He said there were more favorable developments in the Federation than on the island. The feeling of its independence is running so strong that the UK must keep ahead of it, so long as the UK retains responsibility for defense, foreign affairs and over-all security. The preliminary talks with Federation leaders have been going well in London and it looks as if it would be possible for the UK to get along there. It is UK policy to encourage the Federation leaders to take on more and more responsibility so long as the function of defense is "completely reserved" to the UK. Mr. Lloyd did mention that Tengku Abdul Rahman had had a close call during the talks with the Chinese Communist leader Chin Peng because

<sup>1</sup>Source: Department of State, Secretary's Memoranda of Conversation, Lot 64 D 199. Secret. No drafting information is given on the source text. The minutes were distributed on February 7. Other sections of these minutes are printed elsewhere as noted in the bracketed notes. The complete text is scheduled for publication in volume xxvii.

Foreign Secretary Selwyn Lloyd accompanied Prime Minister Eden for talks with President Eisenhower and other U.S. officials. The talks commenced with the arrival of the British party on January 30 and concluded on February 1. A "Joint Statement" issued on the latter date includes sections on Southeast Asia and East Asia. For text, see Department of State *Bulletin*, February 13, 1956, p. 232.

<sup>2</sup>For documentation on U.S. concern with this subject, see vol. xxii, pp. 735 ff.

Rahman was almost completely taken in at the beginning by the Communists. It took quick and vigorous action to show him the trap he was getting into. From then on Rahman behaved very satisfactorily and countered the Communists effectively.

Mr. Lloyd said that Singapore presents a very difficult and much unhappier situation because of the Chinese preponderance. Chief Minister Marshall has many weaknesses, is a "mercurial personality" but is deeply anti-Communist. While his views change quickly, he seems to be extremely pessimistic about the possibility of working out a solution in Singapore owing to the Chinese problem. The trouble is Marshall does not have the experience to know how to play his hand. The Chinese have refused naturalization and therefore have no vote. Marshall is thinking of giving them votes. But, if they were to vote as he suggests, their loyalty would be all for the Chinese Communist regime and the consequences for Singapore are obvious. Apparently, in view of the dilemma, Marshall has decided to string along with the present situation. If worse comes to worse, he will propose "direct rule" by the UK as the only answer. Marshall has presented the UK with no difficulties regarding UK responsibility for the defense of Singapore.

With respect to both areas, Mr. Lloyd emphasized that the stakes for the UK are very high. They represent about 17 percent of the hard currency earnings of the UK. And the defense of Singapore and Malaya is extremely important from the point of view of the area as a whole. Regarding the question of the eventual SEATO tie-up of Malaya, Mr. Lloyd pointed out that the leaders in both Malaya and Singapore tend to look towards New Delhi somewhat. Marshall had made extravagant statements about Nehru in India when he passed through there recently. However, the Indian Government has played a very cautious, modest hand so far. The problem is whether this Indian influence will be for or against eventual SEATO association for Malaya. If Nehru throws his whole weight to encompass Malaya in the neutral bloc then there will be a real problem.

Sir Harold interjected the statement that the UK would do all it could from now on to try to bring Malaya into the SEATO framework bit by bit.

### *Neutralism*

The Secretary then expressed his opinion that we must be more vigorous than we have been in combatting the idea of neutralism. He said that he is more than ever convinced that it will become difficult to prevent a Communist take-over of the neutral governments if they continue to adhere to their view that the world problem is merely a power struggle between two blocs which does not affect their countries. This kind of thinking fits right into the whole Com-

munist conspiracy to take them over. It had been hoped that the Geneva Conference in the summer would lead to an easing of the situation which would have lessened the threat to the neutral governments. Unfortunately that had not occurred. These neutral governments do not seem to realize that the Communist intentions are so diabolical and so hostile to their freedom and independence. The Secretary said he was afraid that they would eventually succumb unless they could develop a crusading spirit against the evil forces of Communism. It is plain that the Communist intention is to squeeze everything they can use out of each country one by one and then move on. This is characteristic of an expanding despotism which needs conquest in order to survive. However, this is completely contrary to the basic principles of democracy. The Secretary said that he very much hoped that we could get some such crusading spirit into the next SEATO meeting.

Mr. Lloyd described the problem as a conundrum. We say to those who join us, you are good and you will get our help. To the others who do not join us we say you get nothing and that drives them into the Communist camp.

The Secretary said that we do favor countries that are lining up with us and that we should not treat neutrals better than these. But that is quite a different thing from doing nothing at all. India is a case in point. On the contrary the US showed that it was important to provide help to the neutral countries in order to help keep them from going over to the Communist side. The Secretary shared Mr. Lloyd's view that the all-or-nothing approach would throw them into the Soviet arms unnecessarily while there is still some salvation possible. The Secretary also pointed out that it might be harder to continue to get Congressional support for aid to India. Mr. Lloyd commented that he had received a telegram last night from Baghdad that if the Baghdad powers do not do better than the Egyptians it would be bad for the US and the UK. Sir Harold suggested that the joint communiqué should make clear that the US and UK will back the Baghdad pact and SEATO.

[Here follows discussion on Laos printed as Document 338.]

### *SEATO*

Mr. MacArthur outlined the US position. He noted the rumblings from our Asian allies regarding their dissatisfaction with the progress made in SEATO and their comparison with the faster development of METO. Therefore, the US hoped that there could be action taken at the Karachi meeting by the Ministers to invigorate the whole SEATO organization. The Asians feel strongly that more should be done on the psychological and information front. The US agrees and also feels that we should turn our attention to exploring



the development of economic measures to give content to Article III. This could be done bilaterally as well as multilaterally. Mr. MacArthur pointed out that there was nothing inherently wrong in the SEATO organizational concept but that the problem has been the lack of personnel in Bangkok and elsewhere to operate the organization. To meet the need we are proposing a permanent working group, a secretariat, a public relations office, and a research center.

Mr. Lloyd said that the US and UK seemed to be in complete agreement on the general principle of improving SEATO but noted the difficulty is in keeping a balance between SEATO and other organizations such as the Colombo Plan. He also noted the UK opinion that it is psychologically wrong to over-emphasize the military aspects of SEATO. He felt we should not call it "anti-Communist". The main problem, as he put it, is to give the feeling to all the members that the club is worth belonging to.

With reference to economic measures, Mr. Lloyd wanted to know how this would cut across the Colombo Plan and whether the US thinks this plan still has value. Mr. MacArthur pointed out that we envisage a combination of efforts through the Colombo Plan, ECAFE, and bilaterally in support of the objectives of Article III, as well as through SEATO. Economic problems of the Asian members of SEATO do not cut across membership. Among other things the US has in mind is the exploration of possible projects that might be undertaken under Article III, and given to SEATO label. Mr. Robertson mentioned the Mekong Valley Survey.

[Here follows discussion of other subjects. For text of the section on China, see volume III, page 286.]

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**81. Draft Memorandum by the Officer in Charge of Australia and New Zealand Affairs (Kavanaugh)<sup>1</sup>**

*Washington, February 6, 1956.*

**SUMMARY OF RECENT ANZUS ACTIVITY**

[Here follows a summary of the ANZUS Staff Planners meeting held at Pearl Harbor, October 24-28. For a summary of the conclusions of that meeting, see Document 74.]

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<sup>1</sup>Source: Department of State, Central Files, 790.5/2-656. Top Secret. In an attached note to Bell, February 6, Kavanaugh indicated that this memorandum was a draft. No later version has been found in Department of State files.

Following the recommendation of the ANZUS Staff Planners, the ANZUS Military Representatives met in Melbourne on January 23, 1956, following the SEATO Military Advisers Meeting.<sup>2</sup> The U.S. Military Representative, having made the Staff Planners Report<sup>3</sup> available to the Joint Chiefs of Staff, received guidance<sup>4</sup> from them which is generally reflected in the action of the Military Representatives at this meeting.

The ANZUS Military Representatives approved the Staff Planners' study on Item 1 of the agenda with minor amendments of details.<sup>5</sup> They also approved the study on Agenda Item 2 but considered that the term "quasi-overt military action" should be defined as "armed action under conditions short of overt aggression, by organized bands or groups responsive in varying degrees to foreign control or direction". They also agreed with the Staff Planners about provision of military aid under conditions short of overt Communist aggression but considered that action in the field of psychological warfare under conditions short of Communist aggression should only be undertaken with reference to the political context. The Military Representatives, therefore, considered that a need exists for joint Military/Civil considerations of possible courses of action under conditions of quasi-overt military action. Since this would be an extension of the scope of organization required under SEATO to coordinate cold war activities, this need will be brought to the notice of the SEATO Council by the SEATO Military Advisers.

The Representatives also deleted from the Staff Planners' Report Appendix 1 (a study of future trends in Southeast Asia with emphasis on South Vietnam and Indonesia) and references to the military aid program in Laos.

The work on Agenda Item 3 of the Staff Planners Report was also approved by the Military Representatives with the notation that certain conclusions were subject to further study in SEATO after which the studies should be accepted for ANZUS planning purposes.

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<sup>2</sup>At the Melbourne meeting, the Military Representatives were: Air Marshal Sir John McCauley, Chairman of the Joint Chiefs of Staff Committee and Chief of the Air Staff, Australia; Major General Cyril Weir, Chief of the General Staff and First Member of the Army Board, New Zealand; and Admiral Stump. The Military Advisers met January 17-21. The Report on their meeting was submitted to the Council Representatives at Bangkok on February 6. A copy is the attachment to a note by Roger Kirk of the Reports and Operations Staff, dated February 17, and designated KAR Ref. 6/100. (Department of State, Conference Files: Lot 62 D 181, CF 656)

<sup>3</sup>Text of the undated report is attached to a letter dated January 19 to Walter Robertson from General Fox. (Department of State, Central Files, 790.5/1-1956)

<sup>4</sup>A summary of this guidance is contained in a January 17 letter to Secretary Wilson, signed by General Twining on behalf of the Joint Chiefs of Staff, not printed. It is another attachment to the letter cited in footnote 3 above.

<sup>5</sup>The agenda items are as numbered in Document 74.

Finally, the Military Representatives at the Melbourne Meeting agreed that the following further studies should be undertaken at Pearl Harbor by the ANZUS Staff Planners immediately after the SEATO Threat Evaluation Ad Hoc Subcommittee Meeting in March 1956:

. . . . .

2. Military measures required to counter the threat to the security of Southeast Asia through quasi-overt military action and steps which should be taken for their implementation (position paper to be prepared by the U.S.).<sup>6</sup>

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<sup>6</sup>The "Report of Meeting of ANZUS Military Representatives at Melbourne", January 23, not printed, is attached to a letter dated June 4 to the Secretary from Gordon Gray, which reads:

"This report has been reviewed by the Joint Chiefs of Staff who consider that it is in consonance with U.S. policy and with U.S. guidance previously furnished to CINCPAC, the U.S. Military Representative to the ANZUS Council. This office concurs with the views of the Joint Chiefs of Staff and on the basis of coordination with representatives of the Department of State, has so informed CINCPAC in order that he may have adequate guidance for future military planning within the ANZUS arrangements." (Department of State, Central Files, 790.5/6-456)

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## 82. Department of State Position Paper<sup>1</sup>

KAR D-4/1

*Washington, February 24, 1956.*

### THE KASHMIR AND PUSHTUNISTAN PROBLEMS<sup>2</sup>

(Will be raised by Pakistan in the SEATO Meetings)

#### *Probable Pakistan Position*

1. Recent statements by the Soviet leaders supporting the Indian position on Kashmir and the Afghan position on "Pushtunistan" have sharpened the threat of Soviet aggression against Pakistan. Part of the Soviet offer of \$100 million credits to Afghanistan will undoubtedly be used to finance additional arms for the Afghans. The

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<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 655. Secret. Attached to a memorandum dated February 24 by Roger Kirk, which states it was drafted by Nicholas Thacher, Officer in Charge of Pakistan-Afghanistan Affairs, in preparation for the forthcoming SEATO Council Meeting, held in Karachi March 6-8.

<sup>2</sup>For additional documentation on this issue, see vol. VIII, pp. 163 ff.

Soviets can be expected to encourage in every way possible the aggressive instincts of the present Afghan Prime Minister<sup>3</sup> whose fanatical attachment to the Pushtunistan issue is motivated by his desire to secure a portion of Pakistan's territory. The strong Communist influence in the government of Indian-held Kashmir makes it a probable base for Communist aggression in South Asia. The Soviets are deeply hostile to Pakistan's membership in the Baghdad and SEATO pacts and desire to isolate and threaten Pakistan in every way possible. The matter has now reached the stage where Pakistan can appropriately ask its fellow SEATO members to give it their most serious consideration in the light of the security interests of the area as a whole.

2. SEATO should in some manner bring its influence to bear to counter this Soviet offensive evidenced by Soviet support of India and Afghanistan.

*Suggested US Position*

1. The US realizes that a most difficult problem is presented Pakistan by the recently launched Soviet effort in South Asia. This development has many dangerous implications which make it necessary for the SEATO members to increase their collective security efforts.

2. With regard to the Pushtunistan problem, the US has encouraged both sides to undertake discussions of their differences at a high level and we are hopeful that talks may soon take place.

3. With regard to Kashmir we understand that Pakistan has been seeking to arrange further talks between the two Prime Ministers. We believe this provides the best hope for progress towards a solution.

4. Thus we believe that the prospect of negotiated settlement of these problems would not be improved and would in fact be harmed by any attempt to bring SEATO's influence to bear.

5. It is doubtful whether SEATO action in either the Kashmir or Pushtunistan problems at this time could successfully counter the Soviet effort to bring the uncommitted countries of South Asia under Soviet influence. It might in fact tend to push them towards the Soviets.

6. Should either of these problems at any time in the future show signs of presenting a threat of aggression against the territory of any treaty member, it would, of course, be a matter for immediate SEATO consideration. (Attached is a suggested statement to be made in the SEATO meetings.)

<sup>3</sup>Sardwi Mohammed Daud Khan.

## Discussion

*Probable Pakistan Action*

The Pakistanis may seek simply to have the Council of Ministers discuss the Soviet leaders' statements. They may also seek issuance of some public statement indicating SEATO backing for the Pakistan position. Or the Pakistanis may urge that both problems should be considered active questions of Communist subversion to be brought under active review by the SEATO bodies concerned with such matters. Pakistani feelings on this subject were revealed at Council Representatives' meeting in Bangkok where the Pakistani representative, in urging special notation of the item on the agenda, stated that "lack of interest in matters affecting member countries would only show that members could not expect even moral support from other parties in a defensive alliance".

*US Position*

We should in so far as possible leave initiative in replying to the Pakistan proposals to the Commonwealth countries. Since the British have little influence with the Afghans and have tended to favor a "hard" line with them, the British may be somewhat more willing than we would be to support the Pakistan case on Pushtunistan.

**[Attachment]****SUGGESTED STATEMENT TO BE MADE IN SEATO MEETINGS  
RELATIVE TO SOVIET STATEMENTS ON KASHMIR AND  
PUSHTUNISTAN**

The U.S. believes a most difficult problem is presented to Pakistan by the recently launched Soviet effort to extend its influence in South Asia. The dangerous implications of this latest Soviet diplomatic offensive provide additional reason for continuing and intensifying our efforts to strengthen SEATO.

The Soviets have made noticeable progress in extending their influence in Afghanistan. Traditionally, however, Afghanistan has sought to maintain its ties with both its northern and southern neighbors. It is the U.S. view that every effort should be made to take advantage of this Afghan tendency in order to develop and strengthen Afghan connections with the free world. An important requirement for that objective is the development of closer relations between Afghanistan and Pakistan, and we observe with satisfaction the determined efforts being made by Pakistan for that purpose.

This while we recognize that the threat posed by the growth of Soviet influence in Afghanistan may well become more acute, the United States believes that at present it can still be met best by a continuation of efforts already under way to improve Afghan ties with the free world.

With regard to Kashmir we understand there is a possibility of renewed bilateral discussions between Pakistan and India. These seem to the United States to provide the most hopeful prospect for progress towards solution of the Kashmir problem. The problem is also still before the United Nations Security Council. Thus avenues for negotiatory effort still remain open.

However, should it appear that possibilities of settling either of these problems through negotiations have been exhausted and should the danger of communist aggression arising from them become more acute, we believe they might then be further considered by the SEATO membership.

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### 83. Department of State Position Paper<sup>1</sup>

KAR D-6/5

*Washington, February 28, 1956.*

#### OPERATION FIRM LINK

(Statement to be used if subject raised at foreign initiative)

On January 21, 1956 the Thai Ambassador to Washington suggested the possibility of a U.S.-Thai bilateral military exercise designed to demonstrate that mobile forces were readily available for use in the SEATO area.<sup>2</sup>

The U.S. fully concurred in this suggestion and, after checking with the appropriate U.S. military officials, ascertained that an exercise had already been planned by the U.S. Navy for the Iwo Jima area on February 15, 1956. It was found possible to modify these plans to include an exercise at Bangkok if the Government of Thailand so desired.

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<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 656. Secret. No drafting information is given on the source text. It is attached to a note dated February 28 by Kirk which states it had been cleared with MacArthur and Sullivan.

<sup>2</sup>Ambassador Pote Sarasin's remarks are summarized in telegram 2403 to Bangkok, January 26, not printed. (*Ibid.*, Central Files, 792.54/1-2656)

The Navy schedule, however, had been worked out some months in advance because of logistic factors and on the basis of rotation of U.S. military and Naval units between the Far East and the United States. It was difficult, if not impossible, therefore, to postpone the Iwo Jima exercise regardless of whether it was held near Iwo Jima or in Bangkok.

After receiving a formal invitation from the Thai Government, the United States modified its plans for the exercise to include one phase at Bangkok. Considerable time elapsed unavoidably in working out agreement on all details of this complicated exercise between the two governments.

The close timing on which this operation had to be organized, therefore, left relatively little opportunity to notify other governments and discover their degree of interest.

*Note:* The British allege that the U.S. announced Firm Link in Tokyo 24 hours before the Thai. CINCPAC reports, however, that the U.S. Navy release in Tokyo in fact succeeded the Thai statement by five hours.

#### *Discussion*

There follows a chronology of the important actions connected with Operation Firm Link.

*January 21*—Ambassador Sarasin suggests on a personal basis the utility of a joint US-Thai exercise linked to SEATO. (Deptel 2403 Bangkok.)

*January 25*—The Secretary approved U.S. participation in Firm Link. (Summary of Decisions.<sup>3</sup>)

*January 26*—Ambassador Sarasin informed of U.S. willingness to participate if the Thai Government should extend an invitation. (Deptel Bangkok 2405.<sup>4</sup>)

*February 1*—CINCPAC formally approaches the Philippine military on their participation. (CINCPAC 011829Z.<sup>5</sup>)

*February 1*—Ambassador Sarasin conveys to the U.S. official Thai invitation. (Deptel Bangkok 2466.<sup>6</sup>)

*February 3*—Thai Government sends invitations to all SEATO members to participate. (Bangkok 2228.<sup>7</sup>)

*February 6*—0700 GMT. Thai Government publicly announces it has sent invitations to SEATO members to participate in Firm Link. (Bangkok 2267.<sup>8</sup>)

<sup>3</sup>Not found in Department of State files.

<sup>4</sup>Dated January 26, not printed. (Department of State, Central Files, 792.54/1-2656)

<sup>5</sup>Naval telegram; not found in Department of State files.

<sup>6</sup>Dated February 1, not printed. (Department of State, Central Files, 792.54/2-156)

<sup>7</sup>Dated February 3, not printed. (*Ibid.*, 792.54/2-356)

<sup>8</sup>Dated February 6, not printed. (*Ibid.*, 792.54/2-656)

February 6—1200 GMT. CINCPAC publicly announces Operation Firm Link. (061024Z CINCPAC.<sup>9</sup>)

February 8—The Pakistani Government indicates its irritation at being given such short notice. States it received Thai invitation on February 7. (Karachi 1506.<sup>10</sup>)

February 9—UK Ambassador Manila states he read of Firm Link from Tokyo press release dated February 5, 1956. (Manila 2198.<sup>11</sup>)

February 10—Thai released text of "War Game" with which Firm Link connected. (MA 0489 092158Z Bangkok.<sup>12</sup>)

February 12—Thai Government announces publicly that all SEATO members accept. (MA 0510 120815Z Bangkok.<sup>13</sup>)

February 13—Thai Government publicly apologizes for short notice given to SEATO members.

February 14—Embassy London received pointed complaint from UK on lack of previous coordination. (London 3394, Bangkok 2424.<sup>14</sup>)

February 16 through 18—Operation Firm Link successfully conducted.

February 19—Embassy Bangkok assesses Firm Link as a signal success. (Bangkok 2392.<sup>15</sup>)

<sup>9</sup>Dated February 6, not printed. (*Ibid.*, EA/RA Files: Lot 67 D 143, 313.1 SEATO Military Advisers 1955-62)

<sup>10</sup>Dated February 8, not printed. (*Ibid.*, Central Files, 792.54/2-856)

<sup>11</sup>Dated February 9, not printed. (*Ibid.*)

<sup>12</sup>Dated February 9, not printed. (*Ibid.*, EA/RA Files: Lot 67 D 143, 313.1 SEATO Military Advisers 1955-62)

<sup>13</sup>Dated February 12, not printed. (*Ibid.*)

<sup>14</sup>Dated February 14 and 22, respectively, neither printed. (*Ibid.*, Central Files, 792.54/2-956 and 792.54/2-2256, respectively)

<sup>15</sup>Dated February 19, not printed. (*Ibid.*, 792.54/2-1956)

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84. Memorandum of a Conversation Between the Counselor of the Department of State (MacArthur) and the British Ambassador (Makins), Department of State, Washington, February 29, 1956<sup>1</sup>

SUBJECT

SEATO Military Planning

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<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 656. Secret. Drafted by MacArthur.



Sir Roger Makins called on me at his request today and handed me the attached memorandum<sup>2</sup> regarding SEATO Military Planning proceeding on the assumption that nuclear as well as non-nuclear weapons will be used in defense of the area. He had been asked by Foreign Secretary Lloyd, he said, to give this to the Secretary, but in view of the great demands on the Secretary's time he was handing the memo to me for transmittal to the Secretary.

I read the memorandum hastily and said I would of course personally see that it was brought to the Secretary's attention. I said that commenting personally, I thought there was general agreement on the part of all members of SEATO that SEATO defense planning did not involve the delegation of the responsibility of the member governments for putting military plans into action in the event of hostilities. I said also that we fully recognized the importance of handling any publicity with respect to military planning in such a manner as not to create psychological problems. Obviously, however, if military planning was to be of any use whatsoever, the military planners on a contingency basis had to take into account all the types of forces and all the types of weapons at their disposal. Any planning which did not take into account nuclear weapons would obviously be unrealistic and not worthwhile.

I concluded by saying that in my own mind I was not certain whether the Foreign Ministers themselves would have to have a detailed discussion of this subject, and that one possibility was that the Foreign Ministers could simply approve the Military Advisers proceeding with their planning along the lines which the Military Advisers had discussed. Sir Roger said he did not know what the procedure would be at Karachi, and I replied that I felt sure it could be handled in a satisfactory manner so as not to create new problems.

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<sup>2</sup>In this memorandum, not printed, the British Government gave its preliminary views on the question of whether the SEATO Military Advisers should proceed on the assumption that nuclear as well as non-nuclear weapons would be used in defense of the area in the event of conflict.

## 85. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Karachi, March 7, 1956.*

Secto 11. First session<sup>2</sup> morning, [March] 6, 1956 public opening ceremony.

Pakistan Foreign Minister, Mr. Hamidul Huq Chowdhury, nominated by Thai and elected Chairman, Second Council Meeting, SEATO. There follows brief summary opening addresses.<sup>3</sup> Pakistan Prime Minister<sup>4</sup> emphasized objectives of treaty purely defensive to live and let live in peace, to resist aggression, uphold right of self-determination and promote economic welfare. Cited necessity for dispelling misgivings that treaty is directed against "certain countries". However, he said Pakistan would not remain passive spectator of any act aggression imperiling security of area. Stressed right of every country take measures to defend itself, pointed out this right endorsed and upheld by Asian African states at Bandung. Referred to urgent necessity raise living standards peoples undeveloped countries.

Pakistan Foreign Minister recognized treaty had played effective role deterring aggression, maintaining peace and expressed "fervent hope that with time we shall be able to proclaim greater achievements in this direction". As subversion thrives on economic exploitation Pakistan expects assistance and cooperation. Pakistan a member of SEATO not because of hope for aid which is also given to "neutral" countries but because of its wish to contribute to defense and preservation of ideals and for territorial integrity. Referred to principles of equal rights and self-determination and the promotion of self government as SEATO principles. Expressed hope independent countries and those that may soon achieve independence will join as equal partners in comity of nations.

Australian Foreign Minister Casey referred to re [recent] statements by Governor General and Prime Minister of Pakistan reaffirming support of SEATO, again emphasized defensive nature of SEATO alliance in order "to meet misunderstanding in some friendly countries" and misrepresentation of other countries. Briefly commended work of Military Advisors and expressed belief that progress should be made re economic matters. Casey said Australia "takes seriously

<sup>1</sup>Source: Department of State, Central Files, 396.1-KA/3-756. Repeated to London, Wellington, Canberra, Manila, Singapore, Bangkok, Paris, and CINCPAC at Honolulu.

<sup>2</sup>Of the Second Council Meeting of SEATO, held at Karachi March 6-8.

<sup>3</sup>U.S. Verbatim Minutes of each of the six sessions of this meeting, dated March 6-8 and designated USVerb/1 through USVerb/6, respectively, are in Department of State, Conference Files: Lot 62 D 181, CF 659.

<sup>4</sup>Mohammed Ali.

the obligations of Article III". Cited subversive activities major danger in treaty area and suggests greatest attention be given this problem.

Foreign Minister Pineau of France spoke in generalities, emphasizing the need for political and especially economic cooperation.

New Zealand Foreign Minister, Macdonald, expressed belief SEATO had done well during first year and stated New Zealand wished contribute to further development. Cited need for economic aid member countries helping each other with burdens created by defense expenditures. Complimented U.K. and Malaya on success of recent negotiations which he said indicated treaty and Pacific Charter not mere paper pledges. Said New Zealand wants economic studies to be completed and followed by action.

Philippine Foreign Secretary Garcia paid respects to development of Pakistan independence. Called for sincere thorough re-examination SEATO weakness and reorientation of ways and means of coping with growing menace to freedom and prosperity of area due to new totalitarian tactics. Stated Philippines prepared to make proper contribution to fullest extent of Philippine resources. Said SEATO must be prepared meet not only aggression but danger of political and economic penetration and subversion.

Thai Foreign Minister, Prince Wan, paid glowing tribute to close relations Thailand and Pakistan referring to Thai's three million Muslims. He noted that Cambodia, Viet Nam and Laos are now free and independent and that Malaya and Singapore are assured early prospect of independence. He expressed gratitude for bilateral economic aid especially from the U.S. Said SEATO should develop greater mutual cooperation to assure economic progress and social well-being. Referred to Firm Link as an extremely successful example cooperation and regretted short notice on which it organized. Finally characterized SEATO as defensive instrument of peace and prosperity.

British Foreign Minister, Selwyn Lloyd, paid tribute to development of Pakistan independence. Cited steady "if unspectacular" development of SEATO called for enlarged and strengthened organization. Also emphasized defensive character of SEATO.

Secretary's statement will be transmitted in full.<sup>5</sup>

Dulles

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<sup>5</sup>For text of the Secretary's remarks, see Department of State *Bulletin*, March 19, 1956, p. 449.

## 86. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Karachi, March 7, 1956—5 p.m.*

Secto 9. First Session Morning March 6—Closed Session.

The chairman recommended as first order business approval provisional agenda. UK pointed out that under Item 5 (classified report)<sup>2</sup> certain items bracketed. Suggested council representatives meet immediately with view eliminating brackets. This agreed and council representatives met.

Asked for further comment on agenda, Pakistan delegate stated his government had requested inclusion of statements by Soviet leaders as specific item in agenda but in deference to others had not insisted. He stated Pakistan would discuss this matter under Item 4 (exchange of views on matters affecting the area).

The Secretary suggested preparation final communiqué should be included and suggested representatives each delegation meet following morning session seventh to prepare draft communiqué. Chairman stated he envisioned daily communiqués. It was agreed to issue daily and final communiqués as suggested.

Australian Foreign Minister stated willing to forego speaking first if Chairman wished to establish order of speaking other than alphabetical. Chairman suggested reverse alphabetical order and Secretary spoke first. There follows summary Secretary's statement:

There have been recent significant changes in policies and practices of Soviet Union and to a lesser extent of Communist China. The evidence of twentieth Communist Party Congress showed certain changes being produced including: (1) Collective leadership; (2) greater semblance of tolerance with less emphasis on violence; (3) disposition to make alliances from which Soviets previously remained aloof.

Reasons for leadership probably due to lack of any single man standing out above all others. Change of emphasis re violence and threat of war due to cohesion and strength of free world. Previous policy of threat produced diminishing returns. Unity and cohesion of free nations proved threats of violence were unproductive for Sovi-

<sup>1</sup>Source: Department of State, Central Files, 396.1-KA/3-756. Confidential. Repeated to London, Paris, Wellington, Canberra, Manila, Singapore, Bangkok, and Moscow. The U.S. Verbatim Minutes of this session, USVerb/1, March 6, are *ibid.*, Conference Files: Lot 62 D 181, CF 659.

<sup>2</sup>Report of the Council Representatives to the Council, dated March 1956 and designated SCR(56)/REP-C, not printed. An undated Addendum, designated SCM/K. 56/D 2, not printed, notes the changes agreed upon by the Council in the course of the meeting. (*Ibid.*, CF 666) For a brief summary of part of the report, see footnote 2, Document 91.

ets. As result chances of war reduced. Further factor was economic collapse of free nations anticipated by Soviet leaders did not materialize and instead there has been steadily increasing economic progress.

These developments not coupled with any diminution of military preparation by Soviets. New five-year plan emphasizes heavy industry and the production of aggressive instruments of war such as guided missiles and submarines. In these circumstances free nations cannot forego necessity of keeping up military strength. If in future it appears to Soviets that violence will work to their advantage they will have no hesitation use it.

New Soviet methods include: (1) Economic penetrations; (2) attempts to turn free nations against themselves by stirring up old controversies and arousing hatred among free peoples; and (3) massive sale of arms in the Near East.

One possible result of these new techniques will be to create within Soviet Union an increased demand for tolerance. Little chance of this in immediate future but there might be such result in decade or generation. In foreign policy Soviets still trying to promote eventual victory of their brand of life throughout the world. New Soviet tactics not due to change of purpose but because of hope they will be more successful.

Secretary here cited historic example—the fall of Troy—and warned of Trojan horse tactic. He warned of danger of being lulled into complacency.

In Soviet state there is no genuine independence. All Communist states are for practical purposes in colonial status. Road to becoming a Communist state is one-way. There is no return as evidenced by case of Germany. Flow of refugees from East to West Germany at rising rate and other factors indicate East Germans would vote selves out of communism if given chance. Cited denial intellectual, religious, labor freedom. WFTU effective propaganda instrument, although no free labor, no collective bargaining, no means of obtaining better hours, wages or working conditions exists. Soviet monuments of heavy industry produced by slave labor.

Successful resistance to possible attack depends on local capacity to resist, backed by outside mobile striking power. Successful resistance to Soviet aggression and subversion also require economic and social action. To strike balance between military effort and economic effort very difficult. Necessity for substantial military establishment and striking power apparent. Economic and social ills can prove as dangerous as military attack. Economic health in free world is vital to peace. We try to strike right balance. During past two years US has allocated economic aid to three Asian members of SEATO of about \$300 million. This is an increase of almost four-fold over the two

previous years. In addition, during the same period we have provided over \$230 million in aid to Vietnam, Laos and Cambodia. This great increase in aid to SEATO countries that have assumed additional burdens, while aid to other countries remained at same level previous years, shows special consideration for countries which are our allies.

Although danger of war is now less this must not be a reason for complacency.

US prepared to give our full support militarily and materially so we may achieve the goals set forth in the Treaty and Pacific Charter.

Dulles

### 87. Circular Telegram From the Department of State to Certain Diplomatic Posts<sup>1</sup>

*Washington, March 7, 1956—4:42 p.m.*

617. AP story carried Wednesday's<sup>2</sup> *New York Times* quotes Secretary as saying "Standing military force needed to protect vulnerable SEATO nations from Communist aggression".<sup>3</sup> This being interpreted many quarters as departure our policy of flexible sea and air forces to policy committing or supporting establishment of standing SEATO force.

Request clarification soonest so press queries can be accurately answered.<sup>4</sup>

Hoover

<sup>1</sup>Source: Department of State, Central Files, 396.1-KA/3-756. Confidential; Priority. Sent to Karachi and repeated to Bangkok, Canberra, London, Manila, Paris, Singapore, Kuala Lumpur, Saigon, Phnom Penh, Vientiane, and Wellington.

<sup>2</sup>March 7.

<sup>3</sup>In the AP story as carried in *The New York Times*, p. 10, the quoted sentence was not printed as a direct quotation from the Secretary: "A standing military force is needed to protect vulnerable SEATO nations from Communist aggression, Secretary of State Dulles declared."

<sup>4</sup>In Secto 33 from Karachi, March 9, the Embassy stated:

"Associated Press story as quoted *New York Times* is misinterpretation [and] has already been thrown down to correspondents here. Berding, briefing press, said that Secretary said adequate military forces were required by Asiatic members but that major deterrent to communist aggression consisted in having strong retaliatory striking power by member nations generally, particularly United States." (Department of State, Central Files, 396.1-KA/3-956)

Andrew H. Berding, a Senior Adviser to the U.S. Delegation to the SEATO Council Meeting, was Assistant Director for Policies and Programs of the U.S. Information Agency.

88. **Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Karachi, March 7, 1956—7 p.m.*

Secto 12. Department pass CINCPAC. Second closed session afternoon March 6 continuation Item 4.

The Foreign Minister of Thailand, Prince Wan, said danger Communist aggression for time being receding but must continue vigilance. He stated Thai relations with Burma were excellent. Minor border troubles had been settled through normal diplomatic procedures. Stated relations between Thailand Malaya "left nothing to be desired" and expressed gratification Malayan independence. Referred to neutralist attitude of Cambodia and said his country's policy was to maintain friendly relations with Cambodia. He cited threat to Laos by Pathet Laos and expressed gratification that Cambodia and Laos were in UN. He stated Thailand looked with concern on Communist threat to Vietnam and suggested it would be desirable for Council to keep close watch on developments in Vietnam. Remainder his statements almost entirely devoted to thesis that Thailand completely loyal to SEATO and had not been taken in by neutralism. He stated this policy had been stated by Prime Minister Pibul and had been confirmed by Foreign Minister on many occasions. He explored several facets of neutralism and emphasized that such a policy offered no advantages. He said Thailand now receiving military and economic aid and that if more were needed it could be obtained through negotiations with friends. Stated first necessity was speed up present aid programs. Said Thailand's firm anti-Communist policy had support of all but small number of Thai people.

Philippine Foreign Secretary, Garcia, referred to Communist diplomatic and commercial offensive in Middle East and SEATO area and drew conclusion SEATO must be strengthened militarily and economically. He posed problem of lack adequate resources for both defense and developmental expenditures and said development program would be more effective if aid were committed for periods longer than year to year basis. He viewed loans as most desirable for bulk of assistance. Re military preparation he stated plans had been drafted for collective defense in event of Soviet aggression. He said Philippine armed forces capabilities limited to internal security and revealed Philippine expenditures have been shifted to benefit government's program for improvement living conditions rural people. He cited need for re-examination military aid programs to underdeveloped countries. Recommended establishment permanent group to

<sup>1</sup>Source: Department of State, Central Files, 396.1-KA/3-756. Confidential. Repeated to London, Wellington, Canberra, Manila, Singapore, Bangkok, and Paris.

make continuous assessment of threat to area. Expressed disappointment over progress made with respect to measures against subversion and stated CCC's lacked sufficient guidance. Regretted lack of coordination by three civilian committees under Council representatives. He stated his government believed there was urgent need for setting up an integrated effective SEATO counter-subversion group to detect, expose and counteract subversive activities. Endorsed proposals for establishment of public relations office, appointment of cultural relations officer and creation of research service center.<sup>2</sup>

The chairman of Council meeting, Pakistani Foreign Minister, spoke for Pakistan. He referred to statements of Soviet leaders during recent visit this area<sup>3</sup> which he said constituted active Soviet intervention and stated that matter of such gravity necessitated discussion by SEATO powers. After quoting Khrushchev's threat to Pakistan he stated Afghanistan had tried by all means "to secure the detachment from Pakistan and absorption into Afghanistan of territories to the east of the Durand Line".<sup>4</sup> He charged Afghanistanian activities were now creating disorder on frontier through surprise raids, disruption of communications and subversion of loyalty of tribesmen. He stated Afghanistan's designs on Pakistan territory received open support of Soviet Government. He said the Soviets following Bulganin's visit announced \$100 million aid program to Afghanistan, a large portion for military purposes. A further \$15 million was promised to obtain weapons from Czechoslovakia. These developments, he said, were designed to involve Pakistan in long conflict which might follow pattern of Korea or Indonesia. He stated Pakistan might in near future find herself engaged in active defensive operations on her frontier which might appear to be localized to Afghanistan but would in fact be in defense of treaty area against Communist aggression. He said Afghanistan was merely a tool and Paktoonistan [*Pushtunistan*] only a convenient cover for Russian intention to destroy Pakistan. Said Pakistan does not have the means to sustain operations against such Communist aggression.

The Pakistani Foreign Minister turned to Kashmir and cited from Khrushchev statements. He said these pronouncements have brought Pakistan into East-West cold war with objective of creating

<sup>2</sup>See footnote 2, Document 91.

<sup>3</sup>First Secretary Khrushchev and Prime Minister Bulganin were in Kabul December 16-19, 1955, during which time each made statements indicating sympathy toward the Afghan position on the Pushtunistan question.

<sup>4</sup>The boundary line between British India and Afghanistan drawn up by a British mission under Sir Henry Mortimer Durand and agreed to by Amir Abdur Rahman, Khan of Afghanistan, on November 12, 1893. For text of the agreement, see *British and Foreign State Papers*, vol. 95, 1901-1902, p. 1049; or India, Foreign and Political Department, *A Collection of Treaties, Engagements, and Sanads Relating to India and Neighbouring Countries* (Calcutta, Government of India Central Publication Branch, 1933), vol. XIII, p. 256.



dissension, confusion and disruption and fostering a sense of instability and insecurity demoralizing the friends of Western democracy. He stated Khrushchev had invited Prime Minister of Kashmir visit Soviet Union where he would be impressed with Russian might and brain-washed. He said India's friends publicly supported her and it is time Pakistan's friends came out into the open. All Pakistan wanted was for people of Kashmir to be allowed to exercise self-determination and through plebiscite decide whether they wish to join India or Pakistan. This he said has been proposed by Security Council and India is committed to it. If Western democracy were reluctant support Pakistan for fear of annoying India, friends of West would be dismayed and demoralized. Failure to support Pakistan would have serious domestic repercussions in Pakistan, strengthening those opposed to government's policy of alliance with West and strengthening pro-neutralists.

The Foreign Minister of Pakistan cited paragraph II of Article IV of the treaty and stated a serious danger to territorial integrity, sovereignty and political independence of Pakistan had arisen and should be considered by SEATO members. He recommended support of Pakistan to solve the Kashmir dispute (1) SEATO should reaffirm stand accepted by Security Council re fair and impartial plebiscite,<sup>5</sup> (2) reaffirmation by the SEATO members that the Durand Line is internationally accepted frontier between Pakistan and Afghanistan, (3) urge steps to strengthen defensive capacity of Pakistan and recognize need to furnish Pakistan with requisite resources meet subversion and aggression and discharge its treaty obligations.

Foreign Minister New Zealand, Mr. Macdonald, stated he viewed SEATO as a deterrent to aggression of considerable importance. He viewed coming year as one of decision for Vietnam and cited Article IV paragraph 11 of treaty but did not propose formal consultation. He did suggest a reference be made in final communiqué to elections in Vietnam. In his view situation in Indochina had improved. He believed, however, that Diem's attitude toward consultation with Viet Minh was giving propaganda advantage to Communists. He suggested Vietnamese Government be encouraged to make public statement of conditions under which it would agree to general elections. He believed that this would place onus of blocking free elections where it belonged and that under these conditions the Communists would back down as they did when offered free elections in Germany. He deplored Vietnamese failure to accept status of ICC which he viewed as a deterrent to Communist aggression. He

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<sup>5</sup>Apparent reference to the Security Council Resolution of April 21, 1948 (S/726), and certain later actions of the Council. For a summary of formal action on the matter by the Council through 1950, see *Foreign Relations*, 1951, vol. vi, p. 1699.

expressed fear that Laos Government might provoke military action by Viet Minh and stated it was essential to support ICC in order to obtain peaceful settlement. He referred to Soviet campaign to create dissension and foment hatred for selfish and sinister purposes and expressed hope that the Kashmir dispute would be settled by orderly international procedures. He expressed view that Soviets through their statements were guilty of interference in Pakistan's domestic affairs.

The French Foreign Minister stated his government recognized the necessity for military action against guerrillas but emphasized that main factor necessary was political action and raising standard of living of the people. He said propaganda could be used only with the greatest caution, that most efficient means of action strengthen the area would have to be of economic character. He cited his belief that there would not be an invasion of South Vietnam by Viet Minh but he cautioned of danger of armed guerrillas in Cochin China, several bands of which he said were probably directed by the Viet Minh. In his view stability in Vietnam depended more on political action than on military action to suppress armed guerrillas. He viewed the situation in Cambodia where the government was not threatened by subversion as better than in Vietnam.

The Australian Foreign Minister, Mr. Casey, commended the Secretary's fine statement re recent switch in Soviet policy. He referred to Soviet proposals in Near East and South and Southeast Asia and suggested the necessity for more complete and detailed account and analysis of Soviet and satellite economic proposals. He commended U.K. and Malaya on the recent independence negotiations. He suggested chairman might provide Council with additional background on Paktoonistan [*Pushtunistan*] problem. He agreed with Filipinos that little had been accomplished re countersubversion. He suggested need for greater originality and initiative on this problem and said that he did not get a great deal out of report of CCC's.<sup>6</sup> Mr. Casey said that the political situation in Indonesia was not stable; that at the last general election the Communists had received five to six million votes. It was his view that the future of Indonesia was "in the lap of the gods" and that the question of the future government of Indonesia was of considerable interest to other governments in the area.

The British Foreign Secretary stated he believed subversion was greatest menace to area but that military threat still existed in Communist China and from the Viet Minh. He said that the Viet Minh

<sup>6</sup>A report entitled "Estimate of the Threat of Subversion to the Treaty Area", not printed, was prepared by the Committee to Combat Communist Subversion. It is Appendix II to the document cited in footnote 2, Document 91.

now have five or six more divisions than at time of Manila meeting. Since Manila meeting Soviets' interest in area has changed from indirect to active. He warned that many people in area believe it possible to reach an understanding with Chinese Communists. He expressed apprehension that over-publicized SEATO achievements would give Communists an opportunity for exploitation and that SEATO should not be made to appear as just a propaganda organization. He said it must be remembered that there are still uncommitted states in area and warned that countries not presently ready to join us should not be frightened away. He recalled British diplomatic efforts to obtain cooperation of these states before Manila and recommended strengthening ties with countries outside the treaty.

Selwyn Lloyd viewed situation in Cambodia as more satisfactory and risk of aggression less than in Laos or Vietnam. He commended consolidation of Diem regime. As co-chairman of Geneva meeting, he stated Great Britain would stand by the Geneva agreement and would be guided by a policy of patience. He referred to important roles of ICC and urged that everything be done to help ICC do its work for peace.

U.K. Foreign Minister referred to Malaya as only member country where the Communist pursued policy of violence which is costing Britain 100 million pounds a year. He said this Communist policy of violence had failed. He cited general terms of recent agreement<sup>7</sup> looking toward Malayan independence but first year of elected government in Singapore was not too satisfactory. Referred to strikes and school trouble attributable to Communists. He said that Marshall as well as British Government were aware of problem and determined to meet it. He also referred to open Communist penetration of treaty area and attempts to exacerbate differences between Asian states. He cited arms deal with Egypt as greatest danger world peace since Korea and Soviet penetration of Afghanistan.

Foreign Secretary said alliances were not only military but also concerned with the battle of ideas and stated that if we had the same access to people behind curtain as we give Communists in free world in the battle of ideas we would have nothing but fear.

The Foreign Minister of France made additional remarks. He said he believed there had been fundamental switch in Soviet policy, the Soviets he said had based their policy on inevitable disintegration of capitalism and have finally discovered their error. They have found that they will have to apply political instead of military means to obtain success. However, Pineau questioned desirability of defense of capitalism as a good propaganda approach in certain parts of world.

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<sup>7</sup>Signed February 8 by representatives of the Federation of Malaya and British officials. See the editorial note, vol. xxii, p. 761.

Real problem he stated was what to do within framework of peaceful co-existence. No matter what action we take Communist ideas are sure to continue spreading while we have always had difficulty in circulating our ideals and principles. He proposed that we undertake to get the largest possible opening of frontiers and the circulation of men and ideas as was suggested at Geneva. This, he stated, is our best chance. However, an ideological campaign must be accompanied by an economic offensive and the psychological aspects of economic problems must not be ignored. Ideas will develop best in an atmosphere of prosperity and welfare. Economic aid must be on the basis of cooperation and not charity.

The chairman read a communiqué for the day's meeting<sup>8</sup> which was agreed to by the Council. Session ended.

**Dulles**

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<sup>8</sup>Dated March 6, not printed. (Department of State, Conference Files: Lot 62 D 181, CF 661)

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## 89. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Karachi, March 8, 1956—7 a.m.*

Secto 18. Department pass CINCPAC. Third session—morning—March 7th closed session (Part I).

Pakistan (Amjad Ali)<sup>2</sup> opened debate drawing attention speech Australian representative yesterday mentioning "competitive co-existence", which he said took various forms in Asia: In political field, there was competition ideologic, Communist, neutralist and collective security. Latter group represented here of which three are Asiatic, who believe in democratic way of life and who should get together so that if aggressor wants to expand collective security comes into play. In economic field, Communists say controlled economy best suited these areas to make use of populations and increased productivity. Some neutrals have recently embraced socialistic philosophy. This competition proceeding especially in Asia which will be crucial part of world next ten years. United States Secretary State yesterday referred Trojan horse which in this case is either double-headed

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<sup>1</sup>Source: Department of State, Central Files, 396.1-KA/3-856. Confidential; Priority. Repeated to London, Paris, Canberra, Wellington, Bangkok, Manila, New Delhi, and Kabul.

<sup>2</sup>Minister of Finance.

horse or one ridden by two people. Dangerous situation developing along Pakistan's northern border with Afghanistan. Ali pleaded for declaration that Durand Line is international boundary and referred to confusion resulting from former Secretary Acheson's statement on defense responsibilities of United States re Korea<sup>3</sup> some alleged were instrumental causing North Korean invasion South Korea. Also repeated Pakistan request for reiteration United Nations Kashmir decisions.

Australia (Casey) confirmed his government stands firm on United Nations resolution calling for settlement Kashmir dispute via free and impartial plebiscite. Quoted speech before Australian Parliament, in which he said Soviet leaders prejudged issue pending before Security Council. Said Australia desires see settlement by peaceful means. United Nations resolution points way. Soviet intervention makes permanent settlement more difficult. Casey specifically endorsed remarks of United Kingdom Secretary State on Pushtunistan and suggested council take note of Pakistan statement re problem of Russian aid to Afghanistan and request report by SEATO military advisers.

United Kingdom (Lloyd) stated position re Afghan situation made clear yesterday. Position on Kashmir also clear despite inaccurate press speculation. SEATO not suitable forum to discuss merits of Kashmir dispute, but as for attitude, United Kingdom stands in exactly same position as Australia and hopes to see settlement of this question in UN or directly as soon as practicable.

Thailand (Wan) agreed with Pakistan re significance statements of Soviet leaders which merely create confusion and foster insecurity. SEATO must be on guard through its Council representatives and military advisers. Re settlement of Pushtoonistan and Kashmir questions, already said in general political statement Thailand favored peaceful amicable settlement along UN principles as well as under Article I of SEATO treaty. Thailand, as strong firm supporter UN, supports Kashmir resolution which especially provides for free impartial plebiscite under UN. Re Durand Line, this is frontier line taken over from UK. SEATO should do all it can to strengthen defense Pakistan.

US (Dulles) referred to previous remarks on evil tactics of Soviet leaders in stirring up hatred and animosities on their trip to South Asia, which deserved condemnation of all decent people. Re two matters raised by Pakistan, US has never doubted sovereignty of Pakistan since it became independent state extends to Durand Line. US regarded this as international frontier between Pakistan and

<sup>3</sup>For text of Acheson's remarks made before the National Press Club in Washington on January 12, 1950, see Department of State *Bulletin*, January 23, 1950, p. 111.

Afghan at time it entered into diplomatic relations with Pakistan in 1947. Pakistani Foreign Minister yesterday reminded us that Soviet rulers might take different view. In order avoid misunderstanding and possible miscalculation, US suggested it be made clear that "treaty area" referred to in Articles IV and VIII of our treaty include so far as Pakistan is concerned area up to Durand Line. Re Kashmir, US Ambassador to Pakistan<sup>4</sup> on December 14, 1955 alluding to Soviet statements said, "the basis of the US position is that the question of the accession of Kashmir to India or Pakistan should be decided through free and impartial plebiscite under UN auspices. This was stated by the US representative in the Security Council on December 5, 1952. It still stands". Secretary added that still stands as position of US. (Verbatim text Secretary's statement transmitted separately.)<sup>5</sup>

Philippines (Garcia) supported Security Council resolution for Kashmir according peoples opportunity to decide by free and impartial plebiscite. Re Pushtoonistan, Philippines agreed with Australian reference to military advisers group for further determination of facts.

France (Pineau) agreed with Australia that there should be peaceful settlement in Kashmir. Re Afghan said question was not one of frontiers but of security. Military experts should examine case to form opinion as to what might happen.

Pakistan (Amjad Ali) expressed gratitude of Pakistan delegation for views expressed by delegates of countries present on statements on Afghan and Kashmir (Part II to follow).<sup>6</sup>

Dulles

<sup>4</sup>Horace A. Hildreth.

<sup>5</sup>See Secto 16, *infra*.

Secretary Dulles discussed Pakistan-Afghan relations with Prime Minister Mohammed Ali and other officials on the morning of March 5 and the evening of March 7. The memoranda of conversation are not printed. (Both in Department of State, Conference Files: Lot 62 D 181, CF 665)

For documentation on the Kashmir dispute, see vol. VIII, pp. 55. ff.

<sup>6</sup>Document 91.

**90. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Karachi, March 8, 1956—6 a.m.*

Secto 16. Verbatim text Secretary's statement on Durand Line and Kashmir at Third Session SEATO Meeting March 7 follows:

"Mr. Chairman, on the matter of the statements which have been made by the Soviet rulers on their visits here, I expressed myself in my opening remarks at the closed session yesterday. I did not, indeed await coming to this SEATO Meeting to express myself on the evil tactics of the Soviet rulers in attempting to stir up hatreds and animosity on their trip to South Asia. I spoke publicly on that matter while they were still in the area and I think that their tactics deserve the condemnation of all decent people who want to see goodwill rather than animosity govern the relations of mankind.

With respect to the concrete matters which have been raised here, in the first instance by the Pakistan delegation I would like to say that as far as the boundary between Pakistan and Afghanistan is concerned, the United States has never doubted that the sovereignty of Pakistan extends to the Durand Line. We regarded this as the international frontier between Pakistan and Afghanistan at the time when we entered into diplomatic relations with Pakistan in 1947. The Foreign Minister of Pakistan, speaking yesterday, reminds us that the Soviet rulers take a different view as to this frontier.

I quite agree with what the delegation of Pakistan has said this morning as to the effect of the importance of avoiding any ambiguities or misunderstandings and possible miscalculations on the part of those who may be hostile to the purposes and principles of our treaty, and as far as the United States is concerned, we would regard it as appropriate to make it quite clear that the treaty area as defined in Article 4 and Article 8 of our treaty includes, so far as Pakistan is concerned, the area up to the Durand Line.

Now, on the other matter, the matter of the Kashmir, I recall that the United States Ambassador to Pakistan, speaking on December 14 of 1955, and after alluding to recent Soviet statements on Kashmir, said: 'The basis of the United States position is that the question of the accession of Kashmir to India or Pakistan should be decided through a free and impartial plebiscite under United Nations auspices. This was stated by the United States Representative in the Security Council on December 5, 1952, and it still stands.' That is the end of the quotation of the statement by the United States Ambassa-

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<sup>1</sup> Source: Department of State, Central Files, 396.1-KA/3-856. Confidential.

dor, made on December 14, 1955.<sup>2</sup> I can add, speaking today, that that position still stands as the position of the United States."

Dulles

<sup>2</sup>For text of the statement, see footnote 3, vol. VIII, p. 61.

## 91. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Karachi, March 8, 1956—9 a.m.*

Secto 19. Department pass CINCPAC. Third session morning March seventh closed session (part II).

Consideration item 5, classified report.<sup>2</sup> Thai representative approved classified report and its recommendations. Further recommended addition of Economic Officer to Executive Secretariat. He stated his government would continue provide housing for Secretariat and research service center. Recommended that at later date contributions to SEATO should be in accordance UN ratio. Economic officer proposed by Thais would devote full time study economic questions, prepare economic matter for permanent working group and serve as secretary economic committee.

In consideration of classified report French Foreign Minister submitted four papers<sup>3</sup> as follows:

1. General statement of principles governing international economic relations specifically concerning assistance, expansion of trade, stabilization raw material prices, agricultural surpluses and peaceful use of nuclear energy.

2. Recommendation that member states submit within four months reports on special problems resulting from their defense

<sup>1</sup>Source: Department of State, Central Files, 396.1-KA/3-856. Confidential. Repeated to London, Paris, Canberra, Wellington, and Manila.

<sup>2</sup>"Report of the Council Representatives to the Council", designated SCR(56)/REP-C and dated March 1956. In it the Council Representatives recommended the establishment of a Permanent Working Group to be composed of full-time employees (one from the staff of each of the Council Representatives), the setting up of a permanently-staffed international Secretariat headed by an Executive Secretary, the creation of a Research Service Center for the collection and distribution of overt materials on Communism, the development of an information program to be implemented by a new Public Relations Officer, the establishment of a cultural relations program to be administered by a new Cultural Relations Officer, and the funding of these additional functions and staff by a common budget. (*Ibid.*, Conference Files: Lot 62 D 181, CF 666)

<sup>3</sup>None printed. These papers bear the series designators SCM/K.56 D/7 through SCM/K.56 D/10. (*Ibid.*, CF 661)



effort. Reports to be considered by Economic Committee which will recommend what measures or assistance would be appropriate.

3. Recommendation for reports on areas where economic weakness contributes to susceptibility to subversion. Economic Committee to consider and make recommendations.

4. Proposes approval recommendation Economic Committee that each government appoint representative Bangkok to keep his government informed re SEATO economic affairs and develop more continuous flow of economic information.

French delegation invited economic experts to hold next meeting in Paris.

UK delegation accepted all recommendations in classified report. He suggested that Wadhana Isarabhakdi of Thailand who has been acting as Executive Secretary for Council Representatives be made permanent SEATO Executive Secretary and offered nominate UK candidate for Deputy Executive Secretary. British representative pointed out SEATO will now have full time PRO. Military plan appoint PRO and have asked Council coordinate civilian and military public relations programs. In British view public relations are primarily political function and should be only civilian PRO who might be assisted by military expert. British submitted suggested directive on public relations policy describing functions of Public Relations Officer citing principles which should guide him.

Australian representative accepted all recommendations classified report. Commended Philippine suggestion for stronger countersubversive organization. Discussed economic and military aid and referring to what he called quasi-military aid. Stated his country might be able to help in this field.

Philippine delegation submitted paper<sup>4</sup> recommending establishment office Secretary General responsible to Council and for continuation of Council Representatives and military advisers on a "coordinate and parallel level". Philippine paper viewed preparations to meet subversion as totally inadequate and recommended setting up "an integrated and effective SEATO anti-subversion group to detect, expose and counteract subversive activities". Also recommended permanent Economic Section within International Secretariat and increased staff for research service center. Chart accompanying Philippine paper showed a special security committee with, subordinate to it, sections labelled Information Culture and Education, Labor, special projects.

US (Dulles) called report most valuable contribution and US accepted all its recommendations. Commended Council Representatives for working out report this scope and magnitude as encouraging sign

<sup>4</sup>"Strengthening of the SEATO Organization", SCM/K.56 D/3, dated March 7, not printed. (*Ibid.*)

growing cohesion efficiency of organization and its ability work together. Re countersubversion Secretary commented member nations now faced with new development "peaceful offensive". Essential have interchange of knowledge within threatened area concerning nature and substance of threat and unity of planning for action to counter each threat. Welcomed recommendation for research service center to increase ability identify and expose methods, mechanics and modus operandi of international communism affecting treaty area. Secretary urged early establishment research service center. US will submit nominations for positions on staff during next meeting in Bangkok of Council Representatives. Re economic, felt most encouraging progress made by less developed members in initiating programs to build economic strength through expansion and development agriculture, irrigation, farming, transportation, electric power, communications, et cetera. Progress in industrialization also begun and some impressive results achieved. US Government will ask Congress appropriate funds next fiscal year to continue assistance programs and will ask for authority make certain long-term aid commitments to provide greater assurance of continuity in aid programs. Secretary called attention to other sources of US capital, Asian Development Fund and Export Import Bank. Latter stands ready to consider applications for loans from treaty area members for economically sound projects. US will cooperate to meet problem shortage skilled labor and is prepared join in contributing resources and personnel. US supports proposal of Thailand delegation for economic officer and staff. Secretary welcomed recommendation for Cultural Relations Office and said US currently planning inaugurate new program bilateral exchanges to be known as "SEATO Grants". Secretary hoped SEATO would expand its information program along both public and confidential lines. Secretary urged full effective support of member nations in making SEATO widely and favorably known. He attached great importance to recommendations for strengthening treaty organization, especially prompt establishment of permanent working group and Secretariat.

New Zealand delegation considered very important stress positive aspect SEATO work with increased emphasis economic field. Disturbed by inadequate coordination between Council Representatives and military advisers and said would circulate paper setting forth concrete recommendations. New Zealand as small country doubted sharing on equal share basis cost of Secretariat by willing accept Thai proposal subject review after one year. On publicity, felt one man should be responsible for both military and civilian information. Supported Thai proposal for economic officer on Secretariat. Said would examine with interest Australian proposal re "twilight area" of aid between straight civilian and straight military aid.

Pakistan (Amjad Ali) had some reservations but in general supported contents report. Very interested Australian suggestion re "twilight area" economic aid which he said US called "defense support". Cited such base Chittagong and road transport. 65 percent central resources Pakistan now devoted to defense; income tax up to 78 percent in higher brackets. Heartened by US intention request congressional authority put aid on long-term basis rather than year to year. Welcomed mention of Asia fund and Export Import Bank. Hoped for private investment to help develop Pakistan resources. Generally agreed re recommendations for expenses of Secretariat. Supported Thai proposal for economic officer on Secretariat.

UK (Lloyd) welcomed Australian proposal for strengthening organization. Desired time study Philippine proposals more closely. Re countersubversion agreed Australian need to identify this question more precisely. Cited example of Chinese Communist subversion in Chinese school, Singapore. Re strengthening police and security forces in area UK prepared exchange experiences other type counter-measures.

US (Dulles) said he felt Council should in general confine itself to report. Difficult for Council members give consideration new proposals of broad character made in present meeting rather than coming up through process of study and consideration by Council Representatives.

France suggested separating proposals for simple amendments or additions to report from completely new proposals.

Council Representatives instructed meet separately and report to Council at afternoon session on how various proposals before Council should be handled.

Dulles

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**92. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Karachi, March 8, 1956—7 a.m.*

Secto 17. Department pass information CINCPAC. Fourth session—afternoon March 7 closed session.

Australian Foreign Minister announced his government prepared provide quasi-military aid in form such items trucks, radio equip-

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<sup>1</sup>Source: Department of State, Conference Files, Lot 62 D 181, CF 680. Confidential. Repeated to London, Paris, Canberra, Wellington, Bangkok, and Manila.

ment, medical equipment, earth moving machinery, clothing, boots et cetera and training for NCSO's junior officers and police in schools in Australia. Such aid would be negotiated on bilateral basis and extended to Asian member countries and to Cambodia, Vietnam and Laos if not in violation Geneva Agreement (Casey told Secretary privately most of this would probably go to Pakistan as United States already provided adequate aid Thailand and Philippines).

Philippines, Pakistan and Thai delegates expressed their gratitude for Australia's offer.

Re proposals made at morning session was announced Council Representatives had recommended:

(1) That Thai proposal for economic officer on Secretariat Staff be accepted. Proposal was accepted and at request of Thais it was decided officer would be in addition to five Secretariat officers already planned.

(2) New Zealand's proposal re relationship between military advisors and Council Representatives be taken up under agenda item 6 on March 8.

(3) British proposal re PRO and directive public relations policy deferred until March 8.

(4) Philippine proposal re strengthening organization to be referred to Council Representatives who will study and make recommendations member governments.

(5) French proposals on economic matters to be referred to Council Representatives for study and recommendation.

All recommendations made in classified report, part III, A to E, accepted.<sup>2</sup> Recommendation part III F, common budget approved in principle but question of amount for first year. Council agreed consider further March 8 on basis memorandum to be submitted by United Kingdom<sup>3</sup> re more exact and substantiated estimate which Council Representatives would be expected provide.

Dulles

<sup>2</sup>These are the recommendations summarized in footnote 2, *supra*.

<sup>3</sup>Not found in Department of State files.

93. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

Karachi, March 9, 1956—2 a.m.

Secto 29. Department pass CINCPAC. Fifth session—Thursday morning—March 8.

Council approved resolution<sup>2</sup> inviting council representatives continue studies (a) concrete economic problems resulting from defense efforts and (b) determination areas particularly susceptible to subversive activities because of economic difficulties and to study specific needs such areas.

Council referred to council representatives for consideration and recommendations (a) joint declaration principles to govern action undertaken by members in economic field and, (b) assignment in Bangkok by each government of an officer to pinpoint SEATO economic matters for his government.

Approved British resolution making council representatives responsible for all public relations and inviting military advisers to nominate assistant public relations officer. Council representatives also instructed to prepare terms of reference for PRO.

Agreed to refer to council representatives New Zealand study of resolution<sup>3</sup> re relationship military advisers and council representatives.

US (Dulles) expressed view it was not necessary take any action on relationship military advisers to council representatives in addition to that taken last year which defined these relations. Expressed belief problem would evolve naturally and properly but had no objection to further study.

Speaking on military advisers report,<sup>4</sup> French representative (Pineau) emphasized importance of strengthening local forces.

Pakistan (Amjad Ali) called attention to Soviet intervention in area. Said 55 percent Pakistan budget used on defense and must look to stronger countries for help. Viewed recommendation of military advisers for immediate strengthening certain indigenous forces as

<sup>1</sup>Source: Department of State, Central Files, 396.1-KA/3-956. Confidential. Repeated to London, Paris, Manila, Bangkok, Singapore, Wellington, and Canberra.

<sup>2</sup>All the resolutions approved by the Council at this session are incorporated in the paper *infra*.

<sup>3</sup>The Council's action on the New Zealand proposal, "Coordination of SEATO Activities", designated SCM/K. 56 D/4 and dated March 7, is here misreported. See the paper *infra*. SCM/K. 56 D/4 is in Department of State, Conference Files: Lot 62 D 181, CF 661.

<sup>4</sup>The U.S. Verbatim Minutes of this session indicate that Pineau was referring to both the Military Advisers' Progress Report, not printed; and to the Melbourne Report cited in footnote 6, Document 81. (USVerb/5, March 8; Department of State, Conference Files: Lot 62 D 181, CF 659)

most important. Proposed that note be taken this paper<sup>5</sup> and program to work out implementation be undertaken immediately and action be taken to press forward on bilateral arrangement to strengthen indigenous forces.

Thai representative (Prince Wan) commended military advisers report and supported Pakistan on immediate aid to indigenous forces.

US (Dulles) endorsed proposal for security coordinator both military and civilian matters. Commended proposal to study combined military exercises. Suggested approval of establishment small military planning staff as basis for further development by military advisers organization. Secretary noted that US has generally same types and numbers of forces in the Far East and Central Pacific as he enumerated last year at Bangkok but with some modernization.

UK and New Zealand stated needed more time to study proposal for permanent military planning staff. UK referring particularly to item 3 a ii (decisions and recommendations by military advisers meeting Melbourne),<sup>6</sup> stressed urgent need for closest security. Pointed out newspapers this morning carried exceptionally accurate account yesterday's proceedings but in view of mention of nuclear weapons felt that greater care must be taken to avoid giving Communists opportunity exploit and distort this recommendation. Suggested Council adopt resolution taking note of conclusions in paragraph 3 a and b of the Military Advisers report on Melbourne meeting as a basis for future defense planning and preparation and to insure that such planning should be based on assumption that force

<sup>5</sup>Reference is to "Requirement for Immediate Strengthening of Certain Indigenous Military Forces", Annex 4 to the Melbourne Report.

<sup>6</sup>Paragraphs 3(a) and 3(b) of the Melbourne Report read:

"3.(a) The Military Staff Planners, in considering the attack on selected targets on the Chinese mainland in support of military operations in the Treaty Area, arrived at the following conclusions:—

"(i) In the event of overt aggression by Communist China, the course of action which will most effectively and with the least delay in time reduce the threat to the Treaty Area is attack by the SEATO air forces upon selected targets on the Chinese mainland and North Vietnam. This reduction would probably be sufficient to ensure that the defence of the Treaty Area would be practicable.

"(ii) In the event of overt aggression by Communist China, the SEATO Nations should adopt a concept of air operations employing atomic and non-atomic munitions."

"(b) The Military Advisers consider that the conclusions agreed by the Military Staff Planners are of such importance as to warrant their being brought to the notice of the Council, noting that the validity of the conclusion that

"This reduction would probably be sufficient to ensure that the defence of the Treaty Area would be practicable"

"is dependent upon a further study of the effect of nuclear weapons within the area under consideration."

The inner quotes are from the Staff Planners' report of their Honolulu meeting, November 1-16, 1955, not found in Department of State files. See footnote 4, Document 71.

necessary to insure effective defense of area against aggression would be used.<sup>7</sup> Prolonged debate on this subject resulted.

Australia (Casey) took view greater advantage in no resolution at all on this specific item. He was supported by Thais and French. Australian also pointed out council would wish do nothing which would impede continued military advisers work and favored simple resolution merely noting military advisers report.

US (Dulles) adhered to view expressed by Australia, New Zealand and Thailand that military advisers report should be noted and that there should be no resolution but indicated US shared sentiments expressed in second paragraph of UK resolution.<sup>8</sup> Council finally adopted following: "Council takes note of report of military advisers as basis for future defense planning and preparation".

Pakistan representative (Amjad Ali) drew attention to fact that his country was only one almost contiguous to Soviet Union. He proposed that council take note of necessity for strengthening indigenous forces in area.

US (Dulles) indicated he preferred not to have a resolution. From experience in US, he considered it academic to ask military advisers for a list of their requirements without knowledge of resources available. A balance must be struck between complete military security and internal solvency. Secretary also stressed collective force available to help any one member in case of aggression, and considered that Pakistan's purpose would be achieved by this draft<sup>9</sup> rather than a resolution. The Secretary added that the US was sharing in a bilateral program with Pakistan to increase Pakistan's forces very materially.

Pakistan representative said he would not press for moral resolution. Was satisfied if this matter were commended to notice of military advisers. Chair then announced that disposed of item VI<sup>10</sup> subject to position taken by UK re security coordinator.

UK explained that this referred to physical security of documents, leakages, etc.

<sup>7</sup>A draft resolution to this effect, entitled "Assumptions for Future Defence Planning", dated March 8 and designated SCM/K.56 D/14, not printed, apparently was circulated at this session, though not formally presented by Lloyd to the Council.

<sup>8</sup>This paragraph contained the formula that SEATO planning should be based on the assumption that force would be such as was necessary to ensure the effective defense of the area against aggression.

<sup>9</sup>According to USVerb/5, Dulles stated at this point: "Therefore, I suggest to the distinguished Delegate of Pakistan that perhaps the purpose which he has in mind is already achieved by the discussion that has taken place; by the fact, I think, that we have all made clear our recognition of the dangers of which he speaks and that we have reflected that in our noting the studies of the military advisers, which presumably will be carried forward."

<sup>10</sup>The discussion of military matters.

The chair announced this [proposal] was accepted<sup>11</sup> and asked French representative regarding his proposal for meeting of economic committee at Paris.<sup>12</sup> At US suggestion this proposal will be submitted to permanent representatives for study.<sup>13</sup>

Dulles

<sup>11</sup>Text of the British proposal was incorporated into paragraph 2 of the paper *infra*.

<sup>12</sup>That is, for holding the next regular meeting of the SEATO Committee of Economic Experts at Paris.

<sup>13</sup>At the afternoon session on March 8, the Council met first in private to consider the public communiqué; the members then made closing statements in public. Both segments of the session are reported in USVerb/6, March 8, not printed. (Department of State, Conference Files: Lot 62 D 181, CF 659)

For text of the communiqué, see Department of State *Bulletin*, March 19, 1956, p. 447. Dulles' statement at the final public meeting is *ibid.*, p. 451. For text of the Secretary's address, made over radio and television on March 23 (following his return to the United States on March 21), see *ibid.*, April 2, 1956, p. 539.

#### 94. Paper Agreed Upon at the Second SEATO Council Meeting<sup>1</sup>

SCM/K.56 D/15—Revised

*Karachi, March 8, 1956.*

#### FINAL TEXT OF THE DECISIONS AND RESOLUTIONS ADOPTED BY THE COUNCIL

The Council approved the recommendations contained in the Report of the Council Representatives (Document SCR/56/Rep.-C as amended by Document SCM/K.56/D.2) in respect of the Permanent Working Group, the Executive Secretariat, the Research Service Centre, the Information Programme, the Cultural Relations Programme for SEATO, as well as the Common Budget for the Council Representatives.

2. The Council took note of the Military Advisers' Report as a basis for future defense planning and preparations. It further noted with approval the decision of the Military Advisers to appoint a Security Co-ordinator and instructed the Council Representatives to provide all necessary facilities to enable the Security Coordinator to perform the same functions for the civil side of the organization as he is required by the Military Advisers to perform for the military side of the organization.

<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 661. Secret.



3. The Council decided:—

(i) that an Economic Officer on the international staff of the Executive Secretariat be appointed by the Council Representatives, with duties to be determined by the Council Representatives. This officer is to be in addition to the five officers of the Secretariat already agreed to.

(ii) that the New Zealand proposal (Document SCM/K.56/D.4) be referred to the Council Representatives for study and recommendations to member Governments.

4. The Council adopted the following Resolutions:—

(i) The Council resolved that the Council Representatives' Public Relations Officer should be responsible for public relations for SEATO as a whole;

The Council invited the Military Advisers to consider the desirability of appointing a nominee of suitable rank to act as assistant to the Council Representatives' Public Relations Officer.

The Council instructed the Council Representatives to prepare a brief policy making paper for approval by Governments as a directive to the Public Relations Officer.

(ii) The Council referred the proposals of the Philippine Delegation contained in Document SCM/K.56/D3 to the Council Representatives for urgent consideration at their next meeting, with the understanding that their recommendations thereon will be submitted directly to the Member Governments in order that appropriate action on those recommendations may be taken without delay.

(iii) The French Delegation having drawn the attention of the Council to the fact that it would be advisable that the Council should:

(a) reaffirm and define in a joint declaration the principles which govern the action undertaken by the members of the Organisation in the economic field,

(b) approve the recommendation submitted by the Committee of Economic Experts that each Council Representative should be assisted by an officer specialised in economic matters, whose functions would be to pinpoint for his Government matters which relate to SEATO economic affairs,

the Council referred the proposals to their Representatives for urgent consideration at their next meeting, with the understanding that their recommendations thereon will be submitted directly to the Member Governments, in order that appropriate action on those recommendations may be taken without delay.

(iv) The French Delegation having drawn the attention of the Council to the need of giving highest priority to studies already begun on the following matters:—

(a) the concrete economic problems raised by the specific difficulties resulting from the defence effort of Member States;

(b) the determination of the areas which their economic weakness makes particularly susceptible to subversive propa-

ganda or activities, and also the economic and social difficulties and the specific needs of such areas,

the Council invited their Representatives urgently to pursue the study of these two questions and to submit directly any recommendations thereon to the Member Governments, in order that appropriate action may be taken without delay.<sup>2</sup>

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<sup>2</sup>In a portion of Dulte 15 from Karachi, March 8, marked "Eyes only Acting Secretary, for President from Secretary", Dulles reported to President Eisenhower on the Council meeting as follows:

"We have just completed the meeting of the SEATO Council. Everything went very well. There is a sense of reality and spirit of fellowship which marks a great advance over last year's meeting at Bangkok. The military advisers have done a good job and the military operation called Firm Link, which our people carried out in Thailand with considerable cooperation of other SEATO countries made a deep impression. The countersubversive and economic phases are developing satisfactorily.

"The principal excitement revolved around the Pakistanis' raising of their territorial controversies with Afghanistan and with India. These were handled in a way which should not give any offense, although the Pakistanis have in the press considerably exaggerated what the Council did, and there will probably be some unfavorable reactions in both India and Afghanistan, based not so much on what the Council did which was very limited but upon Pakistan newspaper play-ups." (*Ibid.*, Central Files, 396.1-KA/3-856)

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## 95. Editorial Note

Following the SEATO Council Meeting in Karachi, Secretary Dulles was in New Delhi March 9-10. His memorandum of conversations held with Prime Minister Nehru on March 9 and 10 indicates that discussion twice turned to the question of regional alliances:

"He discussed his attitude toward collective security arrangements. He said he recognized that NATO might have been born of a real necessity. He doubted the genuine security value of any of the Asian arrangements. He bitterly deplored SEATO and Baghdad, which he felt Pakistan had entered not for security against the Soviet Communists but in order to get strength to use against India. He felt that the Pakistanis were a martial people and a fanatical people who could readily attack India. The present government might not have that intention, but the situation was unstable and governments could readily change."

At a later stage Nehru again brought up the matter:

"The conversation was resumed with Mr. Nehru attacking Pakistan with great emotion as being a military state run by the Army. He described the border incidents around Kashmir. He renewed his attack on SEATO as essentially involving an alliance with Pakistan against India. I said, 'Why don't you join SEATO?' He looked some-

what startled and said I could hardly expect him to join an organization of which he morally disapproved and which he thought mischievous. I said he might be able to change its character if he were a member." (Memorandum, March 10, PST/MC/1/2; Department of State, Conference Files: Lot 62 D 181, CF 675)

For full text of this memorandum, see volume VIII, page 306. For documentation on the interest of the United States in the Central Treaty Organization (Baghdad Pact), see volume XII.

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96. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, March 12, 1956—10 a.m.*

1166. Bangkok pass Robertson and Young. Crown Prince has expressed to me indignation and alarm at recent declarations French Foreign Minister<sup>2</sup> which he felt weakened confidence both in basic posture of France and in efficacy of SEATO. It was his opinion that, in view revolution of Indochinese states during last two years, France no longer has role to play in SEATO, though realizes he can hardly be excluded at this stage. He said very earnestly that he hoped US would continue to provide firm and effective support to SEATO. Otherwise Laos would have no alternative but to follow path of Cambodia into "passive neutralism".

I assured him that US Government is standing and is determined to continue to stand firmly behind SEATO. I believe, however, a personal message from the Secretary to Savang along these lines would be most helpful.<sup>3</sup>

**Yost**

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<sup>1</sup>Source: Department of State, Central Files, 790.5/3-1256. Secret. Repeated priority to Paris, Saigon, Phnom Penh, and Bangkok. The Legation in Laos was raised to Embassy status on August 10, 1955.

<sup>2</sup>Apparent reference to a speech delivered by Pineau before the Anglo-American Press Association of Paris on March 2, in which the Foreign Minister criticized the United States in particular for its support of Ngo Dinh Diem in Vietnam and the Western powers as a group for an overemphasis on military security.

<sup>3</sup>Telegram 950 to Vientiane, March 12, repeated to Saigon, Phnom Penh, and Paris and priority to Bangkok, requested that Yost draft a statement and transmit it to Bangkok for the Secretary. (Department of State, Central Files, 790.5/3-1256) See Tosec 623, *infra*.

97. **Telegram From the Embassy in Laos to the Embassy in Thailand<sup>1</sup>**

*Vientiane, March 13, 1956—4 p.m.*

Tosec 623.<sup>2</sup> Re Deptel 950, repeated Bangkok, Tosec 56.<sup>3</sup> Following is suggested text of message to Crown Prince Savang Vatthana, for Secretary's consideration:

"I have recently attended the meeting of the SEATO Council at Karachi, where I pledged the continued moral and material support of the United States toward achieving the goals of the Manila pact and the Pacific charter. The situation in Asia is not one in which the free nations can relax the military vigilance and preparedness which provide the only effective deterrent to resort to military force by those who would destroy freedom.

Since I am unable this year to visit the kingdom of Laos personally, and renew my acquaintance with Your Highness, I take this opportunity to assure Your Highness and the people of Laos that my country is standing, and is determined to continue to stand, firmly behind SEATO and the nations of free Asia. I am confident that the common determination of your government and mine to maintain the security of Laos will accomplish its purpose and will contribute to the peace of Asia."<sup>4</sup>

Yost

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<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 680. Secret; Priority; Niact. Repeated priority to the Department, which is the source text. Dulles was in Bangkok March 13-14.

<sup>2</sup>In this instance, the marking "Tosec", indicating that the telegram was intended for the Secretary or his party rather than the members of the Embassy, is used for a telegram which is part of the regular numbered series from Vientiane to Bangkok.

<sup>3</sup>See footnote 3, *supra*.

<sup>4</sup>In telegram 343 from Saigon to Vientiane, repeated to the Department, the Secretary replied: "You are authorized to deliver as coming from me message reference telegram [Tosec 623] with following change in wording. Delete word 'military' appearing before word 'vigilance' in second sentence." (Department of State, Conference Files: Lot 62 D 181, CF 680) The Secretary was in Saigon March 14-15.

98. Telegram From the Embassy in Afghanistan to the Department of State<sup>1</sup>*Kabul, March 15, 1956—11 a.m.*

1007. Beirut for Milliken. Embassy fears re Afghan reaction to SEATO support for Durand Line (Embtel 958<sup>2</sup>) have thus far been borne out only to limited degree. Pro forma public protest has been issued (Embtel 992<sup>3</sup>) placing RGA position again on record and condemning SEATO declarations as "worthless". In official talks with us, both Foreign Minister Naim and Deputy Foreign Minister Maiwandwal have expressed RGA unhappiness. While Maiwandwal stressed that Pakistan-Afghan relations have "worsened" and USG and SEATO have "played into Soviet hands" Comm[?] Naim was remarkably restrained and seemed most pained by what he considers totally unfounded implication that RGA is potential aggressor (Embtel 1003<sup>4</sup>). Of immediate importance Naim indicated King-President visit may still materialize, although in Embassy's opinion RGA may delay sending invitation or project may founder if RGA fails to send representative to Republic Day ceremonies at Karachi (Embtel 981<sup>5</sup>).

Afghan reaction against SEATO and particularly USG was moderated by fact that Durand Line support represented united step by all SEATO powers and British through previous Eden statement were considered by Afghans as chief culprits (Embtel 981). Even deeper is hopeful sign that top RGA leaders may realize RGA has gone about as far as it should go in associations with Soviets and drastic reaction to SEATO might seriously damage remaining precious ties with counter-balancing West and USG. This realization appears to be climax to period of increasing Afghan worry because USG failed to rush in with frantic responses (competitive millions) to Bulganin-Khrushchev coup and has unnervedly continued on business and friendship as usual basis. From Naim impression was gained that RGA ap-

<sup>1</sup>Source: Department of State, Central Files, 790.5/3-1556. Confidential; Priority. Repeated to Karachi, London, Ankara, Tehran, New Delhi, Beirut, Dhahran, and Lahore.

<sup>2</sup>Dated March 6, not printed. (*Ibid.*, 689.90D/3-656)

<sup>3</sup>Dated March 12, not printed. (*Ibid.*, 689.90D/3-1256)

<sup>4</sup>Dated March 14; it reads in part: "In particular, he [Naim] felt SEATO communiqué implied Afghanistan would be aggressor, when in fact RGA has repeatedly declared that it has no aggressive nor expansionist designs on Pakistan or any other neighbor. While continuing to recognize Durand Line is Afghanistan boundary, he said, RGA will not consider it boundary of Pakistan unless people on other side Durand Line can express themselves on matters. He reiterated that RGA would be satisfied with some sort of 'political identity' for Pushtuns within Pakistan sovereignty." (*Ibid.*, 790.5/3-1456)

<sup>5</sup>Dated March 10, not printed. (*Ibid.*, 790D.02/3-1056)

preciates cold war aspects of its dispute with Pakistan at least to point of not wanting to get caught in cross-fire as was Korea.

In view of foregoing, Embassy considers time propitious for some gestures encouraging RGA on road. Menderes<sup>6</sup> visit would be most timely (Deptel 1482 to Ankara<sup>7</sup>) and it should be accompanied by invitation for Daud visit Turkey (preferably after his Moscow visit). Also helpful would be initiation of discussions with RGA re specific USG economic assistance projects—airline and Kabul–Tour Kzam road (Embtel 1006<sup>8</sup>). Such gesture on our part could be useful in encouraging materialization King–President visit.

Meyer

<sup>6</sup>Adnan Menderes, Prime Minister of Turkey.

<sup>7</sup>Dated March 10, not printed. (Department of State, Central Files, 682.89/3–856)

<sup>8</sup>Dated March 14, not printed. (*Ibid.*, 661.8994/3–1456)

#### 99. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, March 15, 1956—5 p.m.*

1191. Saigon pass Kenneth Young. Department pass Defense and CINCPAC. Reference Embassy telegram 1166 repeated priority Bangkok 615, Paris 128, Saigon 285, Phnom Penh 103,<sup>2</sup> Embassy telegram Bangkok Tosec 623 repeated Department 1178,<sup>3</sup> and Saigon's 343 to Vientiane repeated Department Secto 49.<sup>4</sup>

Secretary's message was delivered to Crown Prince this morning just before he took off for Luang Prabang to consult King on political crisis. Message will be most helpful and, as appears below, was extremely timely.

I called on Savang early this morning, before authorization deliver Secretary's message received. After examination political situation (reported elsewhere), he launched into earnest discussion Lao relations with France, US and SEATO, expanding and sharpening points made Embassy telegram 1166.

Prince declared that, in view French policy in Indochina since Geneva, recent declarations French Foreign Minister and rapid with-

<sup>1</sup>Source: Department of State, Central Files, 790.5/3–1556. Top Secret. Repeated to Taipei, Paris, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>Document 96.

<sup>3</sup>Document 97.

<sup>4</sup>See footnote 4, Document 97.

drawal FEC, it is doubtful France is either willing or able perform her treaty obligation to defend Laos if latter is attacked. Prince intends ask new government to pose this question explicitly to French Government. If answer is negative or equivocal, it will be necessary for Laos to obtain in other quarters more definite assurances re its security. Laos is, of course, in SEATO "treaty area" but Prince is not sure what this means in terms of concrete effective aid in case of attack. "Is SEATO", he inquired, "more than a name?". French are in it "to talk"; British to protect their own interests; its effectiveness re Indochina states depends on what US, Philippines, Thailand and Australia are willing to put into it. If Laos is to continue on its present course, and particularly if it is to engage in more active auto-defense operations in two northern provinces, it must have more explicit assurance that it will be supported militarily, economically and diplomatically. Otherwise, in view its extreme vulnerability, it would have no alternative but to follow path of Sihanouk into neutralism.

I replied:

(1) SEATO was established primarily for security of Southeast Asia and US is determined it shall perform that role effectively; we have just reaffirmed our full support at Karachi.

(2) SEATO military advise we have been actively preparing plans to meet all contingencies. In view fact that Laos not SEATO member, we have felt bilateral Lao-Thai military conversations best means coordinating Laos with SEATO planning. If this method does not prove fruitful, others must be found.

(3) Operation Firm Link demonstrated speed with which SEATO members could act in military field in case of emergency.

(4) We have recently offered and are supplying special aid for auto-defense in addition our regular support Lao Armed Forces.

(5) Fact Viets and Chinese Communists have not behaved more aggressively toward Laos and concentration their propaganda on US presence here show their awareness firm US support of RLG.

(6) Our economic aid program has been seriously delayed by preoccupation Lao Ministers during past five months with electoral campaign and formation government. As soon as new government installed we are ready move forward full-steam.

Finally, I inquired what specific additional assurance Prince thought desirable or necessary. Savang replied he would not wish to be precise until new government had taken office and French had been queried re their intentions. At that time he would wish to proceed with this matter. Laos desires close cooperation with Thailand but does not wish to fall into position of dependence or inferiority vis-à-vis Thailand. In response to my query, Prince said it would be premature for Laos to join SEATO at this time.

We concluded by agreeing I should raise this matter with Secretary and his principal advisers at Tokyo<sup>5</sup> and we should resume our conversation upon my return.

Yost

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<sup>5</sup>No record of consultations held by Yost with the Secretary on this subject during the latter's stay in Tokyo (March 18-19) has been found in Department of State files.

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100. Minutes of a Cabinet Meeting, White House, Washington, March 23, 1956, 9-11:40 a.m.<sup>1</sup>

[Here follows discussion of unrelated subjects.]

*Trip to Asia*—Sec. Dulles reported on the SEATO Council meeting at Karachi and his visits to other countries in that area and the Far East. He stressed the beneficial effect on SEATO of the Defense Department's operation "Firm Link" which had demonstrated the great mobility of US forces, thus giving substance to our basic principle of depending on mobility rather than fixed troop commitments.

Mr. Dulles noted the bitterness in India against Pakistan, the Soviet efforts toward economic penetration of Afghanistan, the strength of anti-Communism in Ceylon, the formation of a satisfactory government in Indonesia thanks perhaps in part to the invitation he extended at the critical moment to President Sokarno to visit the United States, the understanding Thailand now has of our policies, the recent strengthening of Diem's position in Viet-nam, the political charges in the Philippines that Magsaysay had not set a sufficiently high price on his friendship for the United States, the serenity of his talks with Chiang Kai-shek and Syngman Rhee, the overwhelming popular demonstrations on his arrival in Seoul, and his talks for the first time with those individuals who are the real power behind the Japanese officials.<sup>2</sup>

Mr. Dulles summarized that in all these countries there was a desire to know whether the United States would remain stronger than Russia, that the acuteness of the economic problems in all these

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<sup>1</sup>Source: Eisenhower Library, Whitman File, Cabinet Meetings. Confidential. Drafted by L.A. Minnich, Jr., Assistant Staff Secretary in the White House. Among the 36 persons present at this meeting were the President and Secretaries Dulles and Wilson.

<sup>2</sup>Secretary Dulles visited all of the countries mentioned in this paragraph except Afghanistan. Documentation concerning developments during these visits is printed in the respective bilateral compilations.



countries made it imperative that we carry on both the military and economic aspects of our mutual security program, and that the United States has some very great assets in that part of the world particularly by virtue of our own experience of moving from colonial to independent status two centuries ago.<sup>3</sup>

The President noted the fact that no matter how great a nation's strength may be, an enemy can always concentrate superior strength at a particular point, as during the Battle of the Bulge in World War II. He believed the entire Cabinet should be mindful in respect to their public addresses that we are perfectly justified in asserting that the United States has superior strength.

The President also noted the benefit to be had from face-to-face meetings with foreign officials in terms of facilitating later negotiations.

The President told Secretary Dulles he wished to discuss later the question of bipartisanship in foreign policy because allegations were being made that the Administration merely "briefed" without "consulting" the opposition.

[Here follows discussion of unrelated subjects.]

LAM

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<sup>3</sup>Dulles also reported on this trip to the Bipartisan Legislative Meeting held on March 22. (Memorandum by Minnich, Eisenhower Library, Whitman File, Legislative Meetings)

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## 101. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, March 27, 1956—4 p.m.*

1242. Department pass Defense and CINCPAC. During call with Kenneth Young on Crown Prince, Savang reverted at some length and with great emphasis to need for more solid assurance of military support to Laos (reference Embtel 1166 and 1191<sup>2</sup>). He spoke again of his intention, now that new government installed, to ask French Government whether it is still able and willing to carry out its treaty obligations with Laos. He is confident reply will, in fact if not in form, be in negative. Laos will thereupon be obliged to ask from SEATO and US more explicit assurances. In absence concrete guaran-

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<sup>1</sup>Source: Department of State, Central Files, 790.5/3-2756. Top Secret. Repeated to Bangkok, Paris, Saigon, and Phnom Penh.

<sup>2</sup>Documents 96 and 99.

tees SEATO support in case of attack, Laos, despite its democratic pro-western convictions, would be obliged to incline toward neutralism.

For first time Prince also raised question of continuity and duration United States military aid. He said it is impossible create and maintain effective army if Lao Government never knows whether US aid on which army is entirely dependent will be continued beyond current year. He said Laos cannot be treated like child which is given cake when it is "good" and denied cake when it is "not good". Lao Government must be assured US and Laos are working together toward common objectives on firm long-term basis.

We endeavored with partial success to reassure Prince, reiterating statements contained in Secretary's recent message to him and emphasizing solidity and efficacy of SEATO shield. We recognized importance coordinating military plans, described our encouragement to Thais to proceed with bilateral conversations, and said that if this method of coordination proved inadequate another would be found. Re continuity of US support for Lao Armed Forces, we pointed out necessity of obtaining annual appropriation from Congress but emphasized determination US people and Congress to maintain strong world-wide military barrier against Communist expansion and fact that Congress had consistently during past nine years voted sufficient funds to maintain at necessary levels military establishments of countries threatened by such expansion.

*Comment:* It may be expected these points will be increasingly pressed by Crown Prince and Lao Government during coming months. Almost total French withdrawal from Indochina, continued ChiCom-Viet intervention in north Laos, rising winds of neutralism in south Asia, and increased recognition their total dependence on US support to maintain their current foreign policy, all combine to stimulate insistence on more concrete assurance of US and SEATO support.

I strongly recommend Department and other interested US agencies give urgent study to means of conveying these assurances, recognizing that Laos will probably not feel free to join SEATO in immediate future. On one hand, while bilateral conversations with Thais should be pushed, we should also consider (1) whether US representatives should not participate directly in these conversations and (2) whether they can be tied more closely into SEATO framework without provoking French or British veto. On other hand, we should examine means of assuring Lao Government that our aid to Lao Armed Forces will continue as long as present critical threat exists and that Laos will not suddenly be left defenseless either because of shift in

US policy or because it may not in some instances have behaved exactly as we would have wished.

Yost

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**102. Editorial Note**

On April 4, Secretary Dulles met with Ambassador Spender and other officials; Singapore and Malaya were among the topics of discussion. A memorandum of this conversation by Eric Kocher of the Office of Philippine and Southeast Asian Affairs reads in part:

"The Secretary stressed the disastrous results which a Communist takeover in Singapore might have on the surrounding area. Not only would the effect on SEATO be damaging, but Communist control once ensconced in Singapore would undoubtedly find it easier to spread into neighboring areas. Fortunately, the situation in other parts of Southeast Asia seemed to have improved over the previous year so that countries like Indonesia and Viet-Nam which were in rather precarious situations some time ago now find themselves in a stronger position to resist both Communist aggressive and subversive attempts. Returning to the problem of Singapore, the Secretary agreed with the Australian Ambassador that the British should not relinquish control of Singapore until they were sure that the Communist menace can be resisted."

Later in the conversation Dulles and Spender explored possible means to concert Australian and United States policy on this question. (Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199)

For text of the portion of this memorandum devoted to Singapore and Malaya, see volume XXII, page 771.

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**103. Memorandum of a Conversation Among the Secretary of State, the Secretary of the Treasury (Humphrey), and the Secretary of Defense (Wilson), Washington, April 19, 1956<sup>1</sup>**

I said to Secretaries Humphrey and Wilson that from a political standpoint, I judged that the Soviet Union was now sufficiently com-

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<sup>1</sup>Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversation. Secret. Drafted by Dulles on April 25.

mitted to policies of non-violence so that I doubted that we would see from their side any repetition of the attack on South Korea. The spot of greatest possible danger of a military character from the Soviet Union was Iran. As regards Communist China, I felt that the risk was greater than from Soviet Russia and that we could not assume that fighting might not break out in any one of the three danger spots—Taiwan, Vietnam or Korea. Of these perhaps the one chiefly requiring local strength was Vietnam because there were no important targets in that area for our retaliatory power and because the Chinese Communists might act through the Vietminh.

In the case of Korea, and to a considerable extent in the case of Taiwan, I felt that the deterrent of our striking power was very considerable and that the need for local forces was primarily psychological.

I expressed the thought that military planning could take account of some of the political changes resulting from the Soviet "new look".

John Foster Dulles<sup>2</sup>

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<sup>2</sup>Printed from a copy that bears this typed signature.

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104. **Memorandum From the Ambassador to Laos (Yost) to the Director of the Office of Philippine and Southeast Asian Affairs (Young)<sup>1</sup>**

*Washington, May 28, 1956.*

SUBJECT

SEATO Aid to Laos

Crown Prince Savang and the Lao Prime Minister<sup>2</sup> have with increasing insistence during recent months raised with me, and since my departure with Mr. Blancké,<sup>3</sup> their desire for more concrete assurances as to the character of aid Laos could expect to receive from SEATO in case of Communist attack.

The Prince has made it clear that when he speaks of SEATO in this connection he means primarily the U.S., with minor supplements from Thailand and Australia, since he considers French and British contributions to SEATO to be negligible. He has also stated flatly

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<sup>1</sup>Source: Department of State, Central Files, 790.5/5-2856. Secret.

<sup>2</sup>Prince Souvanna Phouma had assumed office the previous March.

<sup>3</sup>W. Wendell Blancké, Chargé in Laos.

that, unless more concrete assurances of this kind can be obtained, Laos will conclude that SEATO offers only "paper" protection and will have no alternative but "to follow the path of Sihanouk".

This last statement contains an element of exaggeration and blackmail but it would nevertheless be dangerous to ignore the state of mind which it reflects. Laos is on the point of being inundated with substantial Communist offers of collaboration and assistance, behind which will lie, either explicitly or implicitly, the threat of sanctions if these offers, with their attendant conditions, are not accepted. The degree of firmness which the Lao Government will show, in limiting this collaboration with their Communist neighbors to a point compatible with Lao independence, will depend very largely on their judgment of the firmness and effectiveness of U.S. support, including of course the support we would furnish in case of Communist attack on a larger scale than the Royal Army could meet.

The Crown Prince has not been explicit as to the exact form of "assurance" he desires. I firmly believe that he does not seek any "guarantee", either public or secret, which verbally goes beyond the commitment we have already made in the SEATO protocol. What is desired are some concrete indications of the form and extent of military support which would be forthcoming in an emergency, approximately the same sort of indications which SEATO members receive through their participation in the work of SEATO military organs.

We had hoped this Lao concern could be met by the bilateral Lao-Thai military conversations which we encouraged. Experience has shown, however, that the Thais will not talk turkey without explicit SEATO backing. The bilateral talks have therefore in effect been broken off, leaving the Lao even more worried than before.

One way to meet this problem would be to invite Lao military observers to sit in on certain sessions of SEATO military committees or subcommittees. Before this could be done it would be necessary (1) to secure the assent of all SEATO members to such an invitation and (2) to ensure that the discussions which the Lao would "observe" would serve to encourage rather than to discourage them. I am very doubtful these two conditions could be met in the near future.<sup>4</sup>

As an alternative, I would suggest that the U.S. formally join in the hitherto bilateral Lao-Thai military conversations, first informing SEATO that we are doing so in response to a Lao invitation, that the conversations are purely exploratory and contingent, and that we will keep SEATO fully informed. It might be necessary also to include the French because of the presence of their military mission and their

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<sup>4</sup>Next to this paragraph is the following marginal note in Young's handwriting: "I agree it wouldn't work."

base at Seno. First, of course, the appropriate U.S. military authorities would have to decide what could be told to the Lao military, but in general I would suggest they be given only pertinent portions of such studies and plans as are made available to our South Asian allies through SEATO. Though these will doubtless be far less explicit, in stating exactly what aid Laos would get in case of attack, than the Crown Prince would wish, the fact that it is carrying on with the U.S. military conversations of this kind would in itself go far toward providing the required reassurance.

I have mentioned this matter to Admiral Radford and found him fully alive to the problem and to the importance of finding a prompt solution. He would, I believe, be receptive to a State Department recommendation along the lines suggested above.

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105. Letter From the Counselor of the Department of State (MacArthur) to the First Secretary of Embassy in New Zealand (Fraleigh)<sup>1</sup>

*Washington, June 6, 1956.*

DEAR MR. FRALEIGH: I have received and read with interest your Despatch No. 494 of May 24<sup>2</sup> regarding the implementation of the Karachi decisions on SEATO. Since I was the Officer in the Department who called in the Australian and New Zealand Representatives about the importance we attached to moving ahead in implementing the Karachi decisions regarding the organizational machinery of SEATO, I felt I might drop you this brief note. In Karachi, as you know, we agreed to establish a Permanent Working Group as part of the Council Representatives mechanism and also to establish a small International Secretariat. Our concern here, based on reports from

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<sup>1</sup>Source: Department of State, Central Files, 790.5/6-2156. Confidential. Attached to Fraleigh's reply dated June 21, quoted in footnote 4 below.

In a memorandum to the Secretary dated June 15, MacArthur stated that on May 15 and 16 he had called in representatives of Pakistan, the Philippines, New Zealand, Australia, and France and stressed to them the importance of filling their positions on the new SEATO International Secretariat and SEATO Permanent Working Group "at the earliest moment." (*Ibid.*, 790.5/6-1555)

<sup>2</sup>In despatch 494, Fraleigh stated there had been a "rather caustic" reaction in the Department of External Affairs to MacArthur's action because, according to an informant, New Zealand felt it had not been responsible for any delays. Fraleigh also reported being told by this official that "manning committees and functions was all right, but more important was the generating of ideas on how to fight Communism in Southeast Asia, and the United States, on which New Zealand depended heavily for such ideas, had apparently produced little so far." (*Ibid.*, 790.5/5-2456)

our representative in Bangkok, was that a number of the SEATO countries did not have their members of the Permanent Working Group in place at Bangkok nor had some of them nominated the individuals to fill the slots which they had agreed to fill on the International Secretariat.

From the very birth of the idea of SEATO we have, in keeping with not only the letter but the spirit of the ANZUS Treaty, been particularly careful to deal with the New Zealand and Australian Representatives here in Washington on a basis of much greater intimacy than with regard to some of the other members of the SEATO organization. In other words, we have let our hair down with them completely and sought their advice, counsel, and suggestions since we are the first to admit that we have no monopoly on imaginative ideas. In keeping with this practice, with which George Laking is fully familiar, I called in the Australian and New Zealand Representatives and explained the problem, noting that until we all had our personnel in place in Bangkok, SEATO really could not go forward and make progress. I certainly did not mean to imply any criticism of either the Australian or New Zealand Governments, but simply flagged their attention to the importance which we all attach, from the Secretary on down, to getting the SEATO machinery, which we had agreed to at Karachi, operative. This was fully understood here, I think.

With respect to our nominating a second secretary as our member of the Working Group,<sup>3</sup> we picked, after careful consideration, the best man who in our judgment was the best Foreign Officer for this job. He is John Hill of our Embassy in Bangkok, who played a leading role in the preparations for the Karachi meeting and at Karachi made a deep impression on all of us, including the Secretary. In fact, he prepared a number of the Secretary's talking papers in Karachi and is one of the finest young officers I have ever seen in the Service, both vocally articulate and also articulate on paper.

The purpose of this little note is simply to acquaint you with the background and to suggest that you let George Laking and any other people in the New Zealand Government who were concerned about what we did know how sorry I am that it created heartburn at Wellington. Certainly that was not my intention, which, on the contrary, was simply to flag them on this point on a basis of frankness and intimacy which we have always had in our relations with their representatives here who have been so helpful to us in all SEATO mat-

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<sup>3</sup>In despatch 494, Fraleigh quoted his source as saying both Australia and New Zealand had been "shocked" to hear that the United States had appointed someone of this rank. "The United States did not seem to indicate by this appointment that it attached very great importance to the Working Group, our source remarked."

ters. I mentioned to Lloyd White, the New Zealand Counselor here, that I had received personal word that some people in the New Zealand Foreign Office seemed upset about our talk with them about this problem and asked him also to let George Laking know on a personal basis that we certainly meant no criticism whatsoever of the New Zealand Government which has strongly supported SEATO and which has made, through Foss Shanahan, such a fine contribution to the work in Bangkok.<sup>4</sup>

Sincerely,

Douglas MacArthur II<sup>5</sup>

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<sup>4</sup>In his reply cited in footnote 1 above, Fraleigh stated in part: "Before your letter arrived, I heard appreciative remarks in External Affairs about the comments you made about this matter to Lloyd White. After discussing the matter further yesterday, I feel that there is now no residue of the feeling that previously existed." (Department of State, Central Files, 790.5/6-2156)

<sup>5</sup>Printed from a copy that bears this typed signature.

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## 106. Editorial Note

Telegram 1260 to Vientiane, June 8, transmitted the text of a personal message from Secretary Dulles to Prince Savang. The telegram is printed as Document 361.

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## 107. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, June 21, 1956—6 p.m.*

1635. Re Deptel 1260, Bangkok 3889.<sup>2</sup> Departing for France June 21 Crown Prince again thanked me for Secretary's message and said his reply had been forwarded to Lao Embassy Washington for delivery. He had passed this Embassy's copy through Prime Minister as he preferred operate through government channel (Embtel 1615).<sup>3</sup>

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<sup>1</sup>Source: Department of State, Central Files, 790.5/6-557. Secret; Priority. Repeated to Bangkok.

<sup>2</sup>See the editorial note, *supra*.

<sup>3</sup>In telegram 1615 from Vientiane, June 18, the Chargé reported in part: "Prince thanked us for Secretary's message which most helpful. He was circulating translation

*Continued*



Later in day Prime Minister handed me signed copy, assuring me of Laos resolve become strong and defend herself in common interest. Translation of French original follows:

"In your last message Your Excellency was good enough again to assure me of constant and firm support for the Kingdom of Laos, on the part of the SEATO powers and in particular of the US, in her efforts to defend her security.

I am fully aware of the value of the SEATO forces. Despite the fact that Laos received a guarantee of protection which was decided on without her participation, she has confidence in the immediate intervention of SEATO in the event of foreign aggression.

Laos, although firmly and by her ideals attached to peace, has been the victim of several invasions and has known the horrors of war. Therefore the Royal Government holds itself always ready to maintain close contact with the Government of the US to adopt the measures necessary to safeguard the security of the country. It intends thus to contribute to peace in Asia. Signed: Savang, Crown Prince of Laos."

Will pouch French text.<sup>4</sup>

**Blancke**

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among Government leaders and would have reply ready soon." (Department of State, Central Files, 033.51G93/6-1856) No record of the exact date of delivery of the Secretary's message has been found in Department of State files.

<sup>4</sup>Transmitted in despatch 179 from Vientiane, June 22, not printed. (*Ibid.*, 790.5/6-2256) On July 2 the Department received from the Lao Embassy a version the first paragraph of which differed slightly in substance. An English translation of this paragraph reads: "In your last message Your Excellency again assured me of the constant, firm support of the Kingdom of Laos by the powers of the Southeast Asia Treaty Organization and, in particular, by the United States of America." (Text dated June 26, attached to Lao Embassy note No. 350/AW dated June 29 from Ambassador Ourot R. Souvannavong to Secretary Dulles, both filed with the Department's English translation, *ibid.*, 790.5/6-2956)

108. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

Washington, June 22, 1956—6:03 p.m.

1311. Embtels 1618<sup>2</sup> and 1635.<sup>3</sup> To set record straight you should when opportunity presents itself remind Crown Prince Prime Minister and FonMin that US consulted with Laos, as well as Cambodia and Vietnam, prior Manila Conference 1954 re possibility SEATO might contain appropriate clauses to afford protection Laos, Cambodia and Vietnam against overt aggression.

Asst. Secy Robertson first consulted with Laotian Chargé<sup>4</sup> Washington August 26, 1954 (Deptel 18 Aug 26, 1954<sup>5</sup>). This was followed by conversation between Amb. Heath<sup>6</sup> and Laotian FonMin in Vientiane August 30, 1954 (Vientiane's 22 Aug 31, 1954<sup>7</sup>).

Above two telegrams will show that<sup>8</sup> SEATO protocol covering Laos, Cambodia and Vietnam is not as Prince asserted "simply great power decision taken without consulting Laos."

Dulles

<sup>1</sup>Source: Department of State, Central Files, 790.5/6-2156. Secret. Drafted in C; cleared by MacArthur, Bowie, Kenneth Young, and Howard Jones; and approved by Robertson. Repeated to Bangkok.

<sup>2</sup>In telegram 1618, June 18, Blancké reported discussing with the Prime Minister (on June 16) and Prince Savang (on June 18) several aspects of Lao security. The telegram reads in part: "I reminded Prince of SEATO, which as Secretary's message had made clear covered Laos. Prince said of course Laos was grateful for SEATO, but Laos was not signatory; this was simply great-power decision taken without consulting Laos, not a bilateral agreement. I said, still Laos was covered, and ChiCom knew it." (*Ibid.*, 751G.5/6-1956)

<sup>3</sup>*Supra.*

<sup>4</sup>Apparently Inpeng Suryadhay.

<sup>5</sup>For text, see *Foreign Relations, 1952-1954*, vol. XII, Part 1, p. 802.

<sup>6</sup>Donald R. Heath was Minister to Laos, August 1950-October 1954.

<sup>7</sup>For text, see *Foreign Relations, 1952-1954*, vol. XII, Part 1, p. 826.

<sup>8</sup>Between the words "that" and "SEATO", the source text shows deletion of the following: "Laotians did in effect express desire that proposed Treaty cover Laos against overt aggression. Hence".

109. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

Vientiane, June 27, 1956—6 p.m.

1661. Reference: Embtel 1655.<sup>2</sup>

1. In course our conversation with Katay, when Sebald set record straight on pre-SEATO consultations (Deptel 1311<sup>3</sup>), Katay remarked RLG never formally received copy of Manila Pact; its files on pact were put together from various sources including clippings. Sebald said we would try to remedy this.

Can Department obtain for presentation to RLG proper copy of pact and protocol, possibly certified true copy, from Government of Philippines as repository?<sup>4</sup>

2. Katay also asserted Laos was glad of SEATO protection and would be happy to join were it not for Geneva agreement. Although it is generally assumed agreement forbids SEATO membership, assumption appears based on ambiguity of agreement and Laos declaration rather than on clear-cut prohibition. For background would appreciate knowing Department's legal and political position in this matter, also, on defensive alliance with Thailand.<sup>5</sup>

Blancke

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<sup>1</sup>Source: Department of State, Central Files, 790.5/6-2756. Secret. Repeated to Bangkok.

<sup>2</sup>In telegram 1655, dated June 27, Sebald reported on a lengthy conversation with Foreign Minister Katay, held on June 26 with Blancké present. (*Ibid.*, 790.5/6-2756)

<sup>3</sup>*Supra*. Sebald had also brought up the representations contained in telegram 1311 in the course of a conversation with Prime Minister Souvanna Phouma, also held on June 26:

"Re SEATO consultations, [he] admitted it may easily have been as we said. He had not been in country at time, and possibly consultations had not been properly reported by those involved. Neither he nor Crown Prince had researched archives but had simply stated their impressions. I added that, aside from our records of actual approaches, I had been in Manila during pact drafting and we had been explicitly assured that Lao consulted and agreeable; nor would we in any case have taken such step unilaterally." (Telegram 1649 from Vientiane, June 26; Department of State, Central Files, 790.5/6-2656)

<sup>4</sup>A marginal note beside this paragraph reads: "Pouched July 16, 1956".

<sup>5</sup>In telegram 49 to Vientiane, dated July 16, the Department stated that the questions raised in this paragraph would be studied. (Department of State, Central Files, 790.5/6-2756)

## 110. Memorandum of a Conversation, Department of State, Washington, July 2, 1956<sup>1</sup>

### SUBJECT

Changes in Military Command Structure in the Pacific Area

### PARTICIPANTS

Reuben Robertson, Deputy Secretary of Defense  
 Gordon Gray, Asst. Secretary of Defense, International Security Affairs  
 Mr. Ross, Assistant Secretary of Defense, Public Affairs  
 Mr. McGuire, Deputy Assistant Secy of Defense, Internat. Security Affairs  
 General Lemnitzer, CINCUNC, CINCFE  
 Admiral Truman Hedding, Special Asst. to Admiral Radford  
 Robert Murphy, Deputy Under Secretary of State  
 Walter Robertson, Assistant Secretary of State, FE  
 Allen Lightner, Deputy Assistant Secretary, P  
 Mr. Parsons, NA<sup>2</sup>  
 Mr. Bennett, G

The meeting was convened in Deputy Secretary Robertson's office for discussion of problems arising from the Defense Department plan to effect world-wide changes in US command structures, with particular reference to implementation of the changes planned in the Far East.

General Lemnitzer opened the conference by stressing the importance of determining at an early date who commands what forces and where the forces are to be stationed and the command headquarters established. He said that it has already been firmly decided that CINCUNC will be moved physically to Seoul and that CINCFE will be absorbed by CINCPAC, with a subordinate command structure in Tokyo. General Lemnitzer emphasized the desirability of having one officer designated as the senior commander in Japan, in order to provide our central point for dealing with the Japanese. He indicated that it has not yet been determined which commanding officer will be designated governor of Ryuku Islands, with responsibility for Okinawa.

It was pointed out that, even though the change with respect to CINCUNC is not scheduled until July 1, 1957, and the matter has been handled on a need-to-know basis in both the State and Defense Departments, there is always the possibility of a leak of the plan to the press, particularly since it is part of world-wide changes taking place on different dates, some of which have already occurred. It was, therefore, agreed that an approach should be made to the Japanese at the earliest possible time to enable discussion of the changes

<sup>1</sup>Source: Department of State, Central Files, 102.2/7-256. Secret. Drafted by W. Tapley Bennett, Murphy's Special Assistant.

<sup>2</sup>Howard L. Parsons, Deputy Director of the Office of Northeast Asian Affairs.

with appropriate government officials before the issuance of a press release regarding the Far East command changes. General Lemnitzer proposed that he accompany Ambassador Allison<sup>3</sup> in calling on the Prime Minister<sup>4</sup> or the Foreign Minister<sup>5</sup> to apprise them of US plans and that immediately thereafter he inform the Director General of the Defense Agency<sup>6</sup> or some other official charged with decisions in the field of Japanese defense planning. General Lemnitzer would then proceed to Korea to accompany Ambassador Dowling<sup>7</sup> in a call on President Rhee and the Defense Minister. In that connection, he indicated that President Rhee and Minister Cho have never yet violated a military confidence. These discussions would lay the groundwork for the public announcement.

General Lemnitzer was of the opinion that it would not be necessary to clear the actual wording of the statement with the Japanese or the Koreans but that they should be advised, say 48 hours in advance, that a statement would be issued. In other words, the two governments should have the feeling that the US has consulted with them rather than having presented them with a *fait accompli*. Mr. Murphy and Mr. Walter Robertson thought that 48 hours advance notice in Tokyo would very likely result in a leak to the press, but agreed that it was important to have the consultation even though there might be a leak. Mr. McGuire pointed out that some of the command changes, as in Europe, have already taken place and that there might easily be a leak from that side.

It was agreed to move ahead at full speed in getting agreement between the two Departments on the release to be made. Mr. Lightner and Mr. Parsons were asked by Mr. Murphy to represent the Department in going to work immediately with Defense representatives on the text of a release. The working group was requested to have something ready to meet General Lemnitzer's scheduled return to Tokyo on July 4. It was agreed that the draft release would be sent to the Embassies at Tokyo and Seoul for their comments, and, in response to a suggestion of General Lemnitzer, that the release would be issued in all three capitals simultaneously as a Defense Department announcement.

There was discussion that the Japanese would immediately want information on 1) the future of the US logistic base in Japan and 2) the continuance of US interest in run-way extensions in Japan. In this connection, Mr. Murphy inquired regarding the number of American personnel to be withdrawn from Japan and on the extent

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<sup>3</sup>John M. Allison, Ambassador to Japan.

<sup>4</sup>Ichiro Hatoyama.

<sup>5</sup>Mamoru Shigemitsu.

<sup>6</sup>Funada Naka.

<sup>7</sup>Walter C. Dowling, Ambassador to Korea.

of economic impact on that country. General Lemnitzer said with regard to run-ways that we shall certainly still want to extend them. This is in the Japanese interest as much as in our own, and he continues to hope for an increasing sense of responsibility on the part of the Japanese with respect to this problem. As to our logistic base and the number of Americans to leave Japan, that depends on how much of our organization we take out. There will not be much unless the air force should be removed; that is the big thing. Supply bases would continue in Japan until at some later date they are moved back to the West Coast or some other solution is found. He does not, therefore, expect any great impact on Japan at the present time, but looks for a gradual decrease over the coming years with respect to personnel and supplies. He pointed out in that connection that he is now responsible as CINCPAC for the employment of a quarter of a million Japanese laborers. He believes that the Japanese operation will shrink gradually over a period of years.

Mr. Murphy commented that the State Department was laboring under a general lack of knowledge as to the reasons for the command changes. He emphasized that it is important both for Japan and for the Asian mainland to know the reasons which lie behind the American decisions. Deputy Secretary Robertson explained that the JCS has been under pressure for a long time to simplify its world-wide command structure. He said there is a general feeling in the Pentagon that US operations in the Far East would be better coordinated under one command and mentioned the present overlap in air force commands between CINCPAC and CINCFE. The Japanese have made clear, during the Shigemitsu visit to Washington last year<sup>8</sup> and elsewhere, that they desire a gradual phase-out of American troops from Japan.

After discussion of the pros and cons, it was agreed that the move of CINCUNC to Seoul would on balance be favorably received. General Lemnitzer concurred in this view but suggested that, while the ROKs would be happy at the outset, they would not continue in that frame of mind, if it should become apparent that CINCUNC were a subordinate command and no longer had direct access to 1) the JCS on military matters and 2) ICA for economic aid. General Lemnitzer expressed himself strongly in favor of keeping CINCUNC's present relationship with ICA on the basis of his experience; as he put it, we simply cannot have two drivers for the one car on the Korean peninsula.

Mr. Robertson mentioned the strong opinion in the State Department that both MAAG and ICA relationships in Korea should be

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<sup>8</sup>Shigemitsu visited the United States, August 29-September 1. Documentation on his visit is in volume xxiii.

regularized, especially, ICA. General Lemnitzer indicated that he felt less strongly about his ICA role than about MAAG; he felt that the present MAAG relationship is vital to him in that it gives him operational control over the ROK forces and, by using his control, he has been able effectively to forestall trouble between Japan and the Republic of Korea. Mr. Robertson replied that the State recognizes fully that the military problem is the principal one in Korea and went on to stress that our economic program is carried on in its present magnitude entirely with the purpose of giving support to our military program.

There was further discussion of the effect of the command changes on public opinion in the Far East. Mr. Murphy and General Lemnitzer both stressed the importance of the way the matter is handled to avoid an impression throughout the Far East that it constitutes a US pull-back to Hawaii. Mr. McGuire expressed the opinion that the release should not be pitched on a tone of withdrawal but rather on the positive step of integrating all forces in the Far East and simplifying the command structure. There was general agreement with this but General Lemnitzer pointed out that the main focus of US power was around the Japanese sea. People there will be concerned at the implications of the changes and will ask questions. General Lemnitzer repeated that the main problem involved in Japan is the future of our air force. There are not many aircraft in Korea, but CINCUNC must command the air in Korea. He does not see how COMFEAF can fall back to Honolulu and operate effectively in the area around the Japanese sea. It was pointed out that the plan was to have the Fifth Air Force operate as a subordinate command headquartered in Japan.

General Lemnitzer stressed the further opinion that it is very important that we allow time for the Japanese and the Koreans to adjust to and "flow into" our changes. While we should have a timetable, we should be able to slow it down as necessary to enable them to move into the gaps we will be leaving. He suggested that July 1, 1957, should be the target date for the command change but that we should not be forced to carry it out then if the Japanese are not ready. Deputy Secretary Robertson agreed with General Lemnitzer; Mr. Gray also expressed agreement but expressed the view that the decision on the change of command must be regarded as a firm one and there must be no foot dragging in carrying it out.

*POLAD for CINCPAC*

Mr. Murphy remarked that it seemed appropriate at this time to bring up the question of a political adviser for CINCPAC. He pointed out that the absorption of CINCFE by CINCPAC, with headquarters at Hawaii, would remove the opportunity for the close political-

military liaison which now exists between CINCFE and the Embassy at Tokyo. Since CINCPAC's area of responsibility will be greatly enlarged, and in view of the growing attention being paid to SEATO and other mutual defense arrangements involving relations with independent nations in the Far East, the Department sees a real need for the appointment of a diplomatic officer at Honolulu to provide political information to CINCPAC and to be able to advise on the political aspects of military activities in the Pacific.

General Lemnitzer remarked that, indeed, he did not see how CINCPAC could get along without a political adviser. Deputy Secretary Robertson said that everyone is agreed on the desirability of a political adviser for CINCPAC. He said that Admiral Stump had expressed a desire for one in recent discussions with the Pentagon. Mr. Robertson indicated that there is no problem on this matter.

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**111. Memorandum of a Conversation, Department of State,  
Washington, July 2, 1956<sup>1</sup>**

**SUBJECT**

Crown Prince Savang's Reply to Secretary's Message

**PARTICIPANTS**

His Excellency Ourot Souvannavong, Lao Ambassador  
Mr. Walter S. Robertson, FE  
Mr. Eric Kocher, SEA  
Mr. Thomas J. Corcoran, SEA

The Lao Ambassador called to present the French text of Prince Savang's reply<sup>2</sup> to the Secretary's June 9 message.

This text which the Lao Ambassador had received by mail, contained the statement that "despite the fact that Laos received a guarantee of protection decided on without its participation, it has confidence in the immediate intervention of SEATO in case of foreign aggression."

Mr. Robertson reminded the Ambassador that Laos was included in the treaty area at the request of the Lao Government through its Embassy here, that SEATO contains appropriate clauses to afford protection to Laos, Cambodia, and Viet Nam against overt aggression.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/7-256 Secret. Drafted by Corcoran.

<sup>2</sup>See footnote 4, Document 107.



The Lao Ambassador said that the word "participation" had been used merely as a matter of form and did not affect the Lao Government's understanding of the nature of the protection to be afforded by SEATO in the case of overt aggression against Laos.

Mr. Robertson remarked that this was more than a matter of form; SEATO could not offer any government military aid against overt aggression unless that government requested such aid. Mr. Robertson mentioned that Prince Sihanouk of Cambodia had made a somewhat similar statement which caused considerable confusion and misunderstanding. Mr. Robertson said that another note would be prepared setting the record straight on the fact that Laos had made representations prior to the Manila Conference concerning the possibility that SEATO might contain appropriate clauses to afford protection to Laos, Cambodia, and Viet Nam against overt aggression.<sup>3</sup>

Mr. Robertson said that we were concerned over the possibility that Prime Minister Souvanna Phouma's projected visit to Peiping,<sup>4</sup> especially if made before the internal Pathet Lao problem had been settled, would present dangers to the continuation of Lao independence. The Ambassador declared that he too was uneasy about the visit. He said that Laos wanted to be loyal to the U.S. but he feared that the Chinese Communists would make offers of assistance to the Prime Minister who would be unable to refuse them. This would be very dangerous. The entry of Chinese Communist technicians into Laos would be fatal. Mr. Robertson said it was not a question of loyalty to the U.S. but of the preservation of Lao independence and that Laos and not the U.S. would be the loser if the Chinese Communists succeeded in infiltrating and subverting the country. Any Chinese Communist technicians who entered Laos would be agents of the Chinese Communist Regime acting to subvert the Royal Government and introduce Communism. The Ambassador said he had already written his government and pointed out the dangers of Communist penetration and subversion which might result from the Peiping visit.

The Ambassador stated in conclusion that he would inform his government concerning our disagreement with the phraseology of Prince Savang's qualification of SEATO protection as "decided without its participation." He reiterated that he thought this particular phraseology was merely a matter of form and without substantive significance.

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<sup>3</sup>This note was transmitted to Vientiane in telegram 71, July 23, not printed. (Department of State, Central Files, 790.5/6-2756) Record of the note's delivery to the Lao Government has not been found in Department of State files.

<sup>4</sup>The Prime Minister and his party left Vientiane for Peking on August 19 and returned August 29 after a stop in Hanoi. See Documents 373 ff.

## 112. Memorandum of a Conversation, White House, Washington, August 3, 1956<sup>1</sup>

### SUBJECT

Call of Prime Minister Menzies upon President Eisenhower<sup>2</sup>

### PARTICIPANTS

The President  
 Herbert Hoover, Jr., Acting Secretary of State  
 William J. Sebald, Acting Assistant Secretary  
 Robert Menzies, Prime Minister of Australia  
 Sir Percy Spender, Australian Ambassador

[Here follows discussion of the Suez Canal question.]

The Prime Minister asked whether in the opinion of the President there was any substance to the Russian "New Look," adding that this subject had been discussed during the Commonwealth Prime Ministers' meeting.<sup>3</sup> The President said that we were chary about adopting any fixed conclusions or policy in this regard. He felt that one does not abandon a winning team for another. In consequence, it would seem logical that conditions in Soviet Russia are not entirely what the Soviets claim. Their leaders are not acting merely to gain popularity; there must be other reasons for their change of front.

The President spoke of some of the reasons which underlie our aid programs. He explained that the American people at times are disappointed at the lack of understanding which they meet in their efforts to be of help to those countries which need assistance; he did not think that we any longer think in terms of being liked as a result of our aid, but we did at least believe that our help in raising the living standards of some countries should be acknowledged. The Prime Minister interjected the remark that the Russians somehow or other manage to get greater kudos for so-called aid amounting to one-fifth of ours—a circumstance which should be studied. The President thought that there was merit in this suggestion but said that it is difficult for Democracies to handle situations of this kind. In any event, he felt that we should not lend ourselves to the proposition that when the Russians offer a steel mill we should immediately counter with two.

The Prime Minister raised the question of conventional arms in contrast with the highly expensive developments such as guided mis-

<sup>1</sup>Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential; Limited Distribution. Drafted by Sebald. A marginal notation indicates that this memorandum received White House approval on August 17.

<sup>2</sup>Prime Minister Menzies was in the United States on a private visit, July 31–August 5.

<sup>3</sup>This meeting was held in London, June 28–July 7.

siles, nuclear weapons, and tactical atomic weapons. He pointed out that a small country such as Australia is unable to afford these new weapons and would probably have to get along with conventional weapons. This being the case, he wondered whether, in view of the obvious developments which have taken place, there is contemplated any change in the American posture in Asia, and specifically in Southeast Asia where Australia has certain commitments, as in Malaya. . . . The President said that this is an evolutionary process which has been going on since 1952 when the so-called "new look" (a newspaper term) was undertaken. It is natural that there should be some streamlining in so far as personnel are concerned: with the greater potency of weapons it would be useless to have running around large numbers of men or divisions in the World War II sense. With the tremendous cost of guided missiles, such as intercontinental missiles, something has to give way as the cost is so tremendous that no country can afford to have huge armies and the new weapons also. Even the Soviets appear to have come to this realization. On the other hand, some of the new missiles are still so inexact and will continue to be so, that in the final analysis it is cheaper to have high speed bombers, practically incapable of interception, where the human element can operate with more exactitude. If Australia were to become engaged in a local war the President thought it essential that the forces be well-armed with conventional weapons. In this connection, he felt that the real deterrent in the eyes of the common man is not the number of atomic bombs which might be stored in some unknown place in the United States, but rather the man in uniform who can be seen. Those in authority, of course, understand the power of nuclear weapons, and are guided accordingly in their policies.

The President wondered whether anyone has ever thought through the consequences of a modern nuclear war. He posed the question whether the West, having defeated Russia and China, could undertake the tremendous task occupying the huge areas involved with all that an occupation implied. He thought it absolutely essential that some solution be found to the problem of disarmament, a matter which he often discussed with the Secretary of State. One hopeful sign is the Soviet offer to exchange flights over our respective Arctic regions. He did not know just what this means, but it is perhaps a chink in the presently stalled plan.

The Prime Minister took his leave at 10:45 a.m.

113. Memorandum of a Conversation, Department of State,  
Washington, August 4, 1956, 4 p.m.<sup>1</sup>

SUBJECT

Directive for the Public Relations Officer of SEATO

PARTICIPANTS

The Secretary

FE—William J. Sebald, Acting Assistant Secretary

Rt. Hon. R. G. Menzies, Prime Minister of Australia

Sir Percy Spender, Australian Ambassador

The Secretary raised the question of a difficulty which has arisen among the Council representatives of SEATO, namely, that the Australian representative continues to insist that there be a written understanding that the SEATO public relations officer shall refrain from making a reference to the possibility of the use of nuclear weapons in defense of the treaty area.<sup>2</sup> He said that we would much prefer that there be an oral understanding to this effect as we are unable to accept any written formula because of the implication of a moral stigma on nuclear weapons.

Sir Percy confirmed that this was the case, stating that the Australian position is based on the belief that there should be no misunderstanding regarding the authority of the public relations officer in this regard.

Prime Minister Menzies agreed with the Secretary and told Sir Percy to inform the Australian Government accordingly.<sup>3</sup>

<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 729. Secret. Drafted by Sebald.

<sup>2</sup>In a talking paper prepared for this conversation on July 30, R.W. Zimmerman stated in part that the British had agreed that a written formula was unnecessary. "While the British decided to go along with us, the Australians have so far refused to agree and are demanding in the Council Representatives that the original British formula be accepted." (*Ibid.*, Central Files, 611.4397/8-356)

<sup>3</sup>Sebald drafted a separate memorandum, also dated August 4, of another part of this conversation. It reads:

"The Secretary referred to a request made by the Australian Government for a bilateral agreement for cooperation regarding atomic information for mutual defense purposes. He said that we had looked into the matter and are prepared to negotiate such an agreement. Sir Percy Spender expressed his great appreciation." (*Ibid.*, 611.4397/8-456)

The agreement between the United States and Australia for cooperation regarding atomic information for mutual defense purposes was signed at Washington on July 12, 1957. For text, see 8 UST (pt. 2) 1339.

114. Memorandum From the Executive Secretary of the National Security Council (Lay) to the Council<sup>1</sup>

Washington, August 15, 1956.

SUBJECT

Current U.S. Policy Toward the Far East

REFERENCES

- A. NSC 5429/5<sup>2</sup>
- B. NSC Action No. 1415-c<sup>3</sup>
- C. NSC 5612<sup>4</sup>

The enclosed draft revision of paragraph 5-d of NSC 5429/5, prepared by the NSC Planning Board pursuant to NSC Action No. 1415-c, is transmitted herewith for consideration by the National Security Council at its meeting on Thursday, August 30, 1956, in connection with its consideration of NSC 5612, on "U.S. Policy in Mainland Southeast Asia", at the same meeting. The enclosed draft revision of paragraph 5-d of NSC 5429/5 is based upon paragraph 19 of NSC 5612.

In addition, NSC 5612 is intended to supersede Annex A of NSC 5429/5.

James S. Lay, Jr.

[Enclosure]

DRAFT REVISION OF PARAGRAPH 5-d OF NSC 5429/5

Should overt Communist aggression occur in the Southeast Asian treaty area, invoke the UN Charter or the SEATO treaty, or both, and subject to local request for assistance take necessary military and any other action to assist any state or dependent territory willing to resist Communist resort to force: Provided, that the taking of military action shall be subject to prior submission to and approv-

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<sup>1</sup>Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5612 Series. Top Secret

<sup>2</sup>"Current U.S. Policy Toward the Far East", dated December 22, 1954; for text, see *Foreign Relations, 1952-1954*, vol. XII, Part 1, p. 1062.

<sup>3</sup>NSC Action No. 1415-c, taken at the June 9, 1955, NSC meeting, stated that in the event of a renewal of hostilities by the Communists in Vietnam, U.S. policy would be governed by paragraph 5-d of NSC 5429/5, pending review of that paragraph by the NSC Planning Board. (*Ibid.*, S/S-NSC (Miscellaneous) Files: Lot 66 D 95) For text of NSC Action No. 1415, see vol. I, p. 444.

<sup>4</sup>"U.S. Policy in Mainland Southeast Asia", dated August 15, not printed. (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5612 Series)

al by the Congress unless the emergency is so great that immediate action is necessary to save a vital interest of the United States.

## 115. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)<sup>1</sup>

Washington, August 24, 1956.

### SUBJECT

U.S. Policy in Mainland Southeast Asia (NSC 5612); Change to Current U.S. Policy Toward the Far East (NSC 5429/5)<sup>2</sup>

1. The Joint Chiefs of Staff submit herewith their comments and recommendations with respect to draft statements of policy, specified as above, prepared by the National Security Council Planning Board for consideration by the National Security Council at its meeting on Thursday, 30 August 1956.<sup>3</sup>

2. The Joint Chiefs of Staff consider that the draft statement of policy in NSC 5612 is acceptable, from the military point of view, subject to the following changes:

a. *Paragraph 2 b, page 2.* Revise the last sentence as follows: "the loss of Southeast Asia mainland could thus ~~destroy the possibility of establishing an equipoise of power in Asia~~ have far reaching consequences seriously adverse to U.S. security interests."<sup>4</sup>

*Reason:* The present sentence improperly implies that "establishing an equipoise of power in Asia" is or should be the U.S. objective in the area.

b. *Paragraph 19.* Delete the last sentence beginning "Provided that . . ."<sup>5</sup> and substitute therefor: "The Congress should be requested to give to the President advance authority to act quickly in times of crises, including the use of armed forces. The grant of such authority should be publicized".<sup>6</sup>

*Reason:* Full knowledge that the President of the United States has been given authority by the Congress to act, with

<sup>1</sup>Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5612 Series. Top Secret. Attached to a memorandum dated August 29, not printed, from Lay to the NSC.

<sup>2</sup>See Lay's memorandum, *supra*.

<sup>3</sup>See Document 118.

<sup>4</sup>This revision was accepted at the NSC meeting on August 30, and incorporated into the text of NSC 5612/1, Document 119.

<sup>5</sup>Ellipsis in the source text.

<sup>6</sup>Text of paragraph 19 as it appears in NSC 5612 is incorporated in the enclosure to Lay's memorandum, *supra*.

military force if necessary, in the event of Communist aggression will serve as a strong deterrent to such aggression. Further, it will strengthen the conviction on the part of our allies and other countries in the area, that the United States recognizes the threat to their security and has both the will and the ability to react promptly against such threats.

c. *Paragraph 20.* Add the following to this paragraph: "gaining authority for such action in advance, when circumstances indicate it advisable."<sup>7</sup>

*Reason:* Same as above.

3. With respect to divergent views set forth in NSC 5612, they submit the following:

a. *Paragraph 11:* Concur in the statement contained in the right column.<sup>8</sup>

*Reason:* The basic differences between the two views set forth is whether participation in a free world collective security arrangement should be regarded by the United States as reason for giving preferential treatment in fields of economic and military assistance. The Joint Chiefs of Staff are of the opinion that countries openly pledged to render mutual assistance in opposition to Communist aggression should, without question, be treated preferentially in the field of military assistance to those countries that elect to remain aloof from so aligning themselves. Specifically, Thailand as a member of the Manila Pact deserves priority consideration, with respect to military aid, vis-à-vis Burma. The Joint Chiefs of Staff recognize that, of the other countries included within this statement of policy, Vietnam, Cambodia, and Laos have not joined SEATO because of restrictive features of the Geneva Accords of 1954 and because of other complexities surrounding the formation and operation of SEATO itself. Hence, the Joint Chiefs of Staff would not contend that these countries necessarily be treated less favorably than Thailand. However, even in these countries, a notable difference is observable between

<sup>7</sup>In NSC 5612, this paragraph reads: "In case of an imminent or actual Communist attempt to seize control from within, and assuming some manifest local desire for U.S. assistance, take all feasible measures to thwart the attempt, including even military action after appropriate Congressional consultation."

<sup>8</sup>In NSC 5612, paragraph 11 begins as follows: "The United States should continue to make clear its own devotion to the principle of collective security, its belief that regional security arrangements provide maximum protection at minimum cost for all, and its expectation that a country's decision to participate in such arrangements is based on its own calculation of its best interests and does not of itself constitute a claim for increased financial aid." Following this first sentence, the "State Proposal" (left-hand column) reads: "Where countries participate, the United States should provide them such assistance in maintaining military forces and such other assistance as is justified by U.S. strategic objectives." A "Defense-Treasury Proposal" (right-hand column) states: "Where countries participate, measures to assure adherence are desirable, including preferential treatment in the fields of economic and military assistance as justified by U.S. strategic objectives."

the neutralist tendencies of Cambodia and Laos as opposed to the staunch opposition to communism evidenced by the government of South Vietnam. This difference might well influence future military assistance programs in these three countries.

b. *Paragraph 36*: Concur in version contained in right column.<sup>9</sup>

*Reason*: Under present conditions, the Joint Chiefs of Staff would be unable to justify a provision of grant military assistance to Burma. In event the course of action in the preceding paragraph, i.e. "Encourage Burmese assumption of regional and international responsibilities compatible with our own objectives" met with a favorable Burmese reaction, the Joint Chiefs of Staff would re-examine their views in the light of the new condition.

c. *Paragraph 47*: Concur either in the statement set forth in the left column,<sup>10</sup> or that in the right column<sup>11</sup> with the final phrase "sufficient clearly to identify it as such" deleted.

*Reason*: The Joint Chiefs of Staff are of the opinion that the phrase recommended for deletion has no apparent significance and therefore confuses rather than clarifies the policy statement. It is difficult for the Joint Chiefs of Staff to recommend appropriate goals consistent with a mission "to assure internal security and provide limited initial resistance to external aggression." Indigenous force requirements for "limited initial resistance" will vary with the time it takes to bring effective external forces into action. With the authority to act in the hands of the President, the Joint Chiefs of Staff could compute this interval as an ordinary military time-space problem, and thereby establish a firmer basis for indigenous force requirements.

d. *Paragraph 51*: Concur in the wording of this paragraph without the qualifying phrases recommended in the footnotes.<sup>12</sup>

<sup>9</sup>The "Defense-Treasury-Budget-JCS Proposal" (right-hand column) for paragraph 36 reads: "Upon Burmese request make available military equipment and supplies on a reimbursable basis, as consistent with U.S. interests." The "State-ODM Proposal" (left-hand column) follows: "For political purposes, make available at Burmese request, on conditions acceptable to Burma, military aid in modest amounts, using if necessary Mutual Security Act Section 401 funds and authority."

<sup>10</sup>Reference is to the "Defense-JCS Proposal" for paragraph 47: "Continue support of the Royal Lao Army to assure internal security and provide limited initial resistance to an attack by the Viet Minh."

<sup>11</sup>The "State-ODM-Budget Proposal" for this paragraph reads: "Continue U.S. military assistance to Laos to assure internal security and provide limited initial resistance to external aggression sufficient clearly to identify it as such."

<sup>12</sup>In NSC 5612, paragraph 51 reads:

"Provide military assistance to Thailand for support of forces sufficient:

"a. To maintain internal security.

"b. To present limited initial resistance to external aggression.



*Reason:* Of the countries included in this policy statement, Thailand is the only one actively to participate in SEATO. As a signator of the Manila Pact, Thailand is pledged to render assistance in opposing Communist aggression in any portion of the treaty area. There has been unanimous agreement of the signators to the Pact that the territories of Cambodia, Laos, and South Vietnam come within the meaning of "treaty area" as set forth in Article 7 of the Pact. Consistent with Thailand's capabilities, it is in the United States interest to assist in enabling her to fulfill that commitment.

4. The Joint Chiefs of Staff recommend that:

- a. Subject to the foregoing, you concur in the adoption of NSC 5612 to supersede NSC 5405<sup>13</sup> and Annex "A" of NSC 5429/5; and
- b. You concur in the draft revision of paragraph 5-d of NSC 5429/5, as modified in subparagraph 2-b above.

For the Joint Chiefs of Staff:

**Arthur Radford**<sup>14</sup>

*Chairman*

*Joint Chiefs of Staff*

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"c. To make a modest contribution to collective defense of contiguous SEATO areas".

The footnotes mentioned represent a proposal by the Bureau of the Budget to make the latter half of this paragraph read:

"b. To present limited initial resistance to external aggression sufficient to identify it clearly as such.

"c. And thereby to make a modest contribution to collective defense of contiguous SEATO areas."

<sup>13</sup>"United States Objectives and Courses of Action With Respect to Southeast Asia", dated January 16, 1954; for text, see *Foreign Relations, 1952-1954*, vol. XII, Part 1, p. 366.

<sup>14</sup>Printed from a copy that bears this typed signature.

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## 116. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, August 28, 1956—9 p.m.*

325. Souvanna reported in FBIS as declaring in Peking press conference August 25 that Laos would not accept the so-called protection of SEATO. "We cannot subscribe to the SEATO because its provisions concerning us were decided without our participation.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/8-2856. Confidential; Priority. Repeated to Bangkok, Saigon, London, Paris, Ottawa, New Delhi, and Phnom Penh.

Moreover, it is not in accordance with the Geneva agreements that we shall join this organization".<sup>2</sup>

Would appear Souvanna overlooked Sebald's remarks of June 26 setting record straight on SEATO consultations, as well as his own reply to Sebald admitting we were probably right as he was only hazily filled in on what had transpired re consultations (Embassy telegram 1649<sup>3</sup>).

This is obviously one of things we shall be asking Prime Minister to clarify and/or amplify on his return. For moment prefer not to comment or suggest course of action.<sup>4</sup>

### Parsons

<sup>2</sup>In telegram 334 from Vientiane, August 30, Parsons reported a conversation with British Ambassador Holliday in which the latter passed on information received from the British Embassy in Peking. According to that Embassy, the statement that Laos would not accept the protection of SEATO was not Souvanna's, but represented editorializing on the part of the Chinese. Souvanna's statement was merely directed to the question of joining SEATO, not to that of accepting its protection. (*Ibid.*, 790.5/8-3056)

<sup>3</sup>See footnote 3, Document 109.

<sup>4</sup>In telegram 359 from Vientiane, September 4, Parsons reported in part that Souvanna had told him on September 3 that Radio Peking had been incorrect in alleging that he had renounced the protection of the SEATO protocol. "As regards August 1954 record on how Laos came to be covered by SEATO protocol, he claims RLG records differ from ours. He says we broached subject, that RLG did not ask to be covered and merely said when asked that no objection seen to offer of SEATO coverage." (Department of State, Central Files, 651J.93/9-456)

For the Department's response to early reports of Souvanna's statements, see Document 377.

## 117. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State<sup>1</sup>

*Washington, August 29, 1956.*

### SUBJECT

U.S. Policy in Mainland Southeast Asia (NSC 5612) Scheduled for Discussion by the National Security Council Thursday, August 30, 1956

### *Discussion:*

1. The proposed NSC 5612 revises U.S. policy toward mainland Southeast Asia. Parts I-IV contain considerations applicable to all the free countries of the area, and Part V defines specific courses of action for particular country circumstances. Part VI, Malaya and

<sup>1</sup>Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5612 Series. Secret.

Singapore, and Part VII, North Viet-Nam, constitute the first individual statements of U.S. policy toward these areas to appear in NSC form.

2. Policy emphases deal principally with:

- a. the current Sino-Soviet shift to nonmilitary methods (paras. 3, 4a);
- b. the need for political, economic, and social advances by the free governments to strengthen their independence (paras. 4a, 4c, 10, 22, 23);
- c. the conditions for U.S. military intervention (paras. 4b, 9, 18, 19 and 20);
- d. the problem of alignment (paras. 6, 11, 13 and 14);
- e. the reversal of a neutralist drift (paras. 33 and 34 on Burma, 38 and 40 on Cambodia, 43 and 48 on Laos, and 49 on Thailand).

3. The principal single innovation is the emphasis on developing greater numbers of non-Communist leaders in the area (para. 23). FE believes that the effective implementation of this section is important and suggests the appointment of a prominent and capable American educator to organize concerted, coordinated efforts on this project within the Government and with private agencies. This would be in consonance with the President's proposal for stimulating educational development in foreign countries (made at Baylor University May 25, 1956).<sup>2</sup>

4. There are three major splits in the paper—the problem of alignment, military aid to Burma, and definitions of military force missions appropriate to the individual circumstances of the several countries. These are reviewed in attachments A, B, and C.

5. NSC 5612 has taken into consideration the Prochnow Committee studies<sup>3</sup> on aid to Thailand and Viet-Nam. The policies proposed are not inconsistent with the results of those studies. NSC 5612 in general terms recommends continued military and economic assistance as required to accomplish U.S. objectives, but does not attempt to specify aid levels.

*Recommendation:*

That you support the approval of the draft with the positions taken by Departmental representatives on the three splits, with the exceptions noted in Tabs A and C.

<sup>2</sup>For text, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1956*, pp. 526-537.

<sup>3</sup>See footnote 2, *infra*.

## Tab A

## "THE PROBLEM OF ALIGNMENT"

In Part II, "Policy Conclusions", there is a split opinion in paragraph 11, on page 7, regarding preferential assistance to allies. It is suggested that in order to reconcile this difference you propose adding to the State proposal the following: "having due regard for the preferable position of such countries from the point of view of U.S. interests."

## Tab B

## "MILITARY AID FOR BURMA"

In para. 36 on page 14 there is a split opinion over whether the US should provide military aid to Burma only on a reimbursable basis. This question covers a basic issue of aid to Burma which Defense has been opposing in principle. In this draft paper, Defense, Treasury, Budget and JCS have favored only reimbursable aid whereas State and ODM propose a modest program of military aid using US funds. Inasmuch as Burma is not in a position to reimburse the US except by token, the Defense position could mean in practice the denial of aid to Burma. However, it would appear that the agencies sponsoring the dissenting opinion have at least accepted the principle of the significance of Burma, inasmuch as all agencies have agreed to the important course of action in para. 33 "to make a special effort to influence a favorable orientation in Burma's policies."<sup>4</sup> In view of the sharp Burmese response to increasing Chinese Communist penetration and Soviet bloc aid, FE believes that the opportunity will become even more propitious during the next three or six months for developing contacts with Burmese military forces which, in turn, could have fruitful political repercussions in Burma and Asia, especially among neutrals. Burmese military authorities have the approval of the Burmese Cabinet to enter into discussions with American representatives for military aid, but so far the Defense Department has refused them a hearing. Recent CIA reports indicate that the Burmese Cabinet has been considering appealing to the UN, SEATO, or the UK and the US for help in the frontier situation. Burma might turn out to be a key in our efforts to thwart the Communist campaign in

<sup>4</sup>Paragraph 33 in NSC 5612 is identical to paragraph 33 in NSC 5612/1, Document 119.

the Middle East and South Asia, if we can capitalize on opportunities there.

### Tab C

#### "FORCE MISSIONS FOR LAOS"

This paper sets up four categories of force missions from the least to the most:

- (1) to maintain internal security;
- (2) to do that and also to provide limited initial resistance to aggression [and] to identify it as such;
- (3) to assure internal security and provide actual initial resistance to aggression over and beyond merely identifying it as such;
- (4) the first, the third, and, in addition, the mission of making a contribution to collective defense.

In para. 47 on page 16 regarding Laos, Defense and JCS prefer the third mission whereas State, ODM, and Budget propose to continue support for the Royal Lao Army only for the second. The representative of the Policy Planning Committee will explain these definitions and the position taken by the State Department in the NSC Planning Board. I personally prefer and recommend the Defense-JCS language.

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#### 118. Memorandum of Discussion at the 295th Meeting of the National Security Council, Washington, August 30, 1956<sup>1</sup>

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2. For text of the discussion of item 1 on the Suez Canal dispute, see volume XVI, page 324.]

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<sup>1</sup>Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on August 31.

3. *U.S. Policy in Mainland Southeast Asia* (NSC 5612; NSC 5610;<sup>2</sup> NSC 5429/5; NSC 5405; Memo for NSC from Executive Secretary, subject: "U.S. Policy in the Event of a Renewal of Aggression in Vietnam", dated September 16, 1955;<sup>3</sup> NSC Actions Nos. 1415, 1526,<sup>4</sup> 1527,<sup>5</sup> 1571,<sup>6</sup> Progress Report, dated July 11, 1956, by OCB on NSC 5405 and Portions of NSC 5429/5;<sup>7</sup> Memo for NSC from Executive Secretary, subject: "Current U.S. Policy Toward the Far East," dated August 15, 1956;<sup>8</sup> Memo for All Holders of NSC 5612 from Executive Secretary, dated August 27, 1956;<sup>9</sup> Memo for NSC from Executive Secretary, subject: "U.S. Policy in Mainland Southeast Asia; Change in Current U.S. Policy Toward the Far East", dated August 29, 1956<sup>10</sup>)

Mr. Anderson commenced his briefing of NSC 5612 (copy of briefing note filed in the minutes of the meeting). When he reached paragraph 2, he pointed out that the Joint Chiefs of Staff wished to change the last sentence of the paragraph, which originally read "The loss of the Southeast Asian mainland could thus destroy the possibility of establishing an equipoise of power in Asia", to read as follows: "The loss of Southeast Asia mainland could thus have far-reaching consequences seriously adverse to U.S. security interests." The Joint Chiefs of Staff believed that the original sentence improperly implied that "establishing an equipoise of power in Asia" was or should be the U.S. objective in the area. The President indicated his approval of the change proposed by the Joint Chiefs of Staff.

Mr. Anderson resumed his briefing, and explained to the Council the split views in paragraph 11,<sup>11</sup> on the general subject of the U.S. attitude toward neutralist countries on the one hand, and toward countries which joined with us in collective security arrangements on the other hand. The State proposal in paragraph 11 did not

<sup>2</sup>"Report by the Interdepartmental Committee on Certain U.S. Aid Programs" (Prochnow Committee Report), dated August 3, 1956. Regarding this report, which includes country reports on several East Asian nations, see vol. x, p. 124.

<sup>3</sup>See vol. i, p. 535.

<sup>4</sup>NSC Action No. 1526 was taken at the March 8 NSC meeting; see *ibid.*, p. 655.

<sup>5</sup>In NSC Action No. 1527, also taken at the March 8 meeting and approved by Eisenhower on March 9, the NSC directed the Planning Board, during its review of NSC 5405, to review promptly the objectives of military assistance to Thailand. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95) See vol. xxii, p. 860, footnote 8.

<sup>6</sup>NSC Action No. 1571 was taken at the June 7 NSC meeting; see vol. i, p. 702.

<sup>7</sup>Not printed. (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5405 Series)

<sup>8</sup>Document 114.

<sup>9</sup>Not found in Department of State files.

<sup>10</sup>The JCS memorandum of August 24, Document 115, was attached to this memorandum.

<sup>11</sup>For this and all subsequent references to numbered paragraphs, see Document 115.

clearly indicate that the United States should give preferential treatment in the fields of economic and military assistance to countries which participated with the United States in collective security arrangements. Mr. Anderson then called on Secretary Dulles to make any further comments he wished on this issue.

Secretary Dulles stated that he did not believe there was any serious difference of substance between the Defense Department proposal on the one hand and the State Department proposal on the other. The difference was largely verbal, and Secretary Dulles assured the Council that the State Department wholly shared the views of the Defense Department that nations actually aligned with the United States in collective security pacts should be given preferential treatment over non-aligned countries with respect to U.S. assistance programs. The essence of the State Department position was simply that State did not wish to lay down as a fixed policy statement the principle of preferential treatment for countries formally aligned with the United States. It might well happen that some country aligned with the United States in some kind of collective security pact would not actually be in need of military or economic assistance; whereas some other country which was in a neutralist posture might need our help to prevent itself from being absorbed into the Communist orbit. For example, we actually give more assistance to India than we do to Belgium. Nevertheless, Secretary Dulles again emphasized that he had no quarrel whatever with the thesis that nations formally aligned with the United States should normally get preferential treatment in our assistance programs.

The President pointed out that in both the State version and the Defense version of paragraph 11 the most significant criterion governing the extension of military and economic assistance was that such assistance be "justified by U.S. strategic objectives". The President expressed understanding of Secretary Dulles' desire to avoid making preferential treatment to allies an iron-clad rule, but also agreed that, other things being equal, the United States should extend preferential treatment to allies over neutrals. He reiterated with great emphasis that the reason that countries like the Philippines entered into defensive alliances with the United States was to insure for themselves the protection of the strong arm of the United States. This was the great advantage which these nations derived from entering into alliances with the United States.

In the course of further discussion of the issue set forth in paragraph 11, Acting Secretary of Defense Robertson pointed out that it was his experience, when he visited the Southeast Asian countries, that it would be a very great help if these countries could be convinced that the United States would really come to their assistance in the event that they were threatened by Communist bloc countries.

Unhappily, they are not so convinced, and if we proceed to give military assistance to neutral nations like Burma, nations allied with us will assume that this assistance will be given to Burma at their expense.

Secretary Dulles repeated that his only concern was that paragraph 11 should not consist of a fixed rule or statement of policy that would actually prevent the United States from providing military assistance to neutral countries like Burma if it proved to be in our strategic interest to do so. Admiral Radford replied that he certainly had no objections to a modest economic aid program for Burma, but warned that the initiation of a military assistance program to neutralist Burma would be very upsetting to the states of Southeast Asia which were allies of the United States.

Secretary Dulles then made the point that if the United States failed to provide military assistance for neutrals like India or Burma, they would almost certainly seek such assistance and obtain it from the USSR. We wished to be able to prevent such a development. Admiral Radford replied that he could only say that we would never be able to retain our allies in Southeast Asia if our allies felt that other countries were in a position to obtain U.S. assistance without ever joining any kind of an alliance with the United States. Admiral Radford also emphasized that it was the view of Congress that we should give military assistance only to dependable allies of the United States. Secretary Dulles then observed that we had better begin getting rid of our allies if having such allies was going to prevent us from doing what is in the best interests of the United States. For example, said Secretary Dulles, he would rather see us lose Thailand, an ally, than to lose India, a neutral.

Admiral Radford pointed out that if we followed the line laid down by Secretary Dulles we would soon have to face precisely this decision. He added that the loss of Thailand would just about finish off the U.S. position in Southeast Asia. In reply to this, Secretary Dulles insisted that we should in each case carefully study what is truly in the strategic interests of the United States. Perhaps upon investigation it might be better to keep Thailand on our side than India or Burma out of the hands of the Communists. Nevertheless, he wanted no fixed formula or statement which by its wording would prevent the United States from providing military assistance to Burma or to India. To make his point, Secretary Dulles read from the text of a cable from Bangkok, dated July 29,<sup>12</sup> indicating that Thailand strongly favored U.S. assistance to Burma.

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<sup>12</sup>Telegram 273 from Bangkok, July 28, not printed. (Department of State, Central Files, 411.90B41/7-2856)



Admiral Radford said that the assistance recommended for Burma by Thailand was economic assistance rather than military assistance. Secretary Reuben Robertson indicated that he was not opposed to reimbursable military aid to Burma, and that he actually favored U.S. economic aid to Burma. At this point, Secretary Dulles suggested that the Council adopt the formula proposed by the Defense Department in favor of preferential treatment to allies, but to insert language which would indicate that such preferential treatment was to be the normal or the general rule. This would allow for exceptions when exceptions were in the strategic interests of the United States. The President agreed with the solution proposed by Secretary Dulles.

Mr. Anderson continued his briefing. When he reached paragraph 19 he read the paragraph in toto as follows:

"Should overt Communist aggression occur, invoke the UN Charter or the SEATO Treaty, or both as applicable, and subject to local request for assistance take necessary military and any other action to assist any Mainland Southeast Asian state or dependent territory willing to resist Communist resort to force: Provided, that the taking of military action shall be subject to prior submission to and approval by the Congress unless the emergency is so great that immediate action is necessary to save a vital interest of the United States."

Mr. Anderson then pointed out that the Joint Chiefs of Staff had suggested a revision of paragraph 19 which would delete the last sentence of the existing text, beginning with the words "Provided, that", and substitute for the deleted sentence a new sentence to read "The Congress should be requested to give to the President advance authority to act quickly in times of crises, including the use of armed forces. The grant of such authority should be publicized." The Joint Chiefs believed that full knowledge that the President had been given authority by the Congress to act, with military force if necessary, would serve as a strong deterrent to Communist aggression. Mr. Anderson also pointed out that whatever the agreed wording of paragraph 19 of NSC 5612, it would be substituted for the existing paragraph 5-d of NSC 5429/5.

When Mr. Anderson had completed his explanation of the proposal to change the text of paragraph 19, the President said that he could not go along with the change proposed by the Joint Chiefs of Staff. The President also expressed some concern lest the wording of paragraph 19 commit the United States to military intervention in mainland Southeast Asia too readily. He thought that our intervention should be further qualified by the insertion of the phrase "where American vital interests are involved". For example, he said, the United States might not deem it wise to intervene in certain in-

stances where a Communist take-over was very far advanced. In any event, he reiterated that our intervention should be qualified by a clear reference to the fact that our vital interests were deemed to be at stake.

Admiral Radford pointed out that, on the contrary, unless the United States were to give some strong assurance that we would intervene to help these Southeast Asian states if they were threatened by Communist aggression, these countries would insist on providing themselves with much larger domestic military establishments or else would take refuge in a policy of neutralism, neither of which alternatives was advantageous to the United States.

Governor Stassen said he could see Admiral Radford's point, but that if, on the other hand, the United States made automatic pledges of intervention to assist other nations, the United States would lose control of its own foreign policy. These nations would think that no matter what they did the United States would be bound to come to their assistance if they got into difficulties. Admiral Radford replied that he believed that the United States could protect itself adequately against such a danger. Governor Stassen, however, suggested the addition of a new qualification in paragraph 19, to the effect that we would intervene only if the President deemed the vital interests of the United States to be at stake.

Addressing himself to Mr. Anderson, Secretary Dulles confessed that he had some misgivings over the purport of paragraph 19, and he would like clarification. Was it conceivable that under this paragraph as presently worded, U.S. armed forces could intervene to assist a state of mainland Southeast Asia without having either a mandate from the UN or the cover of the SEATO treaty? If this were the case, then the purport of paragraph 19 went beyond anything that could be described as constitutional.

Mr. Anderson pointed out that military action by the United States, as set forth in paragraph 19, would not take place prior to submission to and approval by the Congress, unless the emergency was so great that immediate action was necessary to protect our vital interests. Secretary Dulles, however, was not satisfied, and reemphasized that if the paragraph conceivably could mean that the President could decide to intervene with our armed forces in the absence of any cover of UN or SEATO action, such a move went beyond the constitutional powers of the Presidency.

The President said that he agreed in general with Secretary Dulles' argument, and he did not believe that he could constitutionally go as far as paragraph 19 would suggest if it were modified to include the proposed language of the Joint Chiefs of Staff. The President continued by stating that except in the event of a direct attack on the United States itself or the armed forces of the United States,

we could not possibly go to war without a declaration of war by the Congress.

Secretary Dulles added that it had always been his own view that if there was an attack on a treaty area to which the United States was a party and Congress was not in session, the Chief Executive had the power to intervene under the terms of the treaty, although, of course, the President should consult as soon as possible thereafter with Congress.

Mr. Anderson pointed out that the Department of Justice had recommended the language covering the proviso in the last sentence of paragraph 19. Nevertheless, the President repeated his belief that no concept of the vital interests of the United States would justify his intervening with military force except a direct attack on the United States or on U.S. forces.

Dr. Flemming<sup>13</sup> suggested that the problem might best be met if the substance of paragraph 19 was divided into two paragraphs. One paragraph would deal with possible U.S. intervention in the SEATO treaty area; the other would deal with the possibility of intervention on behalf of Burma, which was not a party to the SEATO treaty and whose territory was not in the SEATO treaty area. Admiral Radford thought that there was very good reason to differentiate between our mode of intervention to assist allied countries and intervention to assist a neutral country. The President suggested language to cover the general point, and Mr. Anderson indicated his belief that it was the decision of the Council that the present paragraph 19 should cover only the SEATO treaty area countries and that the Planning Board would prepare a new paragraph to deal with possible intervention on behalf of Burma.

Mr. Anderson then continued his briefing on NSC 5612, pointing out that with respect to paragraph 20 the Joint Chiefs of Staff had made the same suggestion that they had earlier made with respect to paragraph 19—namely, to gain Congressional authority for action in advance. The President suggested the substitution of the word "action" for "consultation" in the last line of paragraph 20.

At this point Mr. Anderson reminded the President that he had wished to make some comments to the National Security Council on the general subject of regional economic intercourse. The President replied that the business of promoting regional economic intercourse ought to be a fixed policy of the United States, not only in Southeast Asia but everywhere in the world. Without such economic intercourse there would be no lasting peace in any of these areas. Anything that fostered interchange of goods and services would prove to be to the advantage of the United States, if for no other reason than

<sup>13</sup>Arthur S. Flemming, Director of the Office of Defense Mobilization.

that it lessened the dependence of so many countries on the United States.

Mr. Anderson then moved on to the courses of action dealing with the specific countries of Southeast Asia, beginning with Burma. He explained the split of opinion in paragraph 36, with respect to the provision of military aid to Burma. He pointed out that the State-ODM proposal called for a modest military aid program to be made available to Burma for political purposes, on conditions acceptable to Burma. On the other hand, the Defense-Treasury-Budget-JCS proposal called for making military equipment and supplies available on Burmese request and only on a reimbursable basis.

After listening to the explanation of this difference of view, the President said he wished to put a question to the Council. Was it not possible to put an aid program technically on a reimbursable basis, even though we knew perfectly well that we would never be repaid for the assistance we had given? Mr. Hollister replied that it was certainly possible to do this. Secretary Dulles pointed out that in fact Burma would insist that, in form at least, any military assistance to her from the United States should be on a reimbursable basis. Admiral Radford warned that any loans of this type would come out of our MDAP funds and thus from the total resources available for our military aid programs. He believed that if we do decide to go in for any military aid program to Burma, it would be best to extend this aid through the agency of SEATO.

Secretary Dulles reminded the Council of how fluctuating were the positions of the Governments of Burma, Laos and Cambodia. Sometimes they appeared to be moving in our direction, and then suddenly the direction changed and they seemed to move in the direction of neutralism or the Soviet bloc. He added his belief that, as a practical matter, we would have more chance of recouping our weakened position in Laos and Cambodia if we lopped off some of the money we were giving these two states for military assistance and assigned the resources instead to Burma.

The President expressed the opinion that the version of paragraph 36 proposed by Defense, Treasury, Budget and JCS, was the more correct statement of our policy with respect to military assistance to Burma. As a matter of fact, even though we say this aid will be granted to Burma on a reimbursable basis (as the Burmese themselves desire), we are also pretty certain that we will never get our money back.

Secretary Dulles then asked if he might invite Under Secretary Hoover to comment on this problem. Secretary Hoover said he thought it would be unfortunate to include the term "reimbursable basis", because that term had come to have the particular meaning of "cash on the barrelhead". Secretary Hoover then called on Assistant

Secretary of State Walter Robertson, who briefly commented on Burma's recent request for U.S. assistance. He pointed out that the Burmese prefer reimbursable aid. Actually, however, they only want to be assured that they may make payment for such aid in rice. Assistant Secretary Robertson added that this was indeed the psychological moment to assist Burma if the United States proposed to take advantage of the current disenchantment of Burma with the Communist bloc. He concluded by pointing out that the Burmese had been authorized to talk with us about the possibility of U.S. military assistance.

The President then inquired whether anybody could suggest a better word than "reimbursable". Various suggestions were made, and the President himself suggested simply striking "reimbursable" and adding the term "loan basis". Assistant Secretary of Defense Gordon Gray pointed out that if we made loans to Burma to provide military aid for political purposes, we would make it clear that there was a distinction between Burma and those countries which we desired to assist as part of our regular military program for military rather than for political purposes. After further discussion, agreement was reached on an appropriate rewording of paragraph 36.

As the next point in his briefing, Mr. Anderson called attention to the split views in paragraph 47, on the degree of support the United States should provide to the armed forces of Laos. The Defense-JCS proposal called for continued support of the Royal Lao Army to assure internal security and provide limited initial resistance to an attack by the Viet Minh. The State-ODM-Budget proposal called for continued U.S. military assistance to Laos to assure internal security and provide limited initial resistance to external aggression sufficient clearly to identify it as such. Mr. Anderson explained that in general the cost to the United States of the State-ODM-Budget proposal would be less than the cost of the Defense-JCS proposal, although he could not give the precise figure as the President requested.

The President expressed the opinion that the differential would not be very great, because the approximate \$50 million a year which we were proposing to provide by way of military assistance to Laos would not in any case support very much in the way of a Laotian military establishment. On the whole, he said, he was inclined to prefer the Defense-JCS proposal.

The Director of the Budget indicated the difficulties attendant upon efforts to assign a precise meaning to the term "limited initial resistance". Both the Secretary of State and the President indicated uncertainty likewise as to the meaning and definition of this phrase.

Mr. Anderson then referred to the fact that the problem of providing appropriate support to the armed forces of Laos was a prob-

lem which applied with equal force to a number of other countries, including Thailand and Vietnam. Essentially the problem was involved with the ability of the economies of these backward countries to support the kind of military establishment we might wish them to have. Mr. Anderson recalled that this whole problem had been studied in a number of instances by the so-called Prochnow Committee.

After further discussion of the problem, Governor Stassen spoke strongly in favor of reducing, or at least not increasing, the amount of our military assistance to countries like Thailand, on the ground that if we did so we would create terrible economic problems for these countries. Accordingly, Governor Stassen said he favored the State-ODM-Budget version of paragraph 47.

The President commented that what the Council was now talking about boiled down to just how much money you could put into one of these countries without disrupting the country's economy. Furthermore, said the President, in each fiscal year the appropriations for giving military assistance to these countries tend to increase. Where would we end up if this trend continued? The Acting Secretary of the Treasury, Mr. Burgess, stated that we were creating a financial and economic burden too great both for these countries and for the United States. The President agreed that this was so, and pointed out that nevertheless every single one of these countries wants a larger military establishment than it now has. How do we work out some scheme which will satisfy both these countries and ourselves? Certainly the decision as to the size of our assistance programs could not be a wholly unilateral U.S. decision.

Acting Secretary of Defense Robertson thought that the answer to the President's question might take the form of intimating discreetly to these countries our willingness to intervene with small atomic forces to assist them against aggression. He pointed out that Admiral Radford had made this suggestion on several earlier occasions. The President thought this proposal had merit if it included the proviso of Congressional approval. Secretary Robertson commented that it would certainly mean a smaller expenditure of U.S. resources.

Mr. Anderson then asked the President which versions of paragraphs 47 and 51, on the general question of the size of our military assistance programs, the President preferred. The President answered that he was inclined to favor the Defense-JCS proposal, calling for assistance designed to assure internal security and provide limited initial resistance to an attack. Nevertheless, said the President, he agreed with the Director of the Budget that we ought to be provided with a clear idea of the duration of the term "limited initial resistance". He accordingly requested the Department of Defense to provide the Council with a definition.

There followed a lengthy discussion of the related problem of providing jet aircraft for Thailand. It was pointed out how difficult it would prove to be to reverse the developing trends in our aid programs without losing our allies. At the end of the discussion Acting Secretary of Defense Robertson suggested that Secretary Dulles might wish to discuss the entire dimensions of our assistance programs to the countries of Southeast Asia in the context of a SEATO meeting. The object would be to try to get a less selfish point of view on the part of each country respecting the size and character of the U.S. assistance programs in that country. In response to this suggestion the President requested the Department of State to explore this possibility.

At the conclusion of the meeting, Mr. Dillon Anderson pointed out that this constituted his last NSC meeting as Special Assistant to the President for National Security Affairs, and accordingly the President thanked Mr. Anderson for his services.

*The National Security Council:*<sup>14</sup>

a. Discussed the draft statement of policy contained in NSC 5612, prepared by the NSC Planning Board pursuant to NSC Actions Nos. 1526-b and 1527-c, in the light of the views of the Joint Chiefs of Staff, transmitted by the reference memorandum of August 29.

b. Adopted the statement of policy in NSC 5612, subject to the following amendments:

(1) *Page 2, paragraph 2-b:* Revise the last sentence to read as follows: "The loss of Southeast Asia mainland could thus have farreaching consequences seriously adverse to U.S. security interests."

(2) *Page 7, paragraph 11:* Adopted the wording in the right-hand column, subject to the insertion of "normally" before "including".

(3) *Page 9, paragraph 19:* Revise to read as follows:

"19. Should overt Communist aggression occur in the Southeast Asian treaty area, invoke the UN Charter or the SEATO Treaty, or both as applicable; and subject to local request for assistance take necessary military and any other action to assist any Mainland Southeast Asian state or dependent territory in the SEATO area willing to resist Communist resort to force: Provided, that the taking of military action shall be subject to prior submission to and approval by the Congress unless the emergency is deemed by the President to be so great that immediate action is necessary to save a vital interest of the United States."

<sup>14</sup>Paragraphs a-e and the Note that follow constitute NSC Action No. 1599, approved by the President on September 5. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

(4) *Page 10, paragraph 20*: Change the last word from "consultation" to "action".

(5) *Page 14, paragraph 36*: Adopted the wording in the right-hand column subject to the insertion of "For political purposes," at the beginning of the sentence, and the words "loan or" before "reimbursable".

(6) *Page 15*: Insert, after paragraph 37, a new paragraph reading as follows:

"Should overt Communist aggression occur against Burma, invoke the UN Charter and, subject to Burmese request for assistance, take necessary military and any other action to assist Burma if Burma is willing to resist Communist resort to force and U.S. vital interests are involved: Provided, that the taking of military action shall be subject to prior submission to and approval by the Congress."

(7) *Page 16, paragraph 47*: Adopted the wording in the left-hand column.

(8) *Page 17, paragraph 51*: Delete the asterisks and the footnotes relating thereto.

c. Noted the President's request that the National Security Council be provided with a report by the Department of Defense of its definitions, particularly as to the period of time involved in each case, of the term "limited initial resistance" as contained in paragraphs 47, 51 and 56 of NSC 5612 as amended.

d. Adopted the draft revision of paragraph 5-d of NSC 5429/5, prepared by the NSC Planning Board pursuant to NSC Action No. 1415-c and transmitted by the reference memorandum of August 15, subject to the following amendments to make it consistent with paragraph 19 of NSC 5612 as amended above:

(1) Insert "in the SEATO area" after "dependent territory".

(2) Insert "deemed by the President to be" after "emergency is".<sup>15</sup>

e. Noted the President's request that the Department of State, in consultation with the Department of Defense, explore the possibility, based upon a study of the rising trends of U.S. aid programs in the entire SEATO area, of arranging conferences with the nations in that area in an endeavor to achieve agreements as to future U.S. aid pro-

<sup>15</sup>Following these changes, the revised paragraph 5-d of NSC 5429/5 reads as follows: "Should overt Communist aggression occur in the Southeast Asian treaty area, invoke the UN Charter or the SEATO treaty, or both, and subject to local request for assistance take necessary military and any other action to assist any state or dependent territory in the SEATO area willing to resist Communist resort to force: Provided, that the taking of military action shall be subject to prior submission to and approval by the Congress unless the emergency is deemed by the President to be so great that immediate action is necessary to save a vital interest of the United States." (NSC 5429/5, December 22, 1954, with page 5 revised as of September 5; *ibid.*, S/S-NSC Files: Lot 63 D 351, NSC 5429 Series)



grams in that area which will be more moderate in their demands upon U.S. resources and the local economies.

*Note:* NSC 5612, as amended and approved by the President, subsequently circulated as NSC 5612/1 for implementation by all appropriate Executive departments and agencies of the U.S. Government, and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

The action in c above, as approved by the President, subsequently transmitted to the Secretary of Defense for implementation.

The action in d above, as approved by the President, subsequently transmitted to all appropriate departments and agencies, together with a revised page 5 of NSC 5429/5.

The action in e above, as approved by the President, subsequently transmitted to the Secretary of State, in consultation with the Secretary of Defense, for appropriate implementation.<sup>16</sup>

S. Everett Gleason

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<sup>16</sup>An exchange of letters between Gordon Gray and Walter Robertson in January 1957 indicates that as of that time the Departments of State and Defense were considering means to implement this proposal. No subsequent substantive documentation on this subject has been found in Department of State files. (Letters from Gray to Robertson, January 4; Robertson to Gray, January 28; both *ibid.*, Central Files, 790.5-MSP/1-457)

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## 119. National Security Council Report<sup>1</sup>

NSC 5612/1

*Washington, September 5, 1956.*

### NOTE BY THE EXECUTIVE SECRETARY TO THE NATIONAL SECURITY COUNCIL ON U.S. POLICY IN MAINLAND SOUTH-EAST ASIA

#### REFERENCES

- A. NSC 5405
- B. NSC Actions Nos. 1526-b and 1527-c
- C. NSC 5429/5, paragraph 5-d
- D. NSC 5429/5, Annex A
- E. NSC Action No. 1415-c
- F. NSC Action No. 1571

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<sup>1</sup>Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5612 Series. Top Secret.

G. Memo for NSC from Executive Secretary, subject: "U.S. Policy in the Event of the Renewal of Aggression in Vietnam", dated September 16, 1955<sup>2</sup>

H. Progress Report, dated July 11, 1956, by OCB on NSC 5405 and Portions of NSC 5429/5

I. NSC 5610

J. NSC 5612

K. NSC Action No. 1599

The National Security Council, the Acting Secretary of the Treasury, the Attorney General, the Acting Secretary of Commerce, the Special Assistant to the President for Disarmament, and the Director, Bureau of the Budget, at the 295th Council meeting on August 30, 1956, adopted the statement of policy on the subject contained in NSC 5612, subject to the amendments thereto which are set forth in NSC Action No. 1599-b.

The President has this date approved the statement of policy in NSC 5612, as amended and adopted by the Council and enclosed herewith as NSC 5612/1; directs its implementation by all appropriate Executive departments and agencies of the U.S. Government; and designates the Operations Coordinating Board as the coordinating agency.

The enclosed statement of policy, as adopted and approved, supersedes NSC 5405 and Annex A of NSC 5429/5.

James S. Lay, Jr.<sup>3</sup>

[Enclosure]

[Here follows a table of contents.]

STATEMENT OF POLICY ON U.S. POLICY IN MAINLAND  
SOUTHEAST ASIA<sup>4</sup>

I. General Considerations

1. *General.* Since mainland Southeast Asia does not represent a unified area, courses of action must generally be determined in the light of widely varying country situations. However, basic objectives and main directions of U.S. policy can and should be established on a regional basis.

<sup>2</sup>For text, see vol. 1, p. 535.

<sup>3</sup>Printed from a copy that bears this typed signature.

<sup>4</sup>For purposes of this paper "Mainland Southeast Asia" consists of Burma, Cambodia, Laos, Thailand, Viet Nam, Malaya and Singapore. In addition, there is attached a supplementary statement of policy on the special situation in North Viet Nam. [Footnote in the source text.]

2. *Consequences of Communist Domination.* The national security of the United States would be endangered by Communist domination of mainland Southeast Asia, whether achieved by overt aggression, subversion, or a political and economic offensive.

a. The loss to Communist control of any single free country would encourage tendencies toward accommodation by the rest.

b. The loss of the entire area would have a seriously adverse impact on the U.S. position elsewhere in the Far East, have severe economic consequences for many nations of the free world, add significant resources to the Communist bloc in rice, rubber, tin and other minerals, and could result in severe economic and political pressures on Japan and India for accommodation to the Communist bloc. The loss of Southeast Asia mainland could thus have far-reaching consequences seriously adverse to U.S. security interests.

### 3. *The Communist Threat*

a. *Overt Aggression.* Although Communist policy now emphasizes non-military methods, the danger of overt aggression will remain inherent so long as Communist China and North Viet Nam continue a basically hostile policy supported by substantial military forces. There is only a cease-fire in Viet Nam and sporadic hostilities continue in Laos. The Viet Minh have continued to improve their combat capabilities since the Geneva Conference of 1954.

b. *Subversion.* In most countries of Southeast Asia a threat also arises from the existence of extensive local Communist capabilities for all types of subversive activities, ranging up to armed insurrection. Additionally, the large overseas Chinese communities in Southeast Asia offer a fertile field for subversion. The weak internal security systems of the Southeast Asian states make them highly vulnerable to such activities.

c. *Communist Political and Economic Offensive.* At present overt aggression and militant subversion are less likely than an intensified campaign of Communist political, economic and cultural penetration in the area. The political instability, economic backwardness, export problems, and extreme nationalism of these countries provide many opportunities for Communist exploitation by trade and economic assistance, conventional political and diplomatic activity, and extensive infiltration. This offensive now constitutes a threat to U.S. interests more subtle and more difficult to cope with than other threats.

4. *United States Role.* The United States is likely to remain the only major outside source of power to counteract the Russian-Chinese Communist thrust into Southeast Asia. Thus, the retention of this area in the free world will continue to depend on the extent and effectiveness of U.S. support as well as on the local efforts of the countries themselves.

a. *Political.* The underlying purpose of U.S. assistance in the area is to help the non-Communist countries develop more effective political organizations, strengthen their internal administration and enlist greater allegiance in both urban and rural districts. In part this pur-

pose will be served by programs for military and economic aid dealt with below. In part it will require an intensification of present programs for training competent Asian managerial and technical personnel. And in part new approaches, both governmental and private, will be needed. These should not concentrate exclusively at the national level, but should include activities designed to strengthen and vitalize indigenous traditions and institutions and to have an impact on village life, rural society, and educational systems.

b. *Military.* Because these countries do not have the capability of creating armed forces which could effectively resist large-scale external aggression, the United States will be required to provide a basic shield against Communist aggression. For the foreseeable future local will to resist aggression will depend on a conviction in Southeast Asia that the United States will continue its support and will maintain striking forces adequate to counter aggression in Southeast Asia with the capabilities described in NSC 5602/1 (paragraphs 11, 15 and 16).<sup>5</sup> The combination of such U.S. forces and local will to resist would constitute the best deterrent against aggression. Should the deterrent fail, this combination would also provide the most effective insurance that, in conjunction with indigenous and allied forces, the United States could suppress aggression in the area quickly and in a manner and on a scale best calculated to avoid the hostilities broadening into general war.

c. *Economic and Technical.* The insistence, throughout most of the area, on economic development provides the strongest lever for the exertion of influence by the free world or by the Communist bloc. Without increased external help from some source, most of the governments of the area will be unable, even with adequate indigenous effort, to manage the political demand for rapid betterment in the conditions of life and provide for sound economic development. Failure to obtain such assistance from the free world will tend to drive these countries toward economic dependence on the Communist bloc. The general preference in Southeast Asia for Western technical and economic assistance gives the United States and the free world an opportunity to obtain primacy over Communist efforts in key economic sectors. The outcome may, however, be strongly influenced by the success with which the free world can cope with Communist efforts to exploit the existence of Southeast Asian export problems, particularly those involving rice. In the period ahead, flexibility of U.S. procedure and rapidity of U.S. action will be increasingly important, if effective advantage is to be taken of unexpected and transient opportunities.

5. *The Problem of Regional Association.* Over the long run, the small, vulnerable, and essentially dependent nations of Southeast Asia cannot exist satisfactorily as free nations without closer associations than now exist.

6. *The Problem of Alignment.* To preserve their independence, strengthen their internal stability, and protect themselves against ag-

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<sup>5</sup>"Basic National Security Policy", dated March 15, 1956. (Department of State, S/ S-NSC Files: Lot 63 D 351, NSC 5602 Series) For documentation on the NSC 5602 series, see volume xix.

gression, some countries in Southeast Asia prefer to join regional security arrangements. Some, however, prefer to avoid alignment with other nations. The basic objective of both groups is to maintain the independence of their countries free of outside interference or dictation, and the independence and vitality of both are important to the United States and to each other.

## II. Policy Conclusions

7. The national independence of the mainland Southeast Asian states is important to the security interests of the United States. If such independence is to be preserved, U.S. policies must seek to build sufficient strength in the area at least to identify aggression, suppress subversion, prevent Communist political and economic domination, and assist the non-Communist governments to consolidate their domestic positions. U.S. policy should not depend primarily on the degree and nature of Communist activity at any particular time, but should seek to promote these goals within the limits of the economic capacities of the countries concerned and U.S. resources available for the area.

8. Where a national determination to maintain independence and oppose external aggression is sufficiently manifest, the United States should be prepared to provide military assistance based upon the missions of the forces as indicated in the "Country Courses of Action" (Part V, below).

9. In the event of aggression against a Southeast Asian state willing to resist, the provisions of the UN Charter or the SEATO Treaty should be invoked, but the United States should not forgo necessary action in behalf of such a state or states because of the possibility that other allies might be loath to participate or to furnish more than token military forces.

10. In the long run, the ability of the non-Communist governments to attain political, economic and social objectives will be the dominant factor in defeating the Communist attempts to dominate Southeast Asia. The United States should assist the non-Communist states of the area to formulate and execute programs designed to promote conditions of sound development, to demonstrate that they can achieve growth without reliance on Communist methods or dependence on the Communist bloc, and to give their peoples a greater stake in the continued independence of their countries.

11. The United States should continue to make clear its own devotion to the principle of collective security, its belief that regional security arrangements provide maximum protection at minimum cost for all, and its expectation that a country's decision to participate in such arrangements is based on its own calculation of its best interests

and does not of itself constitute a claim for increased financial aid. Where countries participate, measures to assure adherence are desirable, normally including preferential treatment in the fields of economic and military assistance as justified by U.S. strategic objectives. Where new opportunities for affiliation develop they should be encouraged. The United States should, however, accept the right of each nation to choose its own path to the future, and should not exert pressure to make active allies of countries not so inclined. The genuine independence of such countries from Communism serves U.S. interests even though they are not formally aligned with the United States. The United States should accordingly support and assist them so long as they remain determined to preserve their own independence and are actively pursuing policies to this end.

### III. Objective

12. To prevent the countries of Southeast Asia from passing into or becoming economically dependent upon the Communist bloc; to persuade them that their best interests lie in greater cooperation and stronger affiliations with the rest of the free world; and to assist them to develop toward stable, free, representative governments with the will and ability to resist Communism from within and without, and thereby to contribute to the strengthening of the free world.

### IV. Regional Courses of Action<sup>6</sup>

13. Support and assist the countries of the area on the basis of their will and ability to defend and strengthen their independence.

14. Respect each country's choice of national policy for preserving its independence, but make every effort to demonstrate the advantages of greater cooperation and closer alignment with the free world, as well as the dangers of alignment with the Communist bloc.

15. Encourage the countries of Southeast Asia to cooperate closely with each other on a basis of mutual aid and support, and support indigenous efforts to develop regional associations so long as they do not weaken SEATO or the spirit of resistance to Communism.

16. Participate actively in SEATO, and seek to develop both its military and non-military aspects in a manner that will convincingly demonstrate the value of SEATO as a regional association, the usefulness of which extends beyond deterrence of Communist expansion. Encourage limited participation of non-Communist, non-SEATO Asian nations in certain SEATO activities.

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<sup>6</sup>The regional courses of action are not applicable to Malaya and Singapore. [Footnote in the source text.]

17. Encourage and support the spirit of resistance among the peoples of Southeast Asia to Chinese Communist aggression as well as to indigenous Communist insurrection, subversion, and propaganda.

18. Maintain, in the general area of the Far East, U.S. forces adequate to exert a deterrent influence against Communist aggression, in conformity with NSC 5602/1.

19. Should overt Communist aggression occur in the Southeast Asian Treaty area, invoke the UN Charter or the SEATO Treaty, or both as applicable; and subject to local request for assistance take necessary military and any other action to assist any Mainland Southeast Asian state or dependent territory in the SEATO area willing to resist Communist resort to force: Provided, that the taking of military action shall be subject to prior submission to and approval by the Congress unless the emergency is deemed by the President to be so great that immediate action is necessary to save a vital interest of the United States.

20. In case of an imminent or actual Communist attempt to seize control from within, and assuming some manifest local desire for U.S. assistance, take all feasible measures to thwart the attempt, including even military action after appropriate Congressional action.

21. As appropriate, assist the police forces in Southeast Asian countries to obtain training and equipment to detect and contain Communist activities.

22. In order to strengthen the non-Communist governments of the area and to help forestall their economic dependence on the Communist bloc:

a. Provide flexible economic and technical assistance as necessary to attain U.S. objectives.

b. Encourage measures to improve the climate for private investment, both domestic and foreign, and to mobilize the maximum investment of U.S. private capital in the area consistent with the prevailing climate.

c. Encourage United Nations agencies, other Colombo Plan countries, and other friendly countries to contribute available resources to promote the economic growth of Southeast Asia.

d. Encourage the Southeast Asian countries to orient their economies in the direction of the free world and to rely primarily on non-Communist markets and sources of supply for trade, technicians, capital development, and atomic development.

e. In carrying out programs involving disposal of U.S. agricultural surpluses abroad:

(1) Give particular attention to the economic vulnerabilities of the Southeast Asian countries and avoid, to the maximum extent practicable, detracting from the ability of these countries to market their own exportable produce.

(2) Give particular emphasis to the use of the resources to promote multilateral trade and economic development.

f. Promote as appropriate the expansion of trade relationships between the United States and the countries of Southeast Asia.

g. Take advantage of adverse local reactions to Communist barter agreements with countries in the area by demonstrating the advantages to these countries of conducting trade on a multilateral commercial basis.

23. Make a special, sustained effort to help educate an expanding number of technically competent, pro-Western civilian and military leaders, working bilaterally, through the United Nations, with the other Colombo Plan countries and with other friendly countries. Stress the development of potential and secondary leadership to support the thin stratum of elite now administering the central governments and bring to their support modern techniques and technology in public information and organization.

24. Place increased emphasis on community development projects, educational programs, and other activities aimed to influence the welfare and attitudes of the people at the village level.

25. Strengthen informational, cultural and educational activities, as appropriate, to foster increased alignment of the people with the free world and to contribute to an understanding of Communist aims and techniques.

26. Hold or reduce the number of U.S. officials in each country to a strict minimum consistent with sound implementation of essential programs, in order to head off an adverse political reaction to the presence of a large number of Americans in relatively privileged positions.

27. Promote increasing Asian Buddhist contact with and knowledge of the free world. Explore with friendly religious organizations ways of developing Buddhist fraternal associations and identification with free world religious leaders and movements.

28. Continue activities designed to encourage the overseas Chinese communities in Southeast Asia (a) to organize and activate anti-Communist groups and activities within their own communities; (b) to resist the effects of parallel pro-Communist groups and activities; (c) generally, to increase their orientation toward their local governments and toward the free world; and (d) consistent with their obligations and primary allegiance to their local governments, to extend sympathy and support to the Chinese National Government.

29. Discreetly encourage local governments to work toward assimilation of racial minorities.

30. Implement as appropriate covert operations designed to assist in the achievement of U.S. objectives in Southeast Asia.



31. Promote economic cooperation between the countries of the area and Japan and with the Government of the Republic of China, to the extent feasible without jeopardizing the achievement of U.S. objectives toward the individual Southeast Asian countries.

32. In order to promote increased cooperation in the area and to deny the general area of the Mekong River Basin to Communist influence or domination, assist as feasible in the development of the Mekong River Basin as a nucleus for regional cooperation and mutual aid.

#### V. Country Courses of Action In Addition to the "Regional Courses of Action" Above

##### *Burma*

33. In view of the emerging opportunities in Burma and the repercussions that developments there will have on the uncommitted areas of Asia and Africa, make a special effort to influence an increasingly favorable orientation in Burma's policies.

34. Encourage and support those elements in Burma which can maintain a stable free government that identifies its interest with those of the free world and resists Communist inducements, threats, and programs to subvert Burma's independence.

35. Encourage Burmese assumption of regional and international responsibilities compatible with our own objectives.

36. For political purposes, upon Burmese request make available military equipment and supplies on a loan or reimbursable basis, as consistent with U.S. interests.

37. Encourage the Burmese Government to establish internal security throughout the country, and discourage further foreign assistance to Chinese Nationalist irregulars and ethnic rebel groups in Burma.

38. Should overt Communist aggression occur against Burma, invoke the UN Charter and, subject to Burmese request for assistance, take necessary military and any other action to assist Burma if Burma is willing to resist Communist resort to force and U.S. vital interests are involved: Provided, that the taking of military action shall be subject to prior submission to and approval by the Congress.

##### *Cambodia*

39. In order to maintain Cambodia's independence and to reverse the drift toward pro-Communist neutrality, encourage individuals and groups in Cambodia who oppose dealing with the Communist bloc and who would serve to broaden the political power base in Cambodia.

40. Provide modest military aid for indigenous armed forces capable of assuring internal security.

41. Terminate economic and military aid if the Cambodian Government ceases to demonstrate a will to resist internal Communist subversion and to carry out a policy of maintaining its independence.

42. Assist where possible in solution of Cambodian-Thai border problems and in fostering good relations between Cambodia and Viet Nam.

#### *Laos*

43. Seek to strengthen the determination of the Royal Government to resist subversion and to maintain its independence.

44. In order to prevent Lao neutrality from veering toward pro-Communism, encourage individuals and groups in Laos who oppose dealing with the Communist bloc.

45. Develop an attitude of confidence on the part of Lao leaders that the UN Charter, SEATO, and U.S. support provide a favorable basis for Lao resistance to Communist pressure and inducements.

46. Encourage and support close bonds between Laos and Thailand, including such political associations, economic cooperation, and joint military planning as feasible.

47. Support the expansion and reorganization of police, propaganda, and army intelligence services, provided anti-Communist elements maintain effective control of these services.

48. Continue support of the Royal Lao Army to assure internal security and provide limited initial resistance to an attack by the Viet Minh.

49. Terminate economic and military aid if the Lao Government ceases to demonstrate a will to resist internal Communist subversion and to carry out a policy of maintaining its independence.

#### *Thailand*

50. Promote the development of Thai leadership which is increasingly united, stable and constructive, is supported by the Thai people, and willing to continue the alignment of Thailand with the United States and the West.

. . . . .

52. Provide military assistance to Thailand for support of forces sufficient:

a. To maintain security.

b. To present limited initial resistance to external aggression.

c. To make a modest contribution to collective defense of contiguous SEATO areas.

53. Encourage and support close bonds between Thailand and Laos and between Thailand and Cambodia, including such political associations, economic cooperation, and joint military planning as feasible.

*Viet Nam*

54. Assist Free Viet Nam to develop a strong, stable and constitutional government to enable Free Viet Nam to assert an increasingly attractive contrast to conditions in the present Communist zone.

55. Work toward the weakening of the Communists in North and South Viet Nam in order to bring about the eventual peaceful reunification of a free and independent Viet Nam under anti-Communist leadership.

56. Support the position of the Government of Free Viet Nam that all-Viet Nam elections may take place only after it is satisfied that genuinely free elections can be held throughout both zones of Viet Nam.

57. Assist Free Viet Nam to build up indigenous armed forces, including independent logistical and administrative services, which will be capable of assuring internal security and of providing limited initial resistance to attack by the Viet Minh.

58. Encourage Vietnamese military planning for defense against external aggression along lines consistent with U.S. planning concepts based upon approved U.S. policy, and discreetly manifest in other ways U.S. interest in assisting Free Viet Nam, in accordance with the SEATO Treaty, to defend itself against external aggression.

*Singapore and the Federation of Malaya* (The following courses of action only, and not the regional courses of action, are applicable to the Federation of Malaya and Singapore.)

59. Accept the present primary role of the British in Malaya in so far as they are willing and able to maintain it, and collaborate with the British so far as practicable.

60. Encourage the British and local authorities to take vigorous actions to curb Communist subversion, and be prepared to assist in such action as requested by British or local authorities.

61. Employ all feasible means to prevent Singapore and the Federation of Malaya from falling under Communist control. In the case of armed attack, place initial reliance on Commonwealth, ANZUS, or SEATO resources as appropriate, but be prepared to take such additional U.S. action as may be required.

62. Encourage the development of a strong, stable, independent Malayan nation within the Commonwealth.

63. Seek to assure free world strategic interests in Singapore, favoring, only if consistent with this end, elective institutions in Singa-

pore and Singapore's incorporation with an independent Malaya within the Commonwealth.

64. After Malaya attains full self-government and independence, be prepared, as appropriate and consistent with recognition of Commonwealth responsibility, to assist Malaya to maintain stability and independence, and encourage it to join SEATO.

#### VI. Supplementary Statement of Policy on the Special Situation in North Viet Nam

65. Treat the Viet Minh as not constituting a legitimate government, and discourage other non-Communist states from developing or maintaining relations with the Viet Minh regime.

66. Prevent the Viet Minh from expanding their political influence and territorial control in Free Viet Nam and Southeast Asia.

67. Deter the Viet Minh from attacking or subverting Free Viet Nam or Laos.

68. Probe weaknesses of the Viet Minh and exploit them internally and internationally whenever possible.

69. Exploit nationalist sentiment within North Viet Nam as a means of weakening and disrupting Sino-Soviet domination.

70. Assist the Government of Viet Nam to undertake programs of political, economic and psychological warfare against Viet Minh Communists.

71. Apply, as necessary to achieve U.S. objectives, restrictions on U.S. exports and shipping and on foreign assets similar to those already in effect for Communist China and North Korea.

[Here follows a financial appendix.]

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#### 120. Editorial Note

On September 24, Crown Prince Savang Vatthana of Laos met in Washington with both President Eisenhower and Secretary Dulles. In each conversation discussion turned to the relationship of Laos to SEATO. For memoranda of these conversations, see Documents 383 and 384.

**121. Memorandum From the Special Assistant for SEATO Affairs (Abbott) to the Counselor of the Department of State (MacArthur)<sup>1</sup>**

*Washington, October 19, 1956.*

**SUBJECT**

SEATO Problems for Discussion with Mr. Charles Sullivan of Defense

You suggested this morning that there were several SEATO problems which it might be useful to discuss informally with Mr. Sullivan. The most important of these is CINCPAC's message to the Secretary<sup>2</sup> regarding the proposal that SEATO Military Advisers undertake a study of the threat to the SEATO area under conditions of global warfare (see Mr. Gray's letter to Mr. Robertson of October 15, copy attached). Apart from the considerations mentioned by CINCPAC there are a number of other reasons why I believe it would be unwise for planning of this type to be undertaken by SEATO. (1) Mr. Knight tells me that one of the reasons why similar studies in NATO have been avoided has been the strong reluctance of many members, particularly smaller powers, to get into anything which would involve or imply obligations outside of the NATO area. I believe the same might be true of some of the SEATO powers. (2) The security situation in SEATO is such that it would be dangerous to reveal our global planning concepts in a SEATO forum. (3) It is understood that the defense of Southeast Asia has a low priority in global planning. The revelation of this would not help the morale of the Asian members of SEATO.

The problems which arose in connection with "Operation Albatross" make it essential that some procedure be established whereby SEATO joint military exercises be examined for the political implications well in advance of the date of the exercise. There is attached a draft telegram to Bangkok which you might wish to show Mr. Sullivan.<sup>3</sup> This has not yet been cleared with the Pentagon and Mr. Sullivan's support would be extremely valuable.

You might also wish to mention the report of the ANZUS Military Planners which recommends that SEATO is the proper forum for a study of the measures to be taken if Burma should go Commu-

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<sup>1</sup>Source: Department of State, Central Files, 790.5/10-1956. Secret.

<sup>2</sup>Forwarded to the Department in Sullivan's October 15 letter to Walter Robertson. The date of CINCPAC's message is not given.

<sup>3</sup>Not printed. Documents in Department of State, Central File 790.5 for October and November indicate that the Indonesian Government formally expressed its displeasure to the United States that SEATO naval exercise "Albatross", held late in September, included maneuvers in waters adjacent to Indonesia, but that the United States viewed the Indonesian protest as a pro forma one and did not officially reply to it.

nist.<sup>4</sup> . . . I strongly doubt if it would be wise for the SEATO Military Advisers to undertake such a study on Burma at this time, one reason being that Pakistan would very likely request that similar studies be prepared on Afghanistan and India.<sup>5</sup>

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<sup>4</sup>The report is not printed. (*Ibid.*, 790.5/10-1556)

<sup>5</sup>Although a marginal note indicates that MacArthur was to meet with Sullivan on October 24, no record of the conversation has been found in Department of State files.

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122. United States Minutes of the ANZUS Council Meeting,  
Department of State, Washington, November 17, 1956,  
9:30 a.m.-1 p.m.<sup>1</sup>

MAC Memo 7

[Here follows a list of persons present (20). Casey, Macdonald, and Hoover led their countries' delegations.]

The Acting Secretary opened the meeting with greetings to the Representatives of Australia and New Zealand. He also conveyed greetings from the Secretary and said that the Secretary's health was improving rapidly. Mr. Hoover emphasized the importance to the United States of our ANZUS relations, stating that we feel ANZUS is unique among our mutual defense arrangements and that in no other multilateral forum do we feel the same degree of informality and opportunity for frank discussions. He said that while we had agreed to an agenda, he trusted that this would in no way restrict a Council member from raising any subject he wished.

Mr. Casey and Mr. Macdonald were heartened to hear of the Secretary's excellent recovery and asked that their best wishes be conveyed to him.

[Here follows discussion of the Suez Canal crisis.]

The Acting Secretary then referred to the struggle within the Kremlin between the proponents of the "hard" line and those who favor a softer public position. This struggle for dominance centered around Khrushchev against Molotov and Zhukov. The greatest danger probably lay in the possibility of a miscalculation by Soviet leaders as to what they could accomplish and what the Free World was prepared to do. German sources have told us that they believe

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<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 806 . Secret. Drafted by James D. Bell, Director of the Office of Southwest Pacific Affairs, and distributed on November 29.

we may underestimate the degree to which the Soviet Union is pinned down in the Satellite countries where they presently have some 60 divisions. However, Mr. Hoover pointed out that Western Europe did not at the moment have a good defensive posture, particularly since the French have half-a-million troops in North Africa and the British and French are both committed in Cyprus. The Acting Secretary stated that he would like to have the comments of Mr. Casey and Mr. Macdonald but would first ask Mr. Robertson to make a brief statement on the security situation in the Pacific area.

Mr. Robertson referred first to the Communist penetration in Asia through economic and technical assistance programs which are being used to get trained Communist agents into the area under the guise of technicians. He referred to 22-1/2 million dollars worth of aid which the Chinese Communists have promised to Cambodia and the \$100 million which the Soviet Union has agreed to provide Indonesia. He pointed out that one-third of Burma's total foreign trade would be encompassed in barter arrangements with Communist bloc countries. Although an offer of economic aid had been made to Laos, it had not as yet been accepted. Referring to the Communist cultural efforts through the use of movies, operas, and pamphlets, Mr. Robertson said he believed that this offensive had already been aimed at Australia and New Zealand and mentioned the visit of a Chinese Communist Opera Company.

Mr. Robertson said that Communist China continues to be the taproot of our problems in Asia. Citing recent broadcasts by the Peiping radio, he pointed out that the Peiping regime had slavishly followed the Soviet line with respect to developments in Eastern Europe. We do not have the slightest indication that there is any rift between Communist China and Moscow. There is a constant build-up of Chinese Communist military capabilities—new air fields are being built near the coast; naval ships are being built in Shanghai and a new military railroad will shortly be completed in the Amoy area. The Communists have violated the Korean Armistice, and have 450 modern airplanes, and some 300,000 troops in North Korea in addition to approximately the same number of North Korean troops. In view of these considerations we believe this is not the time to ease trade restrictions since the Chinese Communists need many things from the West to maintain their huge Army and to build up their military capabilities. He stated that we are seeking the cooperation of our friends in continuing trade restrictions.

Mr. Robertson said the Communists were working through the Pathet Lao to get a foothold in the Government and military forces of Laos. He felt that the present leadership in Laos was soft and weak but were somewhat encouraged by the attitude of the Crown

Prince who was acutely aware of the threat and understood that the Pathet Lao were in fact a front for the Communists.

Speaking of Cambodia, Mr. Robertson expressed the belief that Prince Sihanouk was beginning to show some understanding of the danger of communism.

In Burma, Mr. Robertson said, the government elite was becoming increasingly aware of the Communist threat. The Burmese had been disturbed by the activities of the Russian and Chinese Communist Embassies in Rangoon in behalf of anti-government elements during the recent Burmese elections. They were shocked by the Chinese Communist violation of Burma's borders and were further concerned by the manipulation of prices from 25 to 30 per cent disadvantageous in the recent barter agreements signed with the Communist bloc. It is believed that the Chinese Communists have attempted to repair the damage done by these developments during U Nu's recent visit to Peiping.

Mr. Robertson referred to Indonesian President Sukarno's visit to the United States which we thought had had a good response.<sup>2</sup> However, since Sukarno's visit to the Soviet Union, the satellites and Communist China, it was obvious that he was all things to all men. All our reports indicate that Sukarno was greatly impressed by his visits to Communist China. He now advocates what he refers to as "controlled democracy". The brightest point in the Indonesian picture was the vigorous criticism of Sukarno by every non-Communist newspaper in Djakarta for his activities in the Soviet Union and for his suggestion that political parties be abolished in Indonesia. Finally, Mr. Robertson said that we regretted we were unable to see any indication of improvement in Dutch-Indonesian relations.

Mr. Robertson referred to a continuing improvement and strengthening of the Government of Viet-Nam despite severe shortages of competent administrative personnel. He pointed out that the Vietnamese face serious and complex economic problems, and especially the problem of agrarian reforms including land for the resettlement of refugees.

Speaking of Taiwan, Mr. Robertson said that the present situation was heartening; that we thought considerable economic progress had been made; and that the problem of an aging army had been solved by recruiting young Taiwanese. The leaders of the GRC recognized that there is no present possibility of a successful attack on the Mainland and they know that we will not go to war to recover the Mainland for them. We have a written agreement that the GRC will not take offensive action against the Mainland without our con-

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<sup>2</sup>President Sukarno was in Washington May 16-18. For documentation on the trip, see vol. XXII, pp. 267-277.



sent and Chiang Kai-shek has never broken an agreement with us. It is our view that there is no immediate danger of war in the Taiwan Straits because the Chinese Communists know that they will be met with force. Mr. Robertson emphasized the importance of the GRC as the only alternative to Communist China for millions of Chinese on the Mainland as well as for the 12 million overseas Chinese in Asia. Recognition of Communist China and the elimination of the GRC would open up channels for infiltration and subversion among overseas Chinese in every country of Asia.

With respect to Thailand, Mr. Robertson said that despite some past agitation by forces favoring neutralism, the Government of Thailand was strongly attached to the Free World. In Thailand and elsewhere our talks with the Chinese Communists in Geneva had been referred to as evidence of a softening policy. However, these talks were devoted solely and exclusively to two points: 1) release of our prisoners and 2) renunciation of force. Mr. Robertson noted that the Indians had been working actively in Southeast Asia to try to bring the Governments in that area around to a neutralist position.

Mr. Casey, referring to the previous discussion on the Middle East, felt that the United States "held a great many cards" vis-à-vis Israel. He thought the recent modification of their policy might be due to U.S. influence. On the immediate situation, he believed that developments depended very largely on the success of the Hammarskjöld mission to Cairo. The conditions under which the International Police Force would operate are of great importance. He wondered if Nasser would not be strengthened by a withdrawal of the British and French and putting in an International Police Force which in truth would not be a real fighting force. Mr. Casey suggested that possibly the best role for the Australians would be liaison between Great Britain and the United States. He viewed the mending of the gap between the United States and the UK as most urgent and thought that Australia might play a role in this.

Speaking of the Arab States, Mr. Casey thought a number were friendly to the West but many of their leaders were prisoners of their domestic policy. He said that Australian foreign policy with respect to Japan was designed to improve and strengthen relations. Australia was also making serious efforts to get on better terms with Indonesia. Mr. Casey said that he had taken particular care to develop cordial personal relations with Indonesian leaders. He referred to Colombo Plan aid, particularly the exchange program under which some 500 Indonesian students have studied in Australia. The most serious problem with respect to Indonesia, Mr. Casey said, was the question of New Guinea. He reported that he had implored the Indonesians to let the "wretched matter" remain dormant for at least a year. He had discussed it frankly with Indonesian Foreign Minister

Abdulgani, but again Abdulgani was a prisoner of Indonesian domestic politics. Mr. Casey said he was fully aware of our position and while he would not publicly ask for our help, if we could in any way covertly aid in opposing inscription of the West New Guinea issue at the UN, Australia would be grateful. Referring to the recent naval and air exercise "Albatross" Mr. Casey said that he had personally ordered that no air exercises take place until the Albatross task force had passed beyond the Java Sea in order to avoid inadvertent air violation of Indonesian territory. He said that he had just learned that Admiral Stump thought that Indonesia would have to get used to the idea that the Java Sea was not an Indonesian lake. Mr. Casey agreed with Mr. Robertson's assessment of the situation in Laos and hoped that U.S. aid would not be discontinued. Speaking briefly of Cambodia, Mr. Casey said that stability was not one of the strongest characteristics of Prince Sihanouk and suggested some thought be given to other potential leaders who might be strengthened. Agreeing with Mr. Robertson's assessment of the situation in Viet-Nam, Mr. Casey indicated that President Diem has done better than they had originally expected. He referred to Australia's aid to Viet-Nam through the Colombo Plan and cultural exchanges and hoped that the United States would help Viet-Nam in its modest desire for industrialization.

Mr. Casey then said that Australia would like to acquire Christmas Island (South of Sumatra) for three reasons: 1) its phosphate deposits, 2) in order to build an airfield, and 3) because it is directly in the path of their projected long-range rocket range. Mr. Casey said that the British have agreed to divorce Christmas Island from Singapore where it is presently administered and bring it directly under UK administration so that it will not be a part of any transfer of sovereignty to Singapore.

Speaking of Singapore and Malaya, Mr. Casey said Australia was pleased with Lim Yew-Hock<sup>3</sup> and thought he had shown great determination in moving against left-wing trade unions and the Chinese schools. Mr. Casey also thought that things were going favorably in Malaya and suggested that the U.S. might help meet Malaya's need for economic aid.

On Communist China, Mr. Casey said that the Australian position was largely influenced by U.S. policy. He was aware of our strong views and contemplated no change in Australian policy. There was, however, some non-strategic trade between Communist China and Australia and there might be more, particularly in wool and agricultural machinery.

Mr. Casey referred to the large and well-equipped Russian scientific station established in the Antarctic sector claimed by Australia

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<sup>3</sup>Chief Minister of the Colony of Singapore from June 1956.

lia. Their activities were devoted largely to oceanography and the data they were collecting could be most useful in establishing a submarine base. . . . He feared that the Russians might not retire gracefully from the Antarctic at the end of the International Geophysical Year in which case he anticipated some difficulty. The Russians might say that they did not recognize the Australian claim and neither did the United States.<sup>4</sup>

Mr. Casey said that he was disturbed by the request of the U.N. Trusteeship Council that attainment dates for self-government be set for Australian New Guinea and especially that the U.S. Representative on the Trusteeship Council had strongly supported this concept. Mr. Casey felt that the inhabitants of New Guinea were so primitive as to be very, very far from any serious thought of self-government.

Mr. Casey mentioned the presence of Professor Bailey,<sup>5</sup> who wished to discuss the question of territorial limits and the law of the sea. Professor Bailey had already met with Mr. Phleger of the Department, and it was agreed that Mr. Phleger would be available for further discussions and would arrange for representatives of the Defense Department to participate in subsequent talks on the subject.

Mr. Casey expressed appreciation for U.S. support of the Colombo Plan and said that Australia places great stress on the training of Asian students; that they are now training some 650 and hope to increase this to 750 a year under Colombo Plan arrangements.

Mr. Casey pointed out that Australia had had no diplomatic relations with the Soviet Union since the Petrov incident. Recently the Russians have hinted on a number of occasions at the UN and elsewhere that it might be desirable to renew diplomatic relations, and he had intended to agree if the Russians would accept Australian conditions. However, since the developments in Eastern Europe during the last month Australia has no intention of pursuing the matter further.

Mr. Casey recalled that some years ago under a different Australian Government that the United States had had a "sour experience" in talking about Manus Island.<sup>6</sup> He said that if at any time the United States wanted a base or depot on Australian soil, the present Government would give it sympathetic consideration. Referring to the Woomera rocket range in South Australia now jointly used by Australia and the UK, he said that if at any time the United States would like to make use of this range, he was sure it would be possible to make adequate arrangements. In addition he said "should the

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<sup>4</sup>For documentation on U.S. policy regarding the international status of Antarctica, see vol. xi, pp. 607 ff.

<sup>5</sup>K.H. Bailey, Solicitor General of Australia.

<sup>6</sup>For documentation concerning the proposal for U.S. bases on Manus Island, see *Foreign Relations*, 1950, vol. vi, pp. 200 ff.

United States and/or New Zealand Defense authorities, at any time, wish to make any suggestions in regard to their requirements, in peace or war, for the use of existing Australian base facilities, these will be welcomed by the Australian Defense authorities, who will do all that is possible to meet them." He added this was not an invitation but he wanted the disposition of his Government made clear.

Mr. Macdonald pointing out that the recent moves against the Communists in Hungary, Poland, and possibly Romania have come initially from students, stated that he felt it was interesting and possibly significant that the Soviet Union's policy of taking the best of its youth and training them as engineers might backfire. This could be so since a good science student properly trained was apt to do a bit of independent thinking. He agreed with the Acting Secretary that the struggle for power within the Soviet Union could have catastrophic results. Mr. Macdonald hazarded a guess that the Israeli's resounding military victory might be directed toward acquiring additional territory; he referred to the recent oil discoveries near the Gaza strip which might be an added inducement for Israel to demand an extension of its frontiers. He said that New Zealand's recent offer to provide troops for the International Police Force was still open but had not been accepted. He noted that the Pakistani had also offered troops for the Police Force but had been given the cold shoulder. He was concerned that the Shell Company, which provided a large part of New Zealand petroleum needs, might be denied oil in Indonesia. He felt that the propaganda effects of the Communist cultural offensive in New Zealand were lost because of developments in Hungary. New Zealand labor leaders had urged the Government to break diplomatic relations with the Soviet Union. An invitation that a New Zealand parliamentary delegation visit Moscow had not been accepted. Mr. Macdonald said his Government was aware that the visit of the Chinese Opera Company to New Zealand was a straight Communist propaganda move; that it had no Government recognition, and that no member of the Cabinet or Government member of the House attended any of the functions held for the opera group. He believed this visit resulted in a financial loss of 60 thousand pounds and that the Chinese Communists did not get their money's worth in propaganda.

Mr. Macdonald said that the Russians had asked for use of one of the Tokelau Islands to observe the 1958 eclipse of the sun. He understood that the U.S. might also desire to visit the Tokelaus for the same purpose. If the U.S. should use nearby Swain's Island which is under U.S. control, it would probably help New Zealand to refuse the Russians.

Reverting to the Middle East, Ambassador Munro said he understood that the Secretary wanted the Anglo-French troops to with-

draw from Egypt as soon as possible, but the Ambassador wondered if this would not build up Nasser and increase Russian influence in the area.

The Acting Secretary stated that the British-French-Egyptian-Israeli operation was now inextricably a part of the U.N. function and that it would be impossible to deal with it in any other way. He believed the ultimate result would depend in large part on U.N. Secretary-General Hammarskjold, whom we view as exceptionally able. While we agree completely that it is undesirable to strengthen Nasser, we do not believe that Suez is a good issue. After Nasser seized the Canal we had some talks at a high level with the heads of a number of Arab States who had told us they did not like Nasser and although they viewed him as a threat, the Canal seizure was not a good issue on which to try to defeat him in his attempt to become the leader of Arab-Egyptian unity. These heads of Arab States wished to eliminate Nasser but felt that it was necessary to find some other issue. The Acting Secretary said that we hoped to let the Suez issue cool off first.

The Acting Secretary pointed out that the Arabs can sell their oil only to the Free World. He said that any thought of occupying an Arab State for a long period of time to protect sources of oil would be undesirable and would be exploited by the Russians for propaganda purposes as has been the case with Anglo-French troops in Egypt.

On Mr. Casey's statement about the Antarctic, the Acting Secretary said that we would "take a good look at our Antarctic policy". He expressed appreciation for Mr. Casey's offer of cooperation on possible U.S. use of the Woomera Rocket Range and other Australian facilities. On the training of technical personnel and exchanges of students, Mr. Hoover agreed to its importance and said that the United States will increase its efforts in this direction. In this connection, however, the Acting Secretary told Mr. Casey and Mr. Macdonald that in the light of Soviet behavior in Hungary we have cancelled all our exchange and cultural programs with the Soviet Union, including participation in trade fairs, except in cases where arrangements had developed to the point where cancellation is not feasible.

He added that the USIA plans an "all out campaign" on Hungary.

Mr. MacArthur, in referring to a query by Mr. Casey, said that we are studying the question of putting a SEATO label on some of our economic aid to SEATO countries. Although we were not favoring a major SEATO economic operation we believed that it might be possible to use the SEATO label on some of our aid without undercutting the Colombo Plan. Mr. Macdonald wondered if this might not have a bad effect on non-SEATO States in that they might turn

to Communist aid. Mr. MacArthur thought not, explaining that we have already given increased aid to SEATO countries. Mr. Robertson thought there was a lack of appreciation of the fact that the United States was committed to help if any SEATO country were invaded whereas their non-SEATO neighbors had no such protection. He believed this needed emphasis, especially by others than the United States. Mr. Casey agreed and said he had done so in private.

Mr. Gordon Gray mentioned the alert status of our military forces. He also feared disintegration of the Baghdad Pact and was concerned with the orientation of Iraq. There had been numerous reports of overflights of Turkey, some of them unconfirmed. He reported that a Turkish request for high altitude radar and possibly fighter aircraft was under consideration. He referred to our problems in Korea, particularly the Communist build-up and the limitations on replacement and modernization of equipment. The question of providing weapons with atomic capabilities to our forces in Korea was unresolved, but we would probably go ahead with modernization of conventional weapons.

In answer to a query as to whether we thought the Communists might take advantage of the present situation to initiate further hostile activities, Mr. Robertson stated that we have every evidence of continued collaboration between China and the Soviet Union. As long as Communist China maintains her aggressive attitude we feel we must maintain rather than ease trade restrictions. We believe that it is essential to continue the strictest controls to weaken Communist China and slow down its military build-up. The United States is the principal obstacle to the extension of Communist power in Asia. In the case of overt Communist aggression we would have the principal responsibility for meeting it. In view of this responsibility we believe we have the right to ask our allies to cooperate with us in maintaining the strictest controls. In 1949 the Communist Government repudiated all its debts, seized all foreign assets in the country, and jailed our citizens without trial. In 1950 they invaded Korea and still stand indicted by the U.N. as aggressors. They are even now in military occupation of North Korea. To recognize and give international respectability to Communist China by admitting her to the U.N. would so increase Communist prestige as to greatly increase the chances of all Asia, including Japan being brought within the Communist orbit.

At the request of the Acting Secretary, Mr. MacArthur referred to the two reports of the ANZUS Military Planners. He suggested that the January Report of the Military Representatives meeting at Melbourne<sup>7</sup> be approved and that the Pearl Harbor Report by the

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<sup>7</sup>See footnote 6, Document 81.

Staff Planners to the Military Representatives of March 1956<sup>8</sup> be amended to eliminate the last sentence of conclusion 12-f on page B-7.<sup>9</sup> Mr. MacArthur pointed out that security considerations and the unfortunate timing in view of the British and French action in the Middle East would make a discussion of this issue in the SEATO forum highly undesirable.

Mr. Casey suggested that the ANZUS Military Representatives might address themselves to this subject. It was agreed that this item should be eliminated from the March Report of the Staff Planners to the Military Representatives and that the ANZUS Military Representatives would explore the desirability of undertaking such a study within the ANZUS framework. The Amended March Report and also the January Report were approved by the Council.

Mr. MacArthur said that we were disturbed by the possibility that Pakistan might wish to inject the Middle East situation into a meeting of the SEATO Council Representatives. Because of this fear we had instructed our Council Representatives to confer privately with the Pakistani, Thai and Filipino Council Representatives, suggesting that the Middle East was not within the SEATO area and would not be a suitable subject for SEATO discussion. In these talks our Council Representatives also emphasized that developments in Eastern Europe demonstrated the need for such regional arrangements as SEATO.

Mr. MacArthur said that we had given preliminary consideration to the report of the SEATO Military Advisers<sup>10</sup> which appeared to be satisfactory except for our concern with the reference to global planning. This problem had arisen in NATO and it was generally agreed that regional organizations could not properly become involved in global planning. The British had indicated strong opposition to any attempt to undertake global planning within the SEATO framework. Mr. MacArthur recommended that we meet this issue directly and not attempt to devise a formula of compromise language. He suggested that rather than refer this issue to the SEATO Council, it be taken up by the SEATO Military Advisers at the meeting which they would be expected to have at Canberra just prior to the March meeting of the SEATO Council.

Air Marshal McCauley agreed that this might be settled in the Military Advisers forum on the basis that the threat to Southeast Asia in the event of global war would not be greater than in the event of limited warfare and that as a result it would not be neces-

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<sup>8</sup>Not printed. (Department of State, Central Files, 790.5/10-1556)

<sup>9</sup>This is the sentence that reads: "Plans for intervention in Burma should be prepared under the aegis of SEATO."

<sup>10</sup>Apparent reference to the report of the meeting of SEATO Military Advisers held in September; not found in Department of State files.

sary to get into global planning. In addition it could be pointed out that SEATO should get on with its limited war planning in which there was much still to be done.

Mr. MacArthur suggested the desirability of arriving at a common policy in this respect in ANZUS and later reaching agreement on this policy with the British. It was agreed that the Military Advisers would undertake to have this aspect of the SEATO Military Advisers' Report eliminated before it reached the SEATO Council.<sup>11</sup>

Mr. MacArthur thought that it might be desirable to have a Secretary-General for SEATO, but a great deal depended on the individual and the terms of reference of such a position. It would be possible to provide for a Secretary-General who would in effect be merely a super-executive secretary, or to establish a much more powerful position. Before we agreed to anything Mr. MacArthur stated, we would want to be sure that the powers of the Secretary-General were very carefully worked out. It was agreed that anyone selected for the position must be an Asian and that he should be of the highest caliber. Mr. MacArthur said that this proposal had not been thoroughly explored by the Council Representatives and that we would wish to await developments prior to any decision. Unless it were pushed by the Asians, we would not wish to take the initiative.

A communiqué was agreed to.<sup>12</sup> (Attached)

Mr. Casey said that if there was no objection, he would like to inform the British of the general nature of the meeting. Since the matter involving the amendment of the ANZUS March Staff Planners Report was not known to the British, Mr. MacArthur thought there seemed to be no reason to inform them of the decision in this respect. Otherwise, of course, we understood that the British were to be kept informed of our general proceedings.

The Council rose at one o'clock.

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<sup>11</sup>In telegram 1929 to Bangkok, November 26, the Department informed the Embassy of this decision and instructed it to endeavor to persuade the Pakistanis not to introduce the question (of SEATO Military Advisers undertaking a study of the threat to the SEATO area under conditions of global warfare) at Council Representatives meetings. (Department of State, Central Files, 790.5/11-2155)

<sup>12</sup>For text of the communiqué, issued November 17, see Department of State *Bulletin*, November 26, 1956, p. 839.



**123. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)<sup>1</sup>**

*Washington, December 21, 1956.*

**SUBJECT**

U.S. Policy in Mainland Southeast Asia (U)

1. By a memorandum dated 13 September 1956, subject: "U.S. Policy in Mainland Southeast Asia,"<sup>2</sup> the Joint Chiefs of Staff were requested to prepare a definition of the term "limited initial resistance" as contained in paragraphs 47, 51, and 56 of NSC 5612, as amended. These paragraphs became 48, 52, and 57 in NSC 5612/1, approved by the President on 5 September 1956.<sup>3</sup>

2. The term "limited initial resistance" in NSC 5612/1 as it applies to Laos, Vietnam, and Thailand should be defined as "resistance to Communist aggression by defending or by delaying in such manner as to preserve and maintain the integrity of the government and its armed forces for the period of time required to invoke the UN Charter and/or the Southeast Asia Collective Defense Treaty or the period of time required for the U.S. Government to determine that considerations of national security require unilateral U.S. assistance and to commit U.S. or collective security forces to support or reinforce indigenous forces in defense of the country attacked."

3. The time span between the initiation of hostilities and a U.S. decision to commit forces will depend on circumstances existing at the time as well as on the scale of attack, and hence cannot be predetermined. For planning purposes, however, the Joint Chiefs of Staff assume that in case of a large scale attack a decision to commit external forces will be reached within a matter of hours so that forces could begin deployment almost immediately. With respect to Laos, Vietnam or Thailand the Joint Chiefs of Staff consider that a time-phased deployment of external forces to the area could provide appreciable assistance within two days; thereafter there could be a continuing build-up by air and sea from sources in the Far East, with any additional augmentation necessary arriving from the continental United States within forty-five days.

For the Joint Chiefs of Staff:

**Arthur Radford<sup>4</sup>**

*Chairman*

*Joint Chiefs of Staff*

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<sup>1</sup>Source: Department of State, S/P-NSC Files: Lot 62 D 1, NSC 5612 Series. Top Secret.

<sup>2</sup>Not found in Department of State files.

<sup>3</sup>Document 119.

<sup>4</sup>Printed from a copy that bears this typed signature.

**124. Telegram From the Embassy in Thailand to the Department of State<sup>1</sup>**

*Bangkok, January 24, 1957—8 a.m.*

2132. SEATO. In informal luncheon conversation yesterday, Acting Foreign Minister Rak speculated might be useful consider consultation in SEATO under Article IV (2) if situation in Laos deteriorated further but such consultation should not be publicized. While desirability formal consultation under Article IV (2) would depend on outcome current developments in Laos, would suggest it highly advisable to inform our SEATO partners within organization framework of U.S. assessment of situation there and of any significant changes U.S. policy. In any event, Laos situation will probably come up during Council's exchange views at Canberra meeting<sup>2</sup> and Secretary will doubtless be expected by other members to address himself to it.

**Bishop**

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<sup>1</sup>Source: Department of State, Central Files, 790.5/1-2457. Secret. Repeated to Vientiane.

<sup>2</sup>The Third Meeting of the SEATO Council had by this time been scheduled for March 11-13 in Canberra.

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**125. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, January 25, 1957—11 a.m.*

1195. Re Bangkok 2132 to Department, Vientiane 369.<sup>2</sup> In my opinion point has not been reached where advantage to SEATO partners of formal consultation overbalances risks of its effect on Lao. Would agree consultation desirable (1) if security situation deteriorates alarmingly during period of implementation of an RLG-PL accord or as result of rupture of negotiations or (2) we had preview what Rak hoped accomplish by it and agreed with him. Realize move to consult would be difficult resist if coalition accepted but as viewed from here would be preferable consult in light of what ensues thereafter.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/1-2557. Secret. Repeated to Bangkok.

<sup>2</sup>*Supra.*

Do not concur in any US initiative at all in meanwhile, even within confidential framework, not only because of danger of leak back to Lao but also because, until our reappraisal finished, there can hardly be any significant change in US policy to report to SEATO partners.

In any case consider it particularly important not rock boat at this critical juncture, with Lao already hypersensitive on subject Western pressure as result our own and UK activity over past month. Even if US had no part in initiative within SEATO we bound get lion's share any blame. I need hardly remind Department of tempest raised in July 1955 when Laos was discussed in SEATO without its knowledge and Lao Prime Minister felt impelled publish outraged statement re SEATO interference. And this was during tenure of pro-American Katay. SEATO at this juncture not effective means for putting pressure on Lao to do what we hope they will do.

**Parsons**

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**126. Letter From the Assistant Secretary of Defense for International Security Affairs (Gray) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, February 4, 1957.*

DEAR MR. ROBERTSON: At the ANZUS Council meeting<sup>2</sup> you will recall that Mr. MacArthur raised the matter of the request from the SEATO Military Advisers to their Ministers for clearance to proceed with a study of the threat to the SEATO area under conditions of global war. It was feared that this might lead some of the Asian SEATO members to insist that SEATO engage in global military planning.

It was agreed at this meeting that the U.S., Australian and New Zealand Military Advisers, with the promised support of the UK Adviser, would endeavor to have this matter deleted from the Military Advisers Report prior to the SEATO Council consideration of the Report. Air Marshal McCauley suggested that this might be accomplished by an agreement among the Military Advisers that the threat to the SEATO area under conditions of global war would be no greater than the threat under conditions of a war limited to the SEATO area, and that therefore such a study was not required.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/2-457. Top Secret.

<sup>2</sup>For the minutes of the ANZUS Council Meeting, see Document 122.

The entire matter has been subjected to a thorough review within the Department of Defense and coordinated with the Department of State. During this review there was borne in mind that a Baghdad Pact study, "Defense of the Pact Area in Global War", had been completed.<sup>3</sup> It is considered that it is to the advantage of the U.S. to avoid the SEATO study if it can be done without seriously undermining the confidence of the Asian members to the Treaty. A proposal that planning for defense for a war limited to the treaty area would be adequate for defense in a global war is deemed appropriate and reasonable. Such a course would appear a diplomatic means of disposing of this study and would still offer a route for graceful retirement should the Asian members indicate strongly held opposition.

In the face of any such opposition which will not admit an agreement to abandon this study, the Department of Defense would interpose no objections to the undertaking of a study for the defense of the Treaty Area under conditions of general war provided that:

- a. The study is limited to broad general terms.
- b. Agreement can be reached regarding assumptions on the effects of Soviet nuclear weapons.
- c. Agreement can be reached on assumptions regarding the plans and forces of free world nations and defense organization outside the treaty area, and that such assumptions be employed in planning in lieu of seeking disclosure of such information from the nations and organizations concerned.<sup>4</sup>

Sincerely yours,

Gordon Gray

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<sup>3</sup>The report is not printed.

<sup>4</sup>In his February 14 reply, Robertson wrote: "The Department of State sees no objection to such a 'fall back' position. It is our understanding that your letter and this reply will form the basis for instructions to the United States Military Adviser regarding this item of the agenda of the Canberra meeting of the SEATO Military Advisers and would also reflect the position which the United States Delegate at the Canberra Council Meeting would take in case this matter is raised there." (Department of State, Central Files, 790.5/2-457)

**127. Memorandum From the Secretary of State to the Director of the International Cooperation Administration (Hollister)<sup>1</sup>**

*Washington, February 8, 1957.*

SUBJECT

SEATO Economic Program

I believe you are familiar with the discussions which have taken place regarding the need for devising some method of meeting the dissatisfaction of the Asian members with the economic activities of SEATO, and with the proposal submitted to the interdepartmental working group on SEATO economic activities, described in the attached memorandum.

The objections of your Agency to this proposal as set forth in Dr. FitzGerald's memorandum to Mr. Turnage of December 10, 1956<sup>2</sup> have been carefully considered. They do not appear to question the feasibility of the proposal. Since there are very strong political arguments in favor of the United States doing something of this type which would help to lend substance to Article III of the Treaty by providing resources for implementing projects which relate, as indicated in the Bangkok communiqué, to special economic questions arising out of Treaty commitments, I would be very grateful if you could reexamine the proposal in this light.

The announcement of such an offer by me at the SEATO Council Meeting to be held at Canberra, March 11-13 would be particularly helpful in achieving our objective of making this meeting an important milestone in the development and growth of SEATO both in its military and non-military aspects.

**John Foster Dulles<sup>3</sup>**

**[Attachment]**

**PROPOSAL FOR STRENGTHENING ECONOMIC ASPECTS OF SEATO**

The U.S. would earmark a sum of \$10 million from MSP funds for programming by the SEATO Committee of Economic Experts for

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<sup>1</sup>Source: Department of State, Central Files, 790.5/2-857. Secret.

<sup>2</sup>Not found in Department of State files. The ICA position is summarized, however, in an unsigned Department of State document entitled "Comments on ICA Objections to a SEATO Fund." According to this paper, ICA opposed the fund. (*Ibid.*, Conference Files: Lot 62 D 181, CF 837)

<sup>3</sup>Printed from a copy that bears this stamped signature.

projects closely related to the support of defense programs in the Asian member countries. The funds would be handled by the ICA and its respective country missions in the usual manner except that these funds would be allocated to projects (acceptable to the U.S.) upon the initiative, advice and recommendations of the SEATO Economic Committee.

Although the projects initiated and the funds allocated would result from the advice and recommendations of the SEATO Economic Committee, management of the funds would remain with the United States, which would obligate the funds and implement agreed projects in the same fashion as practiced in the regular U.S. country aid programs.

This proposal would utilize funds additional to those currently made available for regular country aid programs in Pakistan, Thailand and the Philippines. The purpose of the proposal is not to indirectly increase the country aid levels but to permit the SEATO Economic Committee to undertake work resulting in implementing recommendations on problems arising out of defense expenditures resulting from treaty commitments.

It is envisaged that the proposal would work as follows: Member countries would introduce into the Economic Committee project proposals. The Committee would screen such projects from the standpoint of their meeting certain criteria, such as relation to defense, establishment of needs of country or countries concerned, relation to existing facilities, ability of country to maintain such a project once completed and overall contribution to the defense resources of the area. Once screened, the Committee would examine the specifics of the project, including examination of detailed documentation. The Committee can, in its examination, request additional detailed information; once satisfied as to the validity of the project, it can recommend it to the Council Representatives for implementation out of the proposed funds. Governments would make known their views through the Council. If approved there, a proposed project, say located in Pakistan, would then be funded and implemented by the USOM in that country in accord with its usual procedures.

The proposal will require strengthening the caliber of delegations attending the Economic Committee and require the inclusion of suitable technical experts. It would probably require the assignment on a full-time basis of an ICA officer having responsibility for SEATO projects.

128. **Memorandum of a Telephone Conversation Between the Secretary of State and the Director of the International Cooperation Administration (Hollister), Washington, February 9, 1957<sup>1</sup>**

TELEPHONE CONVERSATION WITH MR. HOLLISTER

I asked Mr. Hollister if he could make available for the SEATO meeting one of his top people. He said that Mr. Moyer,<sup>2</sup> who he thought at that time would be in the Philippines, could go on and that he would arrange this.

He then referred to my letter [*memorandum*] with reference to multilateral economic assistance through SEATO.<sup>3</sup> He said that he was not inclined to agree with what he understood to be the State Department view that in effect we would turn over \$10,000,000 to be used in any way that the Asian SEATO members wanted. I said that I had not understood this to be the State Department position and that I myself would not be in favor of our losing control over the ways of expenditure. I said that my thought had rather been that there might very well be situations involving SEATO members which we would be dealing with in any event, and that if so it might be useful to put them into the SEATO context.<sup>4</sup>

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<sup>1</sup>Source: Department of State, Central Files, 790.5/2-957. Drafted by Dulles.

<sup>2</sup>Raymond T. Moyer, Regional Director for the Far East, International Cooperation Administration.

<sup>3</sup>*Supra.*

<sup>4</sup>In a memorandum to Dulles, dated February 12, Robertson stated that he had seen this memorandum and wished "to advise that your understanding of the proposal for expenditure of \$10 million was entirely correct. The proposal in no way involved our losing control over the expenditure of the funds. I am also advised that ICA now understands the true nature of the proposal." (Department of State, FE Files: Lot 58 D 209, Foreign Aid 1957)

The ICA responded to the memorandum from Dulles to Hollister, *supra*, in a memorandum to Dulles, February 14, from the Acting Director, which reads: "We will, of course, implement the proposal if you believe the political advantages are overriding." The remainder of the letter dealt with the administration of the proposed fund. (*Ibid.*, Central Files, 790.5-MSP/2-1457)

129. **Background Paper Prepared by the Special Assistant for Asian Regional Programs, International Cooperation Administration (Chafkin)<sup>1</sup>**

SAM B-4/78

*Washington, February 19, 1957.*

ASIAN DEVELOPMENT FUND

Section 418 of the Mutual Security Act of 1954, as amended, which established the President's Fund for Asian Economic Development was repealed by the Mutual Security Act of 1957.<sup>2</sup> The Act, however, provided that the \$100 million appropriated in Fiscal Year 1956 for the Fund for three years would remain available for the original purposes in accordance with the provisions of law originally applicable. These provisions emphasized preference for projects of benefit to the Asian region as a whole or to a group or groups of countries within the region as a means of fostering regional cooperation in the economic growth of free Asia. Proposed projects under consideration or negotiation total about \$100 million. As noted below, Pakistan, Thailand and the Philippines as well as Laos and Vietnam are involved in such projects.

*Asian Nuclear Center*

A report and recommendations prepared by the Brookhaven National Laboratory<sup>3</sup> was completed and distributed by the United States to the 17 nations of the Colombo Plan Consultative Committee at the Wellington meeting in December 1956.<sup>4</sup> At that time, the United States announced its willingness to contribute \$20 million toward the capital and operating costs of the project subject to mutually satisfactory arrangements being worked out by the participating countries. The U.S. also suggested that a working group be established to develop the project. Preparations for discussions with the countries concerned in connection with such a working group meeting have been initiated. As visualized, the project, which would be located in the Philippines would be a major facility for research training and developing the practical application of atomic energy to

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<sup>1</sup>Source: Department of State, Conference Files: Lot 60 D 514, SEATO Conference Folder II. Official Use Only. Prepared as background for the U.S. Delegation to the SEATO Council Meeting at Canberra; attached to a note by R.L. Burns of the Reports and Operations Staff.

<sup>2</sup>Section 418 was repealed in the Mutual Security Act of 1956, approved July 18, 1956. See 70 Stat. 559.

<sup>3</sup>Not found in Department of State files.

<sup>4</sup>The meeting was held December 4-8. Documentation concerning U.S. participation is in Department of State, Central File 890.00 for December 1956 and January 1957.



the problems of the whole area of free Asia. It would also represent a significant effort to achieve closer cooperation of a large group of countries of diversified interests and culture.

*Other Planned Projects*

A program of \$5 million was approved for the survey and construction of roads in Nepal to link up with roads and railroads in India to facilitate expanded trade and transport between the two countries. Negotiations are now under way on mutually satisfactory agreements governing the project. A contractor was selected and arrangements completed to permit a detailed engineering survey of a regional telecommunications system for Thailand, Laos and free Vietnam to link these countries with one another and possibly with others in Asia. Arrangements have been completed for a transportation survey of port, rail and road facilities affecting trade and transportation between Afghanistan and Pakistan. Projects are also being considered for certain projects in mineral development, port improvements, river basin development, and regional technical training and demonstration arrangements.

**130. Telegram From the Embassy in the United Kingdom to the Department of State<sup>1</sup>**

*London, February 21, 1957—4 p.m.*

4440. SEATO. Deptel 5750.<sup>2</sup> Embassy has been in close (almost daily) touch with UK officials concerned with preparations for SEATO Council meeting and principal impression gained is that they have nothing in particular to raise, although casting about for something which might give more "oomph" to Council meeting (paragraph 2 Embtel 4380<sup>3</sup>). Embassy understands that paper setting forth UK thinking on SEATO has gone forward to British Embassy Washington which will presumably utilize it in discussions with Depart-

<sup>1</sup>Source: Department of State, Central Files, 790.5/2-2157. Secret. Repeated to Bangkok and Canberra.

<sup>2</sup>In telegram 5750, February 18, the Department asked the Embassy to comment on topics the British Government might be likely to raise at the Canberra SEATO meeting. Identical inquiries were sent to Karachi, Manila, Paris, and Wellington. (*Ibid.*, 396.1-CA/2-1857)

<sup>3</sup>In telegram 4380, February 19, the Embassy reported that a Foreign Office official had stated that the agenda for the Canberra meeting was rather flat and prosaic for such a high-level conference and should be given some sort of theme. (*Ibid.*, 790.5/2-1957)

ment prior to Conference. Thus appears unlikely HMG will spring any surprises at Canberra.

Embassy considers it improbable that any non-SEATO subjects of significance will be raised by UK delegation in bilateral talks with U.S. since (a) UK will be represented by Commonwealth Relations Secretary<sup>4</sup> rather than Foreign Secretary and (b) latter will, within short time after Conference, have opportunity for discussion non-SEATO matters with Secretary Dulles at Bermuda.

However, as indicated paragraph 1, Embtel 4380, Lord Home expected take advantage his trip to Canberra to discuss defense questions with Australia and New Zealand. Outcome these discussions may have important bearing on SEATO since SEATO area logical place for Australia and New Zealand makeup for prospective UK force reductions. British officials have previously told Embassy that one of SEATO's principal advantages in their eyes has been as means of getting Australia and New Zealand forces committed South East Asia (i.e. Malay). While it possible UK at Council meeting may have something to say about its military position in SEATO area in light of forthcoming general military retrenchment, Foreign Office sources doubtful that any definite information will be available by time of Conference.

Barbour

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<sup>4</sup>The Earl of Home.

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131. Memorandum of a Conversation, Department of State, Washington, February 26, 1957<sup>1</sup>

SUBJECT

SEATO

PARTICIPANTS

The Secretary

Mr. Firoz Khan Noon, Pakistan Foreign Minister

Mr. Mohammed Ali, Pakistan Ambassador

Mr. J. Jefferson Jones, III—SOA

Mr. Noon expressed to the Secretary his appreciation for the cooperation received from U.S. officials during the recent Security Council consideration of the Kashmir case. He said that Ambassador

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<sup>1</sup>Source: Department of State, Central Files, 790.5/2-2657. Confidential. Drafted by Jones on February 27.

Lodge, Mr. Barco<sup>2</sup> and Mr. Jones had been "towers of strength" during the time the case had been before the Council.

Turning to SEATO, the Foreign Minister said that he would like to see the Treaty changed to provide that an attack on one member would be an attack on all. He understood, however, that a revision along these lines might cause difficulties with the U.S. Congress. He asked if the U.S. would object if the Asian members of SEATO agreed among themselves that attack upon any Asian member would be considered an attack upon other Asian members of the Organization.

In response to the Secretary's question, Mr. Noon said that by Asian members he referred to the Philippines, Thailand and Pakistan. Perhaps Australia and New Zealand would also be interested in his proposal.

The Secretary replied that the formulation of Article IV of the Treaty followed that in our treaties with China, the ANZUS countries and the Philippines. It would be difficult to revise this formulation and, besides, the difference between the present formulation and that desired by the Pakistanis was not great. The Senate preferred the present formulation to that suggested by Foreign Minister Noon, which was similar to the NATO formulation. The present formulation appeared in the Monroe Doctrine. If the Asians wanted a stronger formulation to apply among themselves, however, the United States would have no objection.

Mr. Noon asked for the Secretary's views on the advisability of bringing Japan into SEATO. The Secretary replied that we would like to see Japan drawn into the organization. The security situation in Asia was a patchwork. The United States had separate security treaties with Korea, Japan, the Philippines and the ANZUS countries. At some time in the future it would be desirable to combine these separate agreements. The obstacles to such a combination were not in Washington but in the capitals of the countries concerned.

The Foreign Minister thought that if the U.S. agreed to a combination of the various security arrangements in the Pacific the other parties would go along. The Secretary responded negatively, but agreed with the Foreign Minister that the Philippines probably would be willing for a more inclusive Pacific area defense agreement. As one example of the difficulty in establishing such an agreement, the Secretary referred to the differences between Japan and Korea. We were attempting to allay these differences but had not as yet been successful.

Mr. Noon asked for the Secretary's views on the possible desirability of linking SEATO, or at least the Asian members of SEATO,

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<sup>2</sup>James W. Barco, U.S. Deputy Representative on the U.N. Security Council.

in some way with the Baghdad Pact. If this could be achieved, a far-reaching and powerful security grouping would result.

The Secretary said that this was a new idea in so far as he was concerned and the Foreign Minister would understand that he could not make an impromptu comment on it, although his preliminary attitude toward the idea was sympathetic. Further study might bring forth valid objections and he would also need to consult his advisers.

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### 132. Telegram From the Embassy in the United Kingdom to the Department of State<sup>1</sup>

*London, February 27, 1957—6 p.m.*

4547. Deptel 5925.<sup>2</sup> SEATO. Embassy this morning approached Foreign Office (Tomlinson)<sup>3</sup> as instructed reftel. Foreign Office had received cable from British Embassy Washington setting forth Department's position along similar lines.

Position taken by UK at Council Reps Meeting February 26 based on Foreign Office fear that in anxiety to do something in a rush (i.e. before Council meeting at Canberra) Council Reps were being asked to acquiesce in a makeshift arrangement which would not prove adequate for task it designed accomplish and thus chance to put SEATO house in order might be permanently lost. HMG continues to feel that efficiency of SEATO must be enhanced and supports idea of Secy General, but it seriously doubts that terms of reference proposed by PWG would make Secy General more than a "glorified personal representative" of Council Reps. In Foreign Office view his duties as now defined do not warrant giving him title Secretary General. While Foreign Office realizes that appointment Secy General might provide much needed "window dressing" for Canberra meeting, it believes a far more important purpose of appointment is

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<sup>1</sup>Source: Department of State, Central Files, 790.5/2-2757. Confidential; Priority. Repeated to Bangkok.

<sup>2</sup>In telegram 5925, dated February 26, sent priority and repeated to Bangkok, the Department stated: "Request Embassy urgently approach Foreign Office re unexpected shift British position on SEATO Secretary General reported Bangkok's 2516 to Department repeated London 18. Department would greatly regret abandonment Secretary General at this late stage for reasons indicated penultimate paragraph reftel and hopes British will reconsider their position." (*Ibid.*, 790.5/2-2657) The Embassy in Bangkok reported in telegram 2516, February 26, that Ambassador Gage, at a Council Representatives meeting that day, had opposed consideration at Canberra of the creation of a Secretary General. (*Ibid.*, 396.1-CA/2-2657) Regarding U.S. support for creation of the post of SEATO Secretary General, see footnote 4, Document 144.

<sup>3</sup>F.S. Tomlinson, Head of the South East Asia Department.

to improve coordination in SEATO. It does not wish jeopardize accomplishment this purpose by premature action in order provide appeal for Canberra meeting. However, according Tomlinson, Foreign Office maintains open mind and will have another look at problem in light of US views.

Foreign Office somewhat concerned that its instructions to Gage were interpreted as change of policy, and contends that its position on Secy General has not basically changed. Embassy was also somewhat surprised by use of phrase "unexpected shift" in reftel and "sudden reversal" in Bangkok's 2516 since Foreign Office, though strongly favoring appointment Secy General in principle, had never given us impression it on verge agreeing to any specific appointment. In explanation Tomlinson expressed fear that British Reps Bangkok had previously exceeded their instructions.<sup>4</sup>

**Barbour**

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<sup>4</sup>In telegram 2988 to Bangkok, March 2, sent also to the other SEATO capitals, the Department reported in part: "British Embassy informs us latest instructions to Bangkok on Secretary General propose that Council Reps recommend that Council approve in principle appointment of Secretary General to coordinate and supervise SEATO activities and request Council Reps to prepare terms of reference for position." The Department expressed satisfaction with this formula in view of the difficulty of reconciling opinions on the terms of reference in the short period before the Canberra meeting. (Department of State, Central Files, 790.5/3-157)

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**133. Memorandum From the Special Assistant for SEATO Affairs (Abbott) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald)<sup>1</sup>**

*Washington, February 28, 1957.*

**SUBJECT**

Expected Pakistani Proposals at Canberra SEATO Meeting

Mr. White, Counselor of the New Zealand Embassy, has requested our views on the points raised in the attached paraphrase of a telegram from the New Zealand Foreign Office.<sup>2</sup> It is suggested that he be informed as follows:

1. The United States would not be prepared to agree to any statement, declaration or resolution at Canberra which would go

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<sup>1</sup>Source: Department of State, Central Files, 790.5/3-157. Secret.

<sup>2</sup>Not printed. In it the New Zealand Government expressed its desire to learn the attitude of other SEATO powers toward a potential effort by Pakistan, at the Canberra meeting, to align other SEATO powers with its position on the Kashmir question.

beyond our obligations under paragraph IV.1. of the SEATO Treaty or our "Understanding" appended to the Treaty. As a corollary to this, we would be equally opposed to any proposal to modify the text of paragraph IV.1 or to withdraw our "Understanding." Either of the latter would mean a re-negotiation of the Treaty and require re-submission to the Senate.

2. As regards the anticipated insistence of the Pakistanis to include a paragraph on Kashmir in the final communiqué at Canberra, we do not feel that any mention of Kashmir should be included this year because of the extremely delicate situation which will probably prevail just at the time of the Canberra conference. The fact that the Kashmir problem is actively before the UN is another important reason. However, it may not be possible to adopt a completely negative attitude towards the Pakistani demands. In such case our position would be to attempt to reach as innocuous a compromise as possible.

3. We have not yet decided whether it would be wise to approach the Pakistanis prior to Canberra and attempt to discourage them from taking any of the various steps foreseen in the attached telegram and in reported statements by Prime Minister Suhrawardy and Foreign Minister Noon. However, we will be glad to keep New Zealand informed of any approaches which we might decide to make and hope that they will reciprocate.

4. In case of open conflict between Pakistan and India, Pakistan could properly demand consultation within SEATO. We would assume that the United Nations would be the appropriate forum to take prompt action to bring about a resolution of such conflict. Any consultation within the SEATO framework would therefore necessarily be parallel to UN action.<sup>3</sup>

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<sup>3</sup>In a memorandum of a conversation held on March 1, Abbott noted that he had informed White of the U.S. position along the lines set forth in this memorandum. He noted also White's statement that if open conflict occurred between Pakistan and India, New Zealand would consult through Commonwealth as well as U.N. channels. "Thus, from their point of view the role of SEATO would be even less important than we saw it." (*Ibid.*)

134. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

*Washington, March 1, 1957—5:13 p.m.*

2975. SEATO. Bangkok's 2571<sup>2</sup> (not repeated info addressees). Re Vietnamese request Bangkok Washington London that they be invited send observers SEATO Council Meeting and Military Advisers meeting Canberra Department believes inadvisable press matter at this time. Canadians have made strong representations here regarding repercussions ICC any official invitation to Vietnamese attend SEATO meeting any capacity. Vietnamese approach Washington made at low level by phone therefore feel Vietnamese Ambassador Bangkok over-emphasized importance attached by his government this suggestion. In reply informal request here Vietnamese Embassy told US could not unilaterally extend invitation and not usual practice observers attend SEATO meetings. Furthermore, Department questions whether sufficient time obtain concurrences all SEATO powers.

In view possible ICC repercussions and anticipated French British New Zealand and possibly Australian Government negative reaction because their membership Geneva Conference or Commonwealth ties do not believe we should support acceptance by Council Representatives. However, we should avoid giving appearance to Vietnamese we are opposed their request. Hope that British and others will take lead in politely turning down request on grounds shortness time and lack precedent observers other SEATO closed meetings.

If Australians as host Government should desire to invite not too high-level informal representative to be present Canberra during meetings we would not oppose.<sup>3</sup>

*For Bangkok and Saigon*

You should inform Vietnamese Ambassador and Foreign Office Saigon along following line:

While we appreciate their interest in SEATO, because of complex SEATO procedures we see little chance that on such short

<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-157. Confidential; Niact. Drafted in FE and cleared in draft with the Department of Defense. Repeated to Saigon, Canberra, London, Paris, and CINCPAC in Honolulu.

<sup>2</sup>In telegram 2571, dated March 1, Ambassador Bishop reported learning that day from the Vietnamese Ambassador of President Diem's wish that Vietnamese representatives participate as observers at the forthcoming SEATO Council and SEATO Military Advisers meeting in Canberra. (*Ibid.*)

<sup>3</sup>A memorandum by Thomas J. Corcoran of a telephone conversation held March 1 with John Rowland, First Secretary of the Australian Embassy, indicated that the Australian Government was amenable to this proposal so long as the Vietnamese representative had no official status at the SEATO meetings. (*Ibid.*, 790.5/3-657)

notice it will prove possible obtain the necessary unanimous agreement of all member governments particularly in view no precedent invite observers to closed SEATO meeting. You should also as background indicate, in past, we have had indications from some signatories Geneva Conference and ICC members that they would view with considerable concern any move of this nature at this time.

Dulles

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135. **Background Paper Prepared by the Officer in Charge of Vietnam Affairs (Corcoran)<sup>1</sup>**

SAM B-6/53

*Washington, March 1, 1957.*

**VIETNAMESE DESIRE FOR MILITARY OBSERVER STATUS**

The Vietnamese Government is eager to have Vietnamese officers participate in SEATO military planning or at least sit in meetings as observers.

We hope that the Vietnamese Government will make its own military planning consistent with SEATO planning and we should like to see Viet-Nam participate as much as possible in military planning for the defense of the SEATO Treaty area.

However, admission of Vietnamese officers to SEATO council meetings could not be decided on unilaterally by the United States but would have to be agreed to by the other SEATO members. The present attitudes of certain of these members make it clear that they would not agree to the admission of Vietnamese observers. Some of these members would regard admission of Vietnamese participants or observers at this time as inconsistent with the Vietnamese Government's declaration of April 6, 1956. The International Commission for Control and Supervision of the Armistice in Viet-Nam would very likely regard such participation as violating Article 19 of the Geneva Agreement and as casting doubt on the sincerity of our denials of the existence of any Vietnamese-American military alliance. In its April 6, 1956 declaration<sup>2</sup> the Government of Viet-Nam said it did not see the necessity of joining any military alliance and that it would continue to extend effective cooperation to the International Commission.

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<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 837. Secret. Prepared for the use of the U.S. Delegation at the Canberra SEATO Council Meeting; attached to a covering note by Burns.

<sup>2</sup>See vol. 1, p. 668.



President Diem recently told Admiral Stump he was anxious to have Vietnamese officers participate in SEATO military planning or at least sit in meetings as observers. From the military viewpoint Admiral Stump strongly favors bringing Viet-Nam into SEATO as much as is politically possible. While we favor the maximum possible Vietnamese participation in SEATO as soon as possible the advantages resulting from such participation at the present time would be far outweighed by the disadvantages resulting from the clearly predictable unfavorable reaction by friendly member nations of the Geneva Conference and of the International Commission.

Meanwhile we do see the possibility of early extension to Viet-Nam of any non-military aspects of SEATO that may be developed.

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### 136. Editorial Note

In a memorandum to Sebald, March 2, Abbott stated that he and several other Departmental officers had met (apparently on more than one occasion) with A.J. de la Mare and J.R.A. Bottomley, respectively Counselor and First Secretary of the British Embassy, to discuss an undated paper entitled "Defense of Southeast Asia Against the Communist Threat," which the Embassy had furnished to the Department sometime in February.

In their paper the British stated their belief that the United States and the United Kingdom were in agreement on three points: 1) Southeast Asia was an important area whose loss to the Communist bloc could lead to a shift in the world balance of power; 2) while the Communist military threat in the area was not pressing, it was necessary to counter Communist attempts to extend influence in Southeast Asia by nonmilitary means; and 3) present British policies in Malaya and Singapore were the correct ones under the circumstances.

In the paper the British also stated certain other conclusions, noting that with regard to them some differences were to be expected between the two countries. SEATO was an important deterrent, but its composition was anomalous in that only one mainland Southeast Asian nation was a member. Therefore SEATO could not be the exclusive instrument of policy in the area. In addition, SEATO had incurred certain enmities, and attempts to publicize the organization unduly might prove counterproductive. Neutralism would have to be lived with for some time, and in an intelligent form was not inimical to United States or British interests. Small countries in the area would inevitably look for leadership to large powers. The only

choices in Southeast Asia would be India and China. Indian influence would grow and the Western powers would not be able to check it even if they wanted to. When it was necessary for the Western powers to counter specific Indian moves in, say, Laos and Cambodia, the implication should be avoided that they wished as a matter of principle to curb the growth of Indian authority and prestige.

In his memorandum, Abbott reported that, regarding neutralism, Department officers had pointed out that the United States did not agree with the contention in the British paper that a position of neutrality and acceptance of aid from both East and West was the optimum to be expected from uncommitted Asian countries. The British representatives were also informed that the United States did not accept the idea that smaller Southeast Asian nations would look to bigger and more powerful countries for leadership. "The implied British viewpoint that Indian influence should be encouraged was questioned in view of recent Indian activities in Laos and other places."

Both the British paper and Abbott's memorandum are attachments to circular instruction CA-8673 to Bangkok, Djakarta, Karachi, Manila, New Delhi, Phnom Penh, Rangoon, Saigon, Taipei, Tokyo, and Vientiane, April 19. (Department of State, Central Files, 790.5/4-1957)

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### 137. Telegram From the Embassy in Pakistan to the Department of State<sup>1</sup>

*Karachi, March 3, 1957—8 a.m.*

2357. Following received from Ambassador Hildreth in Lahore repeated for your information.

*From Ambassador.*

General Cawthorn Australian HICOM has just given me copy memo he left with President Mirza and the Prime Minister separately to which he set forth strong Australian position against any effort GOP to try to remove SEATO meeting reservations about the pact being only against Communist aggression.<sup>2</sup>

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<sup>1</sup>Source: Department of State, Central Files, 790.5/3-357. Secret; Limit Distribution. Repeated to Bangkok.

<sup>2</sup>In a note of February 27, the Australian Embassy informed the Department that the Pakistan Foreign Office had told Cawthorn that the Pakistan Delegation at Canberra would initiate a discussion of what Pakistan termed India's "aggressive neutralism" and would also attempt to have withdrawn the U.S. and Australian limiting reservations to the operation of Article IV, paragraph 1, of the SEACDT. The Embassy

Made clear Australia felt any such attempt by GOP would fail and, because it would leak, would boomerang and suggest ending of GOP and SEATO.

Neutralism Australia felt no objection to frank exposition in secret session but felt problem should be approached "through efforts to influence opinion in favor of collective security and not by public criticism of neutralist governments".

Cawthorn also gave me copy his cable to Casey reporting his conference with President and Prime Minister in which he stated President's personal opinion that raising of issues at limiting language in SEATO pact and neutralism quite unnecessary in view of American declaration of November 29.<sup>3</sup>

Prime Minister after some cynical remarks querying value of SEATO to Pakistan, dictated long letter to Baig Foreign Secretary using same argument that Cawthorn submitted to Prime Minister against raising the issues objected to at SEATO meeting. Prime Minister, who not knowing what President had told Cawthorn, said that in event of Indian attack, Pakistan had ample guarantees of assistance from US Government and Baghdad Pact powers through UN provisions provided country concerned fulfilled obligation which no one could guarantee in advance. Prime Minister added any attempt to secure further guarantee through SEATO obviously not worth while.

Cawthorn in cable to Casey said he advised me of above. I will send by Truman or Jack Bell full text summarized above.<sup>4</sup> I will pursue same line with Prime Minister and President, as Cawthorn, but avoid any indication of collaboration. In view of strong position by President and Prime Minister will not rush them because I believe GOP policy now settled.<sup>5</sup>

**Hildreth**

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stated also that the Australian Government would advise the Government of Pakistan not to raise these matters at Canberra. (*Ibid.*, 790.5/2-2757)

<sup>3</sup>Apparent reference to the Department's press release of October 29, 1956, in which the United States reiterated its support for the Baghdad Pact and concluded: "A threat to the territorial integrity or political independence of the members would be viewed by the United States with the utmost gravity." For text, see Department of State *Bulletin*, December 10, 1956, p. 918.

<sup>4</sup>Not found in Department of State files.

<sup>5</sup>In telegram 228 from Lahore, March 5, marked "From Ambassador," Hildreth stated that he had seen both President Mirza and Prime Minister Suhrawady the previous evening. "Both emphatic in casual references that idea amending SEATO pact by withdrawing Communist restriction was stupid. President said sometimes Prime Minister went off halfcocked. Prime Minister said soon as he learned about plan he killed it. Cawthorn who present at dinner laughed when I reported to him and said he sure Prime Minister started whole idea and backed down when he found his bluff called." (Department of State, Central Files, 790.5/3-557)

### 138. Progress Report From the SEATO Military Advisers to the SEATO Council<sup>1</sup>

*Canberra, March 10, 1957.*

1. The Military Advisers attach for the consideration of the Council a Progress Report which contains—

(a) A summary of the work accomplished by the Military Advisers since the Council last met at Karachi in March, 1956;

(b) The Programme of future work (paragraphs 30 and 31).

2. The Military Advisers recommended that the Council—

(a) Note this progress report;

(b) Note that the SEATO Military Advisers have approved strategic concepts and intelligence studies<sup>2</sup> on which detailed planning and preparations will be based. (Details of these approvals are contained in the Report of the Third Military Advisers Meeting at Baguio—MA 3rd M).<sup>3</sup>

(c) Note the principles and the procedure for the staging of SEATO Military Exercises which have been approved by the Military Advisers (paragraph 24).

(d) Endorse the following specific recommendations of the Military Advisers:—

(i) The convening at an early date of a meeting of civil and military representatives to study the problem of quasi-overt aggression and to make recommendations to the Council for effective counter action (paragraph 20).

(ii) The principle that the financial requirements of the SEATO Military Planning Office should be budgeted and controlled in accordance with SEATO civil procedure, suitably amended (paragraph 29).

(iii) The military budgets—

(i) 1st January, 1957–31st March, 1957	\$3,575
(ii) 1st April, 1957–30th June, 1958	\$88,320 (paragraph 29).

(iv) The appointment of an Accountant and Budget Officer, whose salary would be shared equally by the Civil and Military sides (paragraph 29).

<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 839. Top Secret; SEATO. This report originally formed Appendix A 5 to MA 6th M (Report of the Sixth Meeting of the SEATO Military Advisers) dated March 10. MA 6th M has not been found in Department of State files.

<sup>2</sup>Detailed military and intelligence studies mentioned in this paper have not been found in Department of State files.

<sup>3</sup>MA 3rd M has not been found in Department of State files. The Baguio meeting was held in September 1956.

[Attachment]

PROGRESS REPORT TO THE SEATO COUNCIL FROM THE  
MILITARY ADVISERS, CANBERRA, MARCH, 1957

Introduction

1. This report contains a summary of the work accomplished by the Military Advisers since the Council last met at Karachi in March, 1956. At that meeting the Council was advised of the programme of future work that had been drawn up. In the main all programmed work has been accomplished.

2. Since March, 1956, we have had further meetings at Baguio in September, 1956, and at Canberra in March, 1957. In addition our staffs have met on a number of occasions as follows:—

(a) Ad Hoc Threat Evaluation Sub-committee—Pearl Harbour—March, 1956.

(b) Third Military Staff Planners Conference—Singapore—June, 1956.

(c) Ad Hoc Military Finance Committee—Bangkok—October, 1956.

(d) Ad Hoc Intelligence Sub-committee—Singapore—December, 1956.

(e) Ad Hoc Communications Sub-committee—Pearl Harbour—January, 1957.

3. These meetings have made significant contributions to progress in the SEATO military field, and their recommendations form the basis both of the recommendations we wish to make to the Council at their present meeting and of the work we plan to proceed with in the coming year.

Summary of Work Since March, 1956

*Permanent Planning Office*

4. One of the most significant actions by the Military Advisers has been the establishment of the SEATO Permanent Planning Office which opened at Bangkok on 1st March, 1957. This organisation provides the best means of ensuring continuity in SEATO military planning. It will also co-ordinate and expedite the detailed planning which must follow from the broad strategic concepts already developed and forms a sound nucleus for any expansion in an emergency. Additionally its establishment will reduce the need for ad hoc meetings.

*Location of Future Meetings of Military Advisers*

5. The Military Advisers have concluded that it would be desirable and more economical for all future meetings of the Military Advisers to be held at Bangkok, with the possible exception of those meetings immediately preceding Council meetings. We have directed the Chief, SEATO Military Planning Office, to submit at our next meeting a proposed financial procedure whereby "out-of-pocket" expenses incurred by Thailand in staging Military Advisers' meetings at Bangkok would be charged against the SEATO military budget.

*The Strategic Concepts for the Defence of South East Asia*

6. In line with the approved decision of the Second Military Advisers' Conference,<sup>4</sup> strategic concepts have been developed for the defence of South East Asia, including East Pakistan in the event of aggression by:—

- (a) Viet Minh forces.
- (b) Chinese Communist and Viet Minh forces; or by the Chinese Communists alone.

7. In general these concepts require that:—

(a) All possible steps should be taken to ensure that the protocol states do not fall to the Communists by subversion or war by proxy.

(b) In the event of it being decided that an act of overt aggression has been committed by Viet Minh and/or Chinese Communist forces, and that SEATO military counter-action should be taken, this should be:—

- (i) To initiate immediately air attacks, including the use of nuclear weapons against selected targets of military importance in the territory of the aggressor states;
- (ii) To provide air interdiction of the enemy's advance;
- (iii) To provide naval and air support to SEATO or indigenous forces;
- (iv) To deploy well-supported ground forces to secure the key areas;
- (v) To maintain sea and air communications and deny them to the enemy;
- (vi) As early as possible to go over to the offensive exploiting SEATO's amphibious and airborne capabilities to clear the enemy from the occupied areas;
- (vii) To be prepared to conduct expanded military operations to complete the destruction of the enemy.

8. These strategic concepts are considered to be a major advance over the defence concepts previously studied.

<sup>4</sup>Held at Melbourne January 17–21, 1956. The Military Advisers' Report is attached to a note by Kirk, dated February 17, and designated KAR Ref.6/101. (Department of State, Conference Files: Lot 62 D 181, CF 656)

*Strategic Concept for the Defence of West Pakistan in Global War*

9. A strategic concept for the defence of West Pakistan in a global war, using nuclear weapons, if required, was approved. The development of the strategy was limited because of its global implications. It was agreed that Pakistan should produce a further position paper on the defence of West Pakistan in global war in relationship to enemy strategy in the Middle East area.

*Overall Threat Evaluation to the Treaty Area*

10. As a basis for the preparation of the strategic concepts discussed above, detailed studies were made of the net Chinese Communist and Viet Minh threat to various parts of the Treaty Area after SEATO air attacks. These studies have been consolidated into an overall estimate of the Communist threat to the Treaty Area taking into account the threat of aggression by overt military and/or subversive means.

11. The evaluation of the overt threat took into account the effect of initial attacks of SEATO air, both conventional and nuclear upon selected military targets. The importance of this study cannot be over emphasized since SEATO strategy in the event of overt aggression is predominantly based on the effective use of SEATO nuclear air power. This concept agrees with the decision noted by the Council at their meeting in March, 1956, as the most effective one to adopt in the event of overt aggression to the Treaty Area.

*Overt Communist Threat to the Philippines*

12. A study of the overt Communist threat to the Philippines was approved for use as a basis for future planning studies.

*Overt Communist Threat to East Pakistan*

13. A study was made of the overt Communist threat to East Pakistan. This, too, will be used as a basis for future planning studies.

*Defence of West Pakistan Against Afghanistan*

14. We have considered a study on the defence of West Pakistan in view of the Communist-inspired threat posed by Afghanistan. In view of the possibility of this threat from Afghanistan being subject to change as a result of outside assistance we have decided to keep this subject under review.

*Concept for the Defence of the Treaty Area in Conditions of Global War*

15. We have considered the question of developing a concept for the defence of the Treaty Area in conditions of global war. It was

considered it can be assumed that the residual threat to the mainland of South East Asia in such conditions would be no greater, and may be less, than that in limited war. It appears we can reasonably proceed on the assumption that our military studies for limited war in South East Asia will be adaptable for global war conditions.

16. We have previously agreed that SEATO military planning for the defence of West Pakistan in global war must be co-ordinated with the overall planning for the defence of the Middle East area.

17. The Pakistan Military Adviser does not agree with the view expressed in paragraph 15 above and considers that a concept for the defence of the Treaty Area in global war should be developed if the necessary political clearance can be obtained.

*Military Measures Required to Counter the Threat to the Security of the Treaty Area Through Quasi-Overt Military Action.*

18. Quasi-overt military action is defined as follows:—

Armed action, under conditions which do not permit it to be identified as overt aggression, by organized bands or groups responsive in varying degrees to foreign control or direction.

19. We have approved an initial study of this problem from the military point of view which has been forwarded to the Council Representatives. The following conclusions were reached in this study:—

(a) Quasi-overt military action can be successfully contained or defeated in a nation capable of maintaining internal order. The immediate solution to the threat is the development, by each of the countries of the Treaty Area of the capability to maintain internal order.

(b) The following counter measures against quasi-overt military action are a responsibility of the Government of the countries concerned:—

- (i) Intelligence operations;
- (ii) Unconventional warfare;
- (iii) Conventional military operations.

(c) The following military measures which SEATO may take under present conditions:—

(i) Continuing existing measures to strengthen the indigenous forces of those countries most directly threatened by quasi-overt military action; and

(ii) Providing special aid in support of (b) (i), (ii) and (iii); are limited to assisting and supporting the counter-measures undertaken by individual member nations of the Treaty Area.

(d) The assistance and support given by SEATO cannot exceed that which the South East Asian countries are willing and able to accept.



(e) There is a need for co-ordinating civil and military measures with a view to taking effective counter-action against quasi-overt military action.

20. We recommend to the Council that they convene at an early date a meeting of civil and military representatives to study the problem of quasi-overt aggression and to make recommendations to the Council for effective counter-action.

*SEATO Exercises*

21. We have approved a schedule of SEATO exercises for the year 1956-57 and the following exercises have been conducted:—

(a) Exercise "Albatross"—an elementary maritime exercise sponsored by Australia—October, 1956.

(b) Exercise "Ridhee"—a combined air/ground operations centre staff exercise sponsored by Thailand—January, 1957.

22. Exercise "Teamwork", a bilateral amphibious exercise, was conducted jointly by the United States and Thailand in October, 1956.

23. Further SEATO exercises projected for the current year include—

(a) Exercise "Astra"—a maritime exercise sponsored by the United Kingdom—April, 1957.

(b) A small force naval gunfire support exercise sponsored jointly by the United States and the Philippines—April, 1957.

(c) A small force close air support exercise sponsored jointly by Thailand and the United States—May, 1957.

In addition certain bilateral and multilateral exercises may be conducted.

24. We have agreed to principles and to a procedure for the staging of SEATO exercises and recommend that the Council take note of the principles and the use of this procedure, a copy of which is attached.<sup>5</sup>

*SEATO Atomic Warfare Orientation Course*

25. A course, conducted by the U.S. Military Adviser, was held at Pearl Harbour in February, 1957. The course was designed "to provide to SEATO planning officers a general background knowledge of atomic weapons, their uses and effects, in order to broaden the capabilities of SEATO planners and to facilitate the atomic phases of SEATO planning studies". The course proved most valuable and pro-

<sup>5</sup>This document is Appendix A 4 to MA 6th M dated 10th March, 1957, and Annex A to Progress Report to Council. [Footnote in the source text. Appendix A 4 is not printed. Annex A was not found attached.]

vided much useful material on which realistic training programmes may be based.

#### *Communications*

26. The conduct of SEATO military exercises and the establishment of the Military Planning Office in Bangkok have brought to light a number of communications problems. Progress has been made towards the solution of these problems, but, while a need exists for a general crypto system, none is yet available.

#### *Military Assistant to Civilian Public Relations Officer*

27. We have accepted the invitation of the Council to appoint a military assistant to the Civilian Public Relations Officer and the offer by the United States to fill this post. A United States officer has since taken up this appointment.

*SEATO Military Expenditure I1128. The past procedures for the administration of SEATO joint military finance have proved cumbersome and inadequate, particularly in view of the expansion of the Military Secretariat and the establishment of the SEATO Military Planning Office. In examining the problem, whenever possible and appropriate, proposals have been made to take full advantage of existing civil SEATO facilities on a cost-sharing basis.*

29. We have agreed to:—

(a) Endorse the principle that the financial requirements of the SEATO Military Planning Office should be budgeted and controlled in accordance with SEATO civil procedure, suitably amended.

(b) Approve the military budgets—

(i) 1st January, 1957–31st March, 1957	\$3,575
(ii) 1st April, 1957–30th June, 1958	\$88,320

(c) Approve the appointment of an Accountant and Budget Officer, whose salary would be shared equally by the Civil and Military sides.

#### Future Work

30. An initial programme of work for the Permanent Military Planning Office has been drawn up and is attached.<sup>6</sup>

31. We have decided that future meetings will be held as follows:—

(a) Seventh Military Advisers' Conference, Bangkok, September, 1957.

(b) Ad Hoc Intelligence Sub-committee meeting in Bangkok, November, 1957.

<sup>6</sup>Annex B to Progress Report to Council. [Footnote in the source text.]

A meeting of appropriate civil and military representatives is required to study the problem of quasi-overt aggression as recommended in paragraph 20 above.

### Recommendations

32. The Military Advisers recommend that the Council:—

(a) Note this progress report;  
 (b) Take note that the SEATO Military Advisers have approved strategic concepts and intelligence studies on which detailed planning and preparations will be based. (Details of these approvals are contained in the Report of the Third Military Advisers Meeting at Baguio—MA 3rd M);

(c) Take note of the principles and the procedure for the staging of SEATO military exercises which have been approved by the Military Advisers (paragraph 24);

(d) Endorse the following specific recommendations of the Military Advisers—

(i) The convening at an early date of a meeting of civil and military representatives to study the problem of quasi-overt aggression and to make recommendations to the Council for effective counter-action (paragraph 19);

(ii) The principle that the financial requirements of the SEATO Military Planning Office should be budgeted and controlled in accordance with SEATO civil procedure, suitably amended (paragraph 29);

(iii) The military budgets—

(i) 1st January, 1957-31st March, 1957      \$3,575

(ii) 1st April, 1957-30th June, 1958      \$88,320 (paragraph 29)

(iv) The appointment of an Accountant and Budget Officer, whose salary would be shared equally by the Civil and Military sides (paragraph 29).

### Annex B

#### SEATO MILITARY PLANNING STAFF

##### Initial Programme of Work

###### *Item A*

To draw up detailed plans, including logistics and facilities, from the strategic concept agreed by the Third Staff Planners Meeting for the defence of South East Asia including East Pakistan against an attack by Communist Chinese and Viet Minh forces.

*Item B*

To draw up detailed plans, including logistics and facilities, from the strategic concept agreed by the Third Staff Planners Meeting for the defence of South East Asia against an attack by Viet Minh forces. In this connection, the military feasibility of holding Vientiane should be examined.

*Item C*

To develop further plans for the defence of West Pakistan after the strategic concept formulated by the Third Staff Planners Meeting has, by agreement of the Military Advisers, been related to the appropriate plans for the Middle East Area.

*Item D*

To examine the military measures required to counter the threat to the security of the Treaty Area through quasi-overt military action and the steps which should be taken for their implementation.

*Item E*

To develop a strategic concept for the defence of South East Asia against overt Communist aggression on the Philippines.

*Item F*

To examine and develop further studies in the field of non-material standardization, specially with regard to staff procedures and techniques; operations and training; and logistics.

*Item G*

The study of the defence of West Pakistan in relationship to the Middle East strategy. (Pakistan will prepare a position paper on this item.)

*Item H*

Naval study of the SEATO area including the control and protection of merchant shipping.

*Item I*

To study whether a requirement exists for the establishment of a SEATO Defence College and to estimate the initial and annual recurring cost of such a college, for submission to the Seventh Military Advisers' Conference.

*Item J*

To determine terms of reference for the Military Assistant to SEATO P.R.O., including a definition of his duties and relationships with the Chief, SEATO Military Planning Office and the SEATO P.R.O.

*Item K*

To examine the availability of existing maps of the SEATO area and to determine the suitability of those maps and scales for common reference for planning and intelligence studies.

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139. Memorandum of a Conversation, Canberra, March 10, 1957, 3-4:40 p.m.<sup>1</sup>

USDel/MC/4

PARTICIPANTS

*The United States*

The Secretary of State  
Assistant Secretary Walter S.  
Robertson  
Mr. G. Frederick Reinhardt<sup>2</sup>  
Mr. Avery F. Peterson<sup>3</sup>

*Australia*

The Prime Minister, Mr. R.G. Menzies  
Mr. R. G. Casey, Minister for External  
Affairs  
Mr. A. H. Tange, Secretary, Department  
of External Affairs  
Sir Allen Brown, Secretary, Prime  
Minister's Department

SUBJECTS

1. Afro-Asian Bloc
2. United Nations Functions
3. Suez
4. Civil Aviation
5. Antarctica
6. SEATO

The opening discussion concerned the enforced absence of certain Foreign Ministers at the SEATO meeting and the difficulties faced by the British and French. The Prime Minister expressed appreciation that the Secretary found it possible to attend. The Secre-

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<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 850. Top Secret. Prepared by the U.S. Delegation to the SEATO Council Meeting, which arrived in Canberra March 10. Sessions of the SEATO Council were held March 11-13.

<sup>2</sup>Coordinator of the U.S. Delegation. Reinhardt became Counselor of the Department of State on March 14.

<sup>3</sup>Chargé d'Affaires in Australia.

tary observed that the United States had interests in the Pacific as well as the Atlantic.

### *Afro-Asian Group*

The Prime Minister expressed Australian concern over the growing self-confidence and potential increase in strength of the Afro-Asian bloc in the United Nations General Assembly. Mr. Casey observed that soon another twelve to twenty "new nations", such as Ghana and, in a few months, Malaya, would be pressing for UN admission where, upon entry, they could be expected to echo the "claptrap of colonialism".

The Prime Minister said that he had always considered the General Assembly, in contrast to the Security Council, to be a debating body rather than an executive agency. If, he continued, the GA made decisions and issued directives, the Afro-Asian group together with the Soviet bloc would be in a position to exercise command in a manner contrary to Western interests. He questioned the desirability of allowing such a situation to develop. Mr. Menzies said that Papua and New Guinea were of strategic importance to Australia. In a General Assembly dominated by the Afro-Asian bloc, he felt that these interests would be imperiled. He was particularly critical of the UN resolution<sup>4</sup> regarding the so-called time-table for developing self-government by the administering powers in Trust Territories.

The Secretary said he believed the solidarity of the Afro-Asian bloc to depend in a large degree upon the particular issues involved. Citing, as an example, the number of anti-Soviet votes on the Hungarian resolutions, he pointed out that the "degree of command" exercised by the potentially decisive votes of a joint Afro-Asian and Soviet bloc varied considerably and that the Soviet bloc alone could not defeat a motion in the GA. At any rate, it now appeared difficult, if not impossible, to remedy the potential imbalance of votes in the GA through the introduction of "weighted voting" procedures. The U.S. had successfully endeavored to obtain a Charter review; and it might now be somewhat too late as membership is eighty nations.

[Here follows discussion of United Nations functions, the Suez problem, civil aviation, and Antarctica.]

### *SEATO*

Mr. Casey referred to press reports which stated that Mr. Dulles was hoping that the SEATO Treaty Area could be enlarged. The Secretary said he did not think such a move presently feasible. He

<sup>4</sup>Apparent reference to Resolution 1064 (XI), adopted by the General Assembly on February 26, 1957. For text, see *Yearbook of the United Nations, 1956*, p. 333.

looked forward, however, to a time when SEATO might be enlarged to include Japan, Taiwan, Korea and Indochina.

The Secretary agreed with the Australians as to the desirability of bolstering the Government of Vietnam, short of membership in SEATO, and without transgressing the authority of the ICC. He said he was prepared to receive a call from the Vietnamese observer who was in Canberra for the SEATO meeting.

Mr. Casey said he understood Pakistan might raise the matter of increased economic support at the Council meeting in order to ameliorate a difficult domestic political problem. The Secretary said that although he had not reached a firm conclusion on this matter, several considerations presently came to mind. The Congress appeared disposed to cut foreign aid appropriations this year. Since in its present stage of development SEATO lacked an economic pattern or formal structure comparable to the OEEC in Europe, favorable Congressional action might be difficult to obtain.

The administration of some of the present bilateral economic support to SEATO countries under the so-called "SEATO label" was discussed as a possible inexpensive way to meet the expressed desires of certain of the Pact countries to have a more tangible evidence of the advantage of SEATO membership.

The Secretary pointed out that even if administratively feasible this was basically an artificial proposition unlikely to produce the desired effect among the SEATO nations receiving aid.

Mr. Casey explained the manner in which he proposed to call on the speaker at the forthcoming opening session of the SEATO Council. The Secretary expressed a preference to address the Council on the second rather than the first day.

#### 140. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Canberra, March 12, 1957—1 a.m.*

Secto 6. Afternoon session first day SEATO conference.<sup>2</sup>

<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-1257. Confidential; Priority.

<sup>2</sup>The morning session was public. For text of Dulles' remarks at that session, see Department of State *Bulletin*, April 1, 1957, p. 527.

Verbatim Records of the sessions, none printed, were transcribed by the SEATO organization. (SCM/57/VR-1 through SCM/57/VR-3, March 11-13; *ibid.*, Conference Files: Lot 62 D 181, CF 840)

Discussion devoted to item IV: Exchange of views on matters affecting area. Secretary led off discussion saying: There come times when nations must live by faith. Last year has shown our faith justified through:

1. Developments within USSR where Khrushchev's speech before twentieth congress showed there was within USSR urge on part of human beings to achieve situation impossible of achievement under Stalinist regime. Secretary observed Khrushchev speech most devastating critique of Stalinist-type state that has been made and its effect on Communist Party, pseudo-Communist and left-wing parties was tremendous. Some increased freedoms granted following this event including freedom of movement for labor. However, the more liberties given the more demanded. USSR thus appears vacillating at moment between granting more liberties and revival Stalinist police policies. Nevertheless, despotism of USSR not nearly as solid in its strength as would appear;

2. Events among satellites as illustrated in Poland indicate course of Communism will collapse and that our course is the right one. This is encouraging side of picture;

3. Sordid developments and brutality of Soviet repression in Hungary depict other depressing side;

4. Communist activities in Near East which give concern. Historical aspiration of Russia to dominate area currently manifest in Soviet attempts to prevent solution of problems whenever about to be reached. By supply of arms and through propaganda programs, Soviets play mischievous role in Mid-East.

Complete unity of Soviet and ChiCom policy apparent in past six months. Here, Secretary indicated wish to talk tomorrow on US policy toward Communist China.

Congressional action approving President's recommendation for Middle East closes gap that existed in area. Except for India and some less significant areas, no longer any area surrounding USSR and China which can be attacked without danger of counterattack from the US. Thus deterrent power inherent in our very great striking capacity is brought to bear for defense of virtually all free world.

Pledges embodied in SEATO treaty have enhanced security all members. SEATO members should understand US executive normally not clothed with power to use armed forces of US to protect others interests and direct interests of US itself unless previous determination by Congress recognizes welfare, independence, and integrity of other countries are so vital to US we are justified in using our armed forces for their defense. In this case, there is that determination. Therefore, potential enemy can always know we are in position to act immediately and can make military planning on the assumption that we can and will act immediately. That is something we sometimes tend to forget but it is the heart of the SEATO treaty.



US deployment naval strength in SEATO area numerically unchanged but far superior in fire power now in comparison last year. Admiral Stump has in his command US military force more effective than any before assembled in Pacific. Although some critics claim membership SEATO involves liabilities we observe more concern in India, Burma, and Indonesia over Communist efforts to subvert peoples than among SEATO members. SEATO shield far better than neutrality in providing sense of security.

Secretary referred to Prime Minister Menzies reference to special value of friendship and fellowship developed with SEATO. This asset cannot be measured in terms of dollars and cents but provides a reservoir of infinite value. The greatest asset a country can have—friendship more important than military, cultural or economic benefits.

Secretary said there are those who questioned why they should join the pact when US helps non-members as well as members, and observed we shall not restrict assistance exclusively to members since we believe by helping non-members in certain cases we are helping develop security for all SEATO members.

Lord Home, second speaker in afternoon, paid tribute Secretary's words of great encouragement. Source of great satisfaction that power of US behind free nations and will always be used to high purpose. Agreed with Secretary on evaluation developments USSR and commented Soviet leadership sitting on rumbling volcano. Dissatisfaction of Soviet youth gives cause for hope which must be tempered by recognition Russia has always been dictatorship. Therefore we must not relax guard.

We should lack statesmanship if we neglect any opportunity to secure genuine easing tensions, but must be aware Communist smile is on face of tiger. International Communism sees nothing incongruous in exhibiting most brutal characteristics in Hungary while continuing court favor in Cambodia.

Neutrals generally alive to dangerous Communist intrigue, but understanding of nature of threat in some cases remains limited. There is not enough awareness of fact that Chinese offers of friendship and economic assistance and the internal Communist danger, of which many governments in area show some awareness, cannot safely be regarded as two entirely unrelated matters.

Lord Home saw grounds for modest satisfaction in recovery of confidence and morale in South Vietnam, in contrast with uneasy situation in the North. He pointed to great disillusionment in Burma with various barter agreements which government concluded with Communist bloc with result Burmese seeking to limit commitments under these agreements. He noted seeming precarious situation in Indonesia and anxiety created there. In Laos he saw no cause for grave

alarm, but abundant reason to remain alertly on guard during long-term struggle.

Past year encouraging for UK both in Malaya and Singapore as areas for whose international relations HMG responsible. In Malaya constitutional commission completed its work which Home hopes acceptable. Chief Minister Rahman in London displayed full awareness Communist danger in SEATO area and elsewhere. Question whether independence Malaya will join SEATO one to which answer cannot be given now. Would be both imprudent and unwise seek to exert undue pressure on Malaya and HMG has no intention doing so. However, Australia and New Zealand could well inform Malaya advantages joining SEATO.

Stated UK troops will remain Malaya and placed at disposal Malayan Government for anti-terrorist operations.

As regards Singapore Lord Home said HMG had enough experience with statesmanship and realism Lim Yew Yock to have high hopes for satisfactory conclusion constitutional conference opening London today. While HMG determined go ahead far and fast as possible to meet legitimate aspirations people of Singapore, there no question relinquishing responsibilities in manner which could lead to transformation of island into spearhead and outpost Chinese Communism.

Home noted HMG review of defense commitments stressing that strong defensive effort needs strong economy back of it. Pointed out inability UK meet increasingly expensive military costs. Hoped solution attainable through reduction manpower and increased effectiveness modern weapons—less administrative tail and more teeth. Best UK official contribution in limited war would be Far East air force reinforced by V bombers and carrier aircraft with nuclear capability carrying much increased striking power. UK remains firmly convinced need for cooperation in military field with all SEATO allied and indeed with all nations in area willing to cooperate.

Thai spokesman Rak Panyarachun treated at length Thailand's relations with neighbors. Discussing Burma, said behind facade "free economic aid without strings," USSR has successfully laid good ground for stepping up subversive activities in Burma while Chi-Coms also active there. Thais striving for better understanding aid friendship with Burma note urgent need for more effective measures to counter Communist propaganda and expose Communist falsehood in Burma. While Communist treat operations under cloak congenial and generous patronage in Burma, they have made overt progress in Cambodia by using same opening tactic of rendering "free economic aid" supposedly without strings.

In Laos, political situation deteriorated during past year while Communist succeeded gaining foothold in RLG by cleverly taking advantage desire people of Laos for unification and peace.

While in neighboring countries situation not encouraging, Vietnam presents picture brilliant contrast. Political situation Vietnam stabilized within year and relations with Thailand leave nothing to be desired.

Close cooperation with Malayan Federation in campaign against Communist terrorist in border regions continued throughout year.

Spokesman stated political situation Thailand can definitely be stated stable. Thailand will continue firm supporter UN and SEATO. Left-wing critics of SEATO represent only small section population. This form Communist subversion recognized as potential and dangerous threat to internal security.

Philippines spokesman Garcia identified primary objective SEATO establishment collective defense system against overt or covert aggression, subversion and infiltration. Declared all actions disturbing world peace may be attributed to Communist machinations or propaganda. Identified second great objective of SEATO charter to raise economic standards members. Then stated up to now "we have not frontally attacked important economic problems in member countries, solution of which may lead to economic strengthening of countries and collective economic sufficiency of area. Such problems as convertible currency, industrialization, producing marketing and credit cooperatives have not been approached frankly and it about time they be met squarely under leadership of US." Garcia saw crying need for increased trade among members; more technical and financial aid for defense projects with priority given SEATO members over neutralists; contributions to SEATO apportioned on ability to pay; establishment SEATO defense college; separate technical and financial aid to SEATO countries to counter subversion; creation SEATO labor office and creation body in Bangkok to coordinate all counter-subversive activities; functions which may be exercised by Secretary General if and when established. Concluded by thanking US for aid constantly received and UK for Colombo Plan also Australia for "twilight aid".

Pakistani spokesman, Amjad Ali, said his country shocked by Soviet suppression Hungarian peoples and believes events in USSR last year show time on side free nations. GOP took earliest opportunity in UN help Hungary by urging self-determination and UN force which would permit people to express choice through free elections.

Pakistan under pressure from USSR because membership SEATO and Baghdad Pact.

Pakistani concerned over Soviet overtures to Afghanistan in form road building, arms deliveries and subversion Afghan tribes.

GOA unhappily somewhat complacent. Pakistani further disturbed by seeming Afghan indifference when Afghan Prime Minister<sup>3</sup> invited visit Pakistan.

Pakistan intent developing trade with Burma and sees need direct shipping service to supplement only available direct service now by Yugoslav ships. Pakistan view Burmese neutralism as non-aggressive type in contrast India. Spokesman thanked SEATO members for support their countries gave Pakistan in Security Council on Kashmir debate. Only solution is granting right of self-determination. Attitude India not conducive to settlement problem. GOP looks to SEATO members to support right of Kashmir people to self-determination.

In contrast to non-aggressive neutralism practiced by Burma, aggressive neutralists try to wean member states from security organizations. Therein lies danger. When two forces (Communists and aggressive neutrals) work toward same objective some countries find difficult to perceive where their welfare lies. SEATO Council should consider this grave threat.

Pakistan spokesman then embarked subtle criticism US "understanding" on interpretation of aggression.

Dulles

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<sup>3</sup>Mohammad Daud Khan.

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#### 141. Telegram From the Secretary of State to the Department of State<sup>1</sup>

*Canberra, March 11, 1957—8 p.m.*

Dulles 4. Eyes only Acting Secretary for President from Secretary.  
Dear Mr. President:

We have just finished the first day of the Conference and matters are going smoothly. I had a recorded broadcast for Australia which was given Sunday evening<sup>2</sup> with some repeats Monday morning, and it received a very good press. There is widespread appreciation of my having come, particularly in view of the absence of the British and French Foreign Minister.

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<sup>1</sup>Source: Department of State, Central Files, 110.11-DU/3-1157. Secret; Priority. Received at 8:13 a.m.

<sup>2</sup>March 10. For text of the Secretary's radio remarks, see Department of State *Bulletin*, March 25, 1957, p. 494.

I find considerable concern on the part of our Asian friends with reference to our Chinese Communist nonrecognition policy. There are constantly repeated stories of forthcoming change, the latest being an interview of Meyer Kestenbaum at Honolulu. I am therefore planning to make a statement tomorrow<sup>3</sup> reaffirming our policy of recognition of the Republic of China, nonrecognition of the Communist regime and non-seating of the Communist regime in the United Nations. I hope this will allay the present nervousness.

We are having magnificent weather which would be good for your cough which I hope is better.<sup>4</sup>

Dulles

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<sup>3</sup>For text of this statement, made at the morning session of the March 12 meeting and released to the press that same day, see *ibid.*, April 1, 1957, p. 531.

<sup>4</sup>In his reply, also sent March 11, the President in part commented: "I am delighted that things are going well with you and do hope that you feel repaid for the long trip you have made to attend the meeting. You are, of course, correct in giving our friends reassurance that under existing circumstances we shall not vary our policy toward Communist China." (Transmitted in Tedul 10 to Canberra; Department of State, Central Files, 110.11-DU/3-1157)

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**142. Letter From Minister for External Affairs Casey to Secretary of State Dulles<sup>1</sup>**

*Canberra, March 12, 1957.*

FOSTER: I mentioned to you briefly in conversation the other day my belief that Suhrawardy (Prime Minister of Pakistan) has something that I think is a real political problem in respect of SEATO—in that he needs something that he can use publicly with his own politicians and people—to the effect that Pakistan has got something positive out of SEATO.

In a recent speech (February 22nd) Suhrawardy said "that SEATO was also concerned with the economic and social welfare of member nations, and that he was convinced that SEATO would play an increasingly important role in supplementing the efforts of its Asian partners towards their goals on economic development".

You answered this in your speech in the SEATO Council yesterday<sup>2</sup> very effective—but it does not diminish Suhrawardy's problem.

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<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-1257.

<sup>2</sup>Summarized in Document 140.

Even if you were able to give a SEATO label to some of your present bounty to Pakistan, it would give Suhrawardy something that he can use.

I apologise for butting in on this matter—which is wholly your affair—but I know Suhrawardy quite well, and, rightly or wrongly, the public position has arisen in Karachi that I believe needs meeting in some way even if it does not mean any additional bounty to Pakistan over and above the present position.

This matter will arise on Agenda Item 5. You might feel inclined to deal sympathetically with what Pakistan has to say—although it will not come up in the form of a direct request for more economic aid.<sup>3</sup>

Dick

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<sup>3</sup>An attached note bears this handwritten note, dated March 13: "Withers discussed with Secretary who decided no reply was necessary." The initials are illegible. C. Dudley Withers, Deputy Director of the Office of South Asian Affairs, was serving as an Adviser to the U.S. Delegation at the Canberra meeting.

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#### 143. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Canberra, March 12, 1957—midnight.*

Secto 9. SEATO. Morning session second day.

Continuation discussion agenda item four, exchange of views on matters affecting area.

Macdonald (New Zealand) first speaker:

Felt members should ponder Secretary Dulles statements 11th that (1) despotism only seem more solid and democracies seem less and (2) the more liberty people attain the more they desire. Thought Soviet system may carry seeds of own destruction. Pointed as example to expansion education in Soviet Union particularly in engineering and training of research scientists for which Soviet Union has great need. In such research it essential for liberty of thought which most difficult control or limit and still achieve progress. There are encouraging signs but optimism must not bring on complacency.

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<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-1257. Confidential; Priority. At Canberra's request, pouched by the Department to London, Singapore, Karachi, Manila, Bangkok, Wellington, Djakarta, Saigon, Vientiane, Phnom Penh, Rangoon, Colombo, New Delhi, and Taipei.

Council Representatives report<sup>2</sup> valuable document and sound summary recent developments. Such developments in Vietnam particularly pleasing; many at time Geneva agreements questioned viability of new government in south in face power, prestige, nationalist reputation of Viet Minh. Tremendous "economic political security" problems overcome by Diem government. Vietnam is "front line" of South East Asia against political and military pressure of Communist China. Events in North Vietnam must give Communists serious doubts about their ability win long-term contest with free government in south. Perhaps it not going too far to say Vietnam now seems be among areas where we can truthfully claim time is on our side and not on side of Communists.

Improvement in security situation Malaya, another cause for "considerable satisfaction". Terrorists steadily dwindling in numbers and lying low in hopes putting pressure on Federation Government after independence or emerging into open political activity. Arrangements for transfer sovereignty proceeding smoothly and United Kingdom can be proud of effort. New Zealand Government prepared maintain its interest defense of Malaya and will continue to campaign against terrorists.

There are heartening signs in Singapore that local leaders conscious Communist threat and misuse by Communist elements of popular desire greater measure grounds of self-government. Good grounds for optimism on outcome present talks on status Singapore.

Report rightly emphasizes switch Communist tactics in treaty area. New policy could well switch again to use violent methods or some other tactical line. New policy however may be here to stay for some years and we must learn live with it and counter it. It necessary continue explain real nature Communist policy. Hungary carries valuable lesson for free world. Our defense effort must be sustained over prolonged period of tension. Recommended that both military planning and information program be pushed.

Felt greatly concerned over development Laos but thought we should not despair. New Zealand fears there may be tendency "wash our hands" of "rather awkward problem child who shows signs of falling into bad company". Recommended we refrain from reaction of pique and annoyance and continue give assistance in order help Royal Government maintain present independence.

On Cambodia, said fraternization with Communists seems to have been carried to point real danger but recommended again attitude remain one genuine friendship and assistance.

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<sup>2</sup>The Council Representatives report was discussed in the afternoon session of March 12; see Secto 10, *infra*.

Noted with interest studies made within SEATO on position overseas Chinese and said it hopeful sign that policies Malaya government based on development of integrated interracial community.

De Felice (France):

Since Karachi SEATO meeting, South East Asia has ceased appear as area most directly affected by Communist expansion. Near East and Eastern Europe events have drawn attention peoples of world. While it out of place to comment on these events they had repercussions in treaty area. Efforts of Soviets designed to extend domination over Middle East and build pillar between free countries Europe and Asia. Eastern European events have served enlighten world opinion on values to be given Soviet diplomatic assertions especially principle non-interference. ChiCom cooperation in vindicating Soviet action Hungary should keep us on guard. Unfailing vigilance as necessary as ever.

Urged SEATO avoid action beyond limits strictly defensive objectives and which would appear as interfering with internal affairs of countries in area. We should use tact as main quality in struggle in gaining influence over minds of people in area.

In economic field we witnessing a race which must be won by free world. We must not minimize or underestimate dangers from new direction, i.e., economic and cultural blandishments of Communists. Political and psychological advantages of new policy are greater than mere quantitative increases in trade and we must draw lesson from such developments.

De Felice began detailed study developments in Indochina by saying France had regained esteem and friendship of Vietnamese people and that France intended play full part in South East Asia and therefore within SEATO. Considered that since Karachi meeting situation Vietnam had improved immeasurably, the most marked progress having been made in field of public order with the administrative and military organization of these<sup>3</sup> destroyed during 1956 with their members scattered and their leaders seeking shelter either in flight or in allegiance to government. Danger however has not altogether been met. Subversive elements have now adopted new techniques of infiltration of lawful organizations. Particularly labor movements. It necessary establish sound and prosperous economy in order prevent Viet Minh exploiting social discontent. Vietnam Government now has time concentrate more on economic matters since political stability near attainment. When aim of greater economic sta-

<sup>3</sup>Apparent omission in the source text. According to the Verbatim Record of this session, De Felice, whose remarks in French appear in English translation, stated at this point that the administrative and military organizations of the sects, already shaken during 1955, were definitely destroyed during 1956. (SCM/57/VR-2, March 12; Department of State, Conference Files: Lot 62 D 181, CF 840)



bility achieved, some flexibility will have to be brought into present regime in order secure allegiance to Vietnam Government. Prosperity and freedom in South Vietnam will impress inhabitants in North.

Situation in other parts Indochina unfortunately not as bright. Fact that peoples socialist community in Cambodia obtained all seats in National Assembly did not result in greater political stability. Defeated leftists regrouping and will take advantage of new Soviet and ChiCom missions in Phnom Penh. Regretted Sihanouk deemed it necessary ask aid and friendship from Moscow and Peking despite his receiving United States and French assistance. France intended continue assistance efforts Cambodia which since 55 amounted to five billion francs. Called situation in Laos even more precarious. Outlined pending agreements between Pathet Lao and RLG.

In conclusion De Felice said we could however view scene with some optimism. He noted that threat of aggression and subversion has decreased and that SEATO by affirming collective will to resist has firmly contributed to this situation. Urged that military advisers continue excellent work and promised that France would continue its effort including development New Caledonia's means and resources. Expressed hope that information services of SEATO would be associated in minds of people involved not only with defense but with the effort to fulfill economic needs of population.

Casey (Australia):

Said Australia member SEATO largely for geographic reasons. Its closest non-Asian country to threatened area and its future bound up with South East Asia. Realized no one country in area strong enough resist or throw back threatened aggression and hence joined with strong friends. Other delegates, particularly France, had detailed developments in three Indochinese states and no need for him to elaborate.

Said we can all take satisfaction from fact that all three Asian SEATO members have made progress in last year. One would like to say this was due their membership in SEATO but it more realistic to say that same factors which lead them to join SEATO enabled them to make such progress.

Not all well however in SEATO area. There have been deplorable advances in neutralism which is an extremely difficult attitude of mind to counter. It is of course right of every sovereign country espouse policy neutralism and we in countering it should not merely denounce it. Felt that such neutralism should be genuine and not neutralism in favor of Communists. It disturbing to see tolerance in some countries of international Communism and denunciation collective security pacts. Instead of denunciation we should bring home to them that they should truly take middle path. Cited developments Cambodia and Burma and incipient neutralism Laos. Felt in Burma

there was an increasing awareness of danger of succumbing to Communist blandishments.

Called South Vietnam most important of three free Indochinese states and said Diem government needs bolstering up.

Council Representatives might undertake study of possible actions to bolster Diem. Concerning possible SEATO membership, said disadvantages might outweigh advantages. Communists using Geneva agreement would be provided handle. Felt there were a number of other directions than SEATO membership. Suggested diplomatic recognition by all SEATO members and establishment diplomatic posts. Australia has such relations and was in fact giving economic aid also under Colombo Plan. Reiterated prestige Diem should be built up.

Re North, Casey felt that problems were building up for regime but that it would not be allowed to wither. Did not feel it would attack South Vietnam. Relative calm which exists between states is largely due presence SEATO as deterrent. Viet Minh knew attack would invoke action by SEATO.

Events in Cambodia one of unfortunate developments of '56. Sihanouk dominating figure regardless of government position held. Cambodian Government has unfortunately not been known in past for wisdom of judgment. Members might consider inviting Sihanouk to visit truly democratic country. He receptive impressionable man who has visited number Communist countries. Australia unfortunately sees no sign disenchantment on part Sihanouk with Communist countries. Such disillusionment may come but Communist hooks may be in too deep to shake off.

On Laos, asked question what we could do. Expressed fear that cutting off aid, particularly United States, might give handle to Communists and precipitate communization.

Casey paid tribute to United Kingdom for efforts Malaya Singapore. Expressed hope that Asian SEATO members might help Malaya make up its mind join SEATO but urged this be done tactfully not pressing too hard but stressing advantages such membership.

In Burma 30 percent election vote went to Communist and pro-Communist elements but neutralism not as firmly enshrined now as two years ago. Australia expected Burmese develop away from Communism. Of all the neutralists Burmese seem to have fewer illusions.

Australia heartened by developments in Indonesia last few days. Prospects strong of coalition government soon excluding Communists. Sukarno attempt should serve as warning. Australian information is that Djakarta authority apparently confined Java and Indonesian Borneo.

Information program should be expanded in order dispel any doubt including some in Australia as to present need for SEATO. Estimate should be made of ChiCom buildup and such analysis publicized to bring home true situation to average man. Also suggested on question subversion that definitions should be specific and should be translated into understandable terms and widely disseminated.

At end Casey remarks Secretary made policy statement Communist China (sent Secto 7 priority<sup>4</sup>).

Dulles

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<sup>4</sup>Dated March 12, not printed. (*Ibid.*, Central Files, 396.1-CA/3-1257) See footnote 3, Document 141.

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#### 144. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Canberra, March 12, 1957—9 p.m.*

Secto 10. March 12, afternoon session.

Delegates completed in morning session their speeches on situation in treaty area. Comments were asked for by chairman. Amjad Ali (Pakistan) drew attention of council to distinction between real neutrals and aggressive neutrals. Communist bloc objective is to keep first type uncommitted and economic aid offered for this purpose. Western powers do same hoping swing neutrals to free world side. Aggressive neutrals also get aid from both sides plus bonus from Communists as reward for propagating neutralism. Ali also warned that ChiCom influence in treaty area will grow with increased Chinese military and economic power. This applies particularly to overseas Chinese.

Lord Home (UK) pointed out dilemma of neutralist problem. If they are denied aid by west field will be monopolized by Communists with increased opportunities for subversion. Felt economic aid is potent weapon of free world which should be continued. Casey (Australia) summarized his government's views as follows: Australia respects decision any country choose neutrality but genuine neutrality means no attacks on collective defense, no favoring of local Communists, no playing off one side against the other. Neutrals should

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<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-1257. Confidential; Priority. Pouched to London, Paris, Singapore, Karachi, Manila, Bangkok, Wellington, Djakarta, Saigon, Vientiane, Phnom Penh, Rangoon, Colombo, New Delhi, and Taipei at Canberra's request.

not try to influence other countries against SEATO. There can be no neutralism re moral values. Real Communist attitude towards neutralizing of democratic countries to weaken free world. Problem of neutralism difficult one. Cannot be solved by denunciation of neutrals.

Garcia (Philippines) referred to British view that uncommitted countries can be influenced to join democratic bloc through economic aid and warned that this must not be done at expense of SEATO allies. There is already widespread sentiment that it pays more to be neutral.

Council then took up agenda item V—report of council representatives.<sup>2</sup> Lord Home accepted report and recommendations including budget arrangements<sup>3</sup> but wished to speak later on proposal for secretary general.<sup>4</sup> Emphasized importance counter-subversion activities and referred to training facilities in Singapore. Rak (Thai) praised report and accepted it as basis for next years activities. Accepted budget arrangements as compromise mentioning Thai preference for proportional budget-sharing. Accepted recommendations re secretary general emphasizing need to find right man for post.

Macdonald (New Zealand) referred to need for better coordination between civil and military branches, felt permanent working group spent too much time on housekeeping, criticized budget planning and suggested need for committee financial experts to help formulate budget. Praised program Public Relations Office and emphasized importance this field. De Felice (France) accepted the report and recommendations. Announced France was circulating draft resolution on economic and cultural activities.<sup>5</sup>

<sup>2</sup>"Report of the Council Representatives to the Council", March 1957, SCR/57/REP-C, not printed. (*Ibid.*, Conference Files: Lot 62 D 181, CF 839)

<sup>3</sup>The recommendations referred to (all contained in the report cited in footnote 2 above) were for approval of the report itself, approval of terms of reference of various committees and other offshoots of SEATO, approval of funding for additional employees, and approval of a common budget for approximately \$700,000.

<sup>4</sup>The recommendation for a Secretary General was contained in a special report of the Council Representatives, which had been transmitted to the Department in telegram 2519 from Bangkok, February 27, not printed. (Department of State, Conference Files: Lot 62 D 181, CF 837) In a position paper dated March 2, Robert W. Zimmermann of the Bureau of Far Eastern Affairs stated that the United States was supporting the recommendation. "A review of the work of SEATO during the past year has shown the need for greater coordination and supervision of the activities of SEATO bodies under the direction of the Council Representatives. It seems clear that this need will increase during the coming financial year because of increased activities and the enlarged staff envisaged for the organization." ("Secretary General", SAM D-5/5; *ibid.*)

<sup>5</sup>SCM/57/D-6, dated March 12, not printed. (*Ibid.*, CF 841) This draft resolution is summarized below.

Casey approved report. Emphasized importance work CSE committee and need for action on their recommendations.<sup>6</sup> Felt SEATO need not be too cautious in field of exposure Communist subversion and hoped some reports could be made public. Warned against overclassification of SEATO material. Australia strongly supports Bangkok terms of reference for economic committee limiting activities to problems arising out of treaty obligations. Referred to studies on maintenance and rebuild and skilled labor and said Australia would contribute to agreed projects. SEATO economic activities should be strengthened but did not favor permanent economic committee suggested by Pakistan. Accepted proposals for secretary general. Accepted budget recommendations but commented that Australia continues to believe in equal sharing of budget.

Dulles [spoke?] (see Secto 12<sup>7</sup> for Secretary's remarks). Secretary said he would comment later on secretary general.

Lord Home said he agreed with United States views on tasks Economic Committee. Britain prefers to use Colombo plan. Re secretary general, Britain had some reservations. What kind of man do we want for post? Perhaps preferable to choose man first. However British would go along with council representatives recommendations. Ali praised council representatives and unanimity of opinion and identity of interests shown there. Generally agreed with their recommendations with following comments: Communist subversion in East Pakistan particularly difficult problem because headquarters located over frontier in west Bengal. Felt proposed counter-subversion seminar would serve useful purpose. Approved proposed cultural program. Agreed in principle with increases in civil organization and establishment post secretary general but hoped there would not be increase in committee meetings. Felt expense of many delegates which Pakistan sent to Baghdad Pact and SEATO committees hardly justified by results. Expressed gratitude for economic assistance being received. Discussed problems created by Pakistan economic plan to increase standard of living 12 percent by 1960. Financial resources strained, inflation threatened. Agreed with United States and United Kingdom view that bilateral aid is best system. United States economic experts and Colombo plan officials now familiar with Pakistan economy and problems and he would not wish to change present system. However felt SEATO could be useful certain fields involving joint projects such as shipping, noted Secretary's reference to possible

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<sup>6</sup>According to the Verbatim Record of this session, Casey was at this point referring to recommendations by the Committee of Security Experts for the public exposure of Communist tactics. (SCM/57/VR-2, March 12; *ibid.*, CF 840)

<sup>7</sup>*Infra.*

use Asian development fund and recommended this be studied by SEATO Economic Committee.

Philippine delegate (Garcia) then endorsed report. After reiterating Philippine support for creation post secretary general, he welcomed acceptance by council representatives of Philippine proposal on budget-sharing. Garcia also emphasized that his government shared concern expressed by others concerning subversion and need combat it. Proposal for seminar at Baguio step this direction.

De Felice (France) after approving report, launched into dissertation on economic and cultural areas. Contrasting what he called Communist "unity" and western "disarray" in economic programs, he asked if it were not possible bring about greater "harmonization" economic activity. De Felice then drew council's attention draft resolution presented by French delegate, designed develop education in SEATO countries.<sup>8</sup> It proposed that "council invite their representatives to consider with help other competent bodies of SEATO problem educational assistance in treaty area and to recommend directly to governments any appropriate measures applicable within framework SEATO to be taken either by member nations on unilateral basis or by means bilateral agreements or multilateral programs".

Home and Casey then both spoke briefly on subversion. Home offered make available British experience. Casey expressed willingness prepare, in cooperation security experts, article on techniques Communist subversion, to be published after clearance SEATO headquarters.

Council then considered specific resolutions.

(1) Budget. Council approved unanimously without discussion budget resolution,<sup>9</sup> which took note of programs set forth by report and terms reference contained annex A.<sup>10</sup> It approved staff proposed annex B and common budget set out annex C.<sup>11</sup> While agreeing continue equal shares for financial year 1957-1958, resolution stated in subsequent financial years budget will be shared on "different basis". Council representatives instructed work out exact basis, on basis contributions of New Zealand, Pakistan, Philippines and Thailand will be equal and not together exceed one-third total budget.

(2) Secretary general. Council endorsed resolution establishing posts secretary general and deputy secretary general. Council representatives instructed work out administrative details including terms of reference. Member governments invited nominate candidates.

<sup>8</sup>For Council discussion of this resolution, see Document 146.

<sup>9</sup>Annex I to a letter dated March 10 from Luang Bhadravadi, Chairman of the Council Representatives, to the Chairman of the Council, neither printed. (SCM/57/D-1; Department of State, Conference Files: Lot 62 D 181, CF 841)

<sup>10</sup>To the report cited in footnote 2 above. Annex A is entitled "Terms of Reference of Council Representatives and of SEATO Bodies Under Their Jurisdiction".

<sup>11</sup>To the report cited in footnote 2 above. Annex C concerned the budget.

(3) Education. After brief discussion, council decided postpone until morning decision on French resolution.

After approval communiqué<sup>12</sup> council adjourned for day.

Dulles

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<sup>12</sup>The communiqué for the March 12 session is not printed. (SCM/57/D-8, March 12; Department of State, Conference Files: Lot 62 D 181, CF 841)

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**145. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Canberra, March 12, 1957—midnight.*

Secto 12. Re Secto 10. Following is text Secretary's remarks on Council representatives report.

Annual report of Council representatives, which is now before us, represents most valuable contribution to growth and development of SEATO organization. United States gratified at progress made by treaty organization Bangkok and approve of the programs and policies laid down by Council representatives for year ahead. That includes report on budget—although I believe Australian delegates observations are worthy of note.

I should like associate myself with remarks by several of my colleagues yesterday when they expressed thanks to government Thailand which has so generously provided headquarters and other facilities for our organization. The permanent organization set up there as result decisions at Karachi year ago has now been established in sound basis. We are pleased to have with us for first time several officers and members of International Staff, whose work has contributed much to effectiveness of SEATO.

I should also like congratulate Council representatives who spent many months in preparation this report and this meeting. It is particularly noteworthy sign of growing unity and cohesion of our treaty organization that representatives of our eight governments should be able sit down and come to unanimous agreement on nature of threat of international communism to treaty area and rec-

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<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-1257. Secret; Priority. Pouched to London, Paris, Singapore, Karachi, Manila, Bangkok, Wellington, Djakarta, Saigon, Vientiane, Phnom Penh, Rangoon, Colombo, New Delhi, and Taipei at Canberra's request.

commend programs by which SEATO organization can assist member governments in area to expose and counter it.

There are certain comments I would like to make on major activities which SEATO has undertaken under jurisdiction of Council representatives.

First of all field of countering Communist subversion. From outset, we have recognized that this task lies in hands of member governments, aided by their friends, and that SEATO's role should be that of assisting member governments in fields of identifying exposing and countering threat of international communism.

We believe organization has made encouraging beginning in all of these fields.

Several members of Council yesterday referred to need to expose evils of communism to public view and to make peoples of treaty area more aware of nature communism and threat it presents to their security and independence. Gratifying to note that Council representatives in their report have foreseen this need and have made provision for SEATO through its research service center and public relations office, to make available to member governments information materials which will be useful in bringing before public case against communism. United States fully supports this SEATO effort.

Another project in field of exposing communism which has our support is proposal to hold seminar on countering Communist subversion. Representatives of Committee of Security Experts meeting here in Canberra have been able resolve main problems concerning its organization and it is now possible to go ahead with detailed planning. Philippine government whose vigorous action in combating Communist subversion is well known has generously offered make facilities available Baguio for holding of seminar later this year. I should now like to turn to economic aspects of Council representatives report. United States is keenly aware of fact that serious economic problems may result from national programs responsive to Article II of treaty. From beginning of SEATO, therefore, United States has complied with Article III of treaty which calls on parties to cooperate with one another in economic development.

Result has been series of bilateral arrangements under United States MSP. That is our normal procedure.

United States is gratified note economic growth and strengthening of economic base of these countries that have taken place since treaty came into force.

United States also participates in activities of SEATO committee of economic experts. This committee has paid particular attention to problems common to all member countries, which can be best dealt with through coordination or joint action.



One of these common problems is that of skilled labor. You may recall that at Karachi meeting last year I stated that United States stood ready to cooperate in intensified effort meet this problem<sup>2</sup> and that we were prepared join other treaty members in contributing resources and personnel to such program. Since that time much progress has been made in SEATO's study of means help solve skilled labor problem among our Asian members. A study group on shortage of skilled labor met in Bangkok last month. United States will study its conclusions and recommendations in detail. We are prepared consider feasibility of such projects of study group as may come to us from SEATO.

We understand there will be report from study group on engineering workshops which met few days ago in Pakistan and that other studies may be undertaken as result of meeting of SEATO civil-military study group on maintenance and rebuild capacities in Bangkok last August.

As you may know, our Congress, about year and half ago appropriated funds for Asian economic development in form of regional projects. Part of this fund still remains available during our next fiscal year. If SEATO committee of economic experts develops sound projects qualifying under this fund, United States Government would be glad consider any such projects for assistance from this source.

With respect to future of committee of economic experts it needs be recognized that since our eight countries are widely scattered and do not form economic entity, SEATO must necessarily limit its economic activities to special projects which have multilateral aspects. Bilateral arrangements, we believe, will continue be principal channel for cooperation in accord Article III of treaty.

As I said yesterday, there are certain aspects of these bilateral programs which might very well be further explored.

Among these is question of extent to which might be helpful and useful to identify with the name SEATO, bilateral programs which in point of fact serve SEATO and which only exist, at least in their present scale, because receiving country is member of SEATO? I recall in this connection what honorable delegate of Pakistan said yesterday. I am aware SEATO is under a form of attack, to some extent in his country, and it would be useful to be able to point specifically to benefits Pakistan obtains from membership of SEATO. Fact is—and this applies to other countries also—that there is a very substantial aid which comes from United States to Pakistan and that aid, at least on scale at which it is going at present would not be going there at all if were not for fact that Pakistan is member of SEATO. On the other hand, I recognize that it is not going there

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<sup>2</sup>See Document 91.

bearing SEATO labels; therefore people of Pakistan are not aware of relationship between that aid and membership Pakistan in SEATO. That is problem of public concern. I do not think answer is to be found in channelling bilateral aid through SEATO committee of experts. I am quite sure that aid would be less and slower if that process were followed and it would build up bureaucracy in SEATO which is quite unnecessary and which would not really serve any useful purpose. Question is, how do we bring about identification of relationship which, in fact, exists? We have to find way to do that. That is problem which might very well provide food for further thought and study and certainly United States has no objection whatever to full exploration of, and in principle, adoption of measures which would more clearly identify assistance which, in fact, is largely due to membership in SEATO.

I pass on now to speak on aspects of report which deal with information.

In information field, we concur with recommendations of Council representatives to strengthen public relations office in order that it may initiate expanded program to make SEATO better known in treaty area as well as undertake program to expose strategy and tactics of international communism.

United States also attaches importance to SEATO cultural program recommended by Council representatives. While bilateral exchanges should continue to play leading role in furthering SEATO cultural relations between SEATO members, time has now come try under auspices SEATO few well thought out multilateral exchanges and cultural meetings.

United States also welcomes decision of committee on information cultural education and labor activities to undertake development of limited SEATO program in labor field. It is of utmost importance to prevent Communists from succeeding in efforts gain control of labor organizations in the area. Increasing productivity and raising of labor and living standards are of course essential to this end, but training of trade union leaders is equally necessary.

United States, Mister Chairman, approves Council representatives recommendations as given in part VI of report. To carry out these programs it is prepared, subject to appropriations, to contribute to common budget as recommended by Council representatives.

Re Secretary General I have some observations which I will defer.

Dulles

**146. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Canberra, March 13, 1957—10 p.m.*

Secto 14. Fifth session opened with discussion French resolution on education introduced at end of fourth session (Secto 10<sup>2</sup>). After discussion Council adopted resolution as amended by omitting portion of last sentence following words framework SEATO.<sup>3</sup>

Council adopted decisions and resolutions on military advisers report<sup>4</sup> (agenda item 6) which:

- (a) Noted the progress report;
- (b) Noted that military advisers now approved certain strategic concepts and intelligence studies;
- (c) Noted principles and procedures for staging SEATO military exercises as approved by military advisers;
- (d) Endorsed the recommendations of military advisers that:
  1. Civil and military representatives convene at early date to study quasi-overt aggression and make recommendations to Council for effective counter-action;
  2. Financial requirements for SEATO military planning office be budgeted and controlled with SEATO civil procedures;
  3. Military budgets be set at \$3,575 for period January 1 to March 31, 1957, and \$88,320 for period April 1, 1957 to June 30, 1958;
  4. Accountant and budget officer be appointed salary to be shared equally by civil and military sides.

The Secretary's remarks included warnings against tendency of free nations to feel that military danger ends with cessation hostilities. Since we are dealing with an enemy not bound by moral or legal restraints, attack could be sudden because enemy does not need consult Parliament for public opinion. In considering the military potential and political ambition of the enemy, we have no reason to feel complacent. ChiComs show evidences of increase in military preparations despite its heavy burden on the economy. On matter of ambition there is every evidence of desire of Chinese Communists to dominate the entire area.

Our Geneva conversations with ChiComs primarily designed to obtain release United States citizens and achieve renunciation of

<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-1357. Secret; Priority. Pouched to Wellington, Manila, Saigon, Karachi, Bangkok, London, Paris, and Singapore at Canberra's request.

<sup>2</sup>Document 144.

<sup>3</sup>Summarized in Document 144.

<sup>4</sup>MA 6th M (Report of the Sixth Meeting of the SEATO Military Advisers), March 10, not found in Department of State files. See Document 138.

force Taiwan area. Response has been that Chinese Communists would prefer take over Taiwan by peaceful means but that they reserve right to take by forceful means.

Secretary hoped relative calm which has prevailed in treaty area for last two years, thanks largely to SEATO, will not lead us to neglect military planning and potential. Those are heart of organization and cannot be neglected or be consigned secondary place.

Dulles

#### 147. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>

*Canberra, March 13, 1957—9 p.m.*

Secto 17. Department pass CINCPAC. Nguyen Dinh Thuan<sup>2</sup> arrived Canberra March 11.

Australian Department External Affairs arranged meeting and accommodation. Mister Casey urged SEATO delegates meet and discuss to degree possible. Believe Thuan has met and talked with all chief delegates.

March 12 he spent hour with Admiral Stump during which made three points:

(a) Diem concerned at rumors current SEATO meeting would involve shift from SEATO major effort on military planning and activities to emphasis in economic field. Diem much concerned that such shift would put cart in front horse. Urged strongly not only continuance major SEATO emphasis on military effort but desire to see even greater military planning in treaty area. Diem believes Vietnam highly vulnerable Communist aggression and subversion and regrets he not kept better informed of SEATO developments and policy.

(b) Diem requested through Thuan Admiral Stump's intervention in problem of raising Vietnam Army manpower ceiling by 10,000. This flexibility would permit conscription without discharging equivalent number regulars with resultant dislocation Vietnamese economy.

(c) Also requested Stump's intervention toward having economic and military aid items which presently imported, be procured locally to degree possible. Includes shoes, uniforms and tea.

<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-1357. Confidential; Priority. Repeated to Saigon.

<sup>2</sup>Director of Cabinet in the Vietnamese Department of Defense.

Admiral Stump assured Thuan of United States intent maintain strong mobile military forces capable of taking effective action in treaty area. Stump said in response Thuan's statement that Viet Minh firepower now three times that of Republic of Vietnam's that Diem should take into account massive SEATO military potential for countering aggression against Vietnam.

Secretary received Thuan later in day and remarked that during course SEATO delegates review of the security of the treaty area all had been gratified at growth Vietnamese stability. Secretary remarked that governments who a few years ago had opposed Diem now, without admitting their previous poor judgment, were strongly in support of him. Secretary gave Thuan copy ChiCom policy statement (unnumbered circular telegram repeated SecState Secto 7<sup>3</sup>).

Following meeting with Secretary, USDel members and Embassy officials gave Thuan briefing on military and economic aid criteria, a subject on which he seems to be little informed.

Thuan attended reception given by External Affairs Minister Casey and is invited attend reception given by guest delegates on thirteenth. Appears highly pleased with result of visit and with contacts made with all SEATO delegates. Understand majority expressed hope to Thuan that Vietnamese participation in SEATO would continue to increase.

Dulles

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<sup>3</sup>Dated March 12, not printed. (Department of State, Central Files, 896.1-CA/3-1257)

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**148. Telegram From the Delegation at the SEATO Council Meeting to the Department of State<sup>1</sup>**

*Canberra, March 13, 1957—11 p.m.*

Secto 18. SEATO afternoon session (closed) March 13th.

Council took up agenda item eight, approval of final communiqué.

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<sup>1</sup>Source: Department of State, Central Files, 396.1-CA/3-1357. Secret; Priority. Pouched to London, Paris, Singapore, Karachi, Manila, Bangkok, Wellington, Djakarta, Saigon, Vientiane, Phnom Penh, Rangoon, Colombo, Delhi, and Taipei at Canberra's request.

Text prepared by drafting committee<sup>2</sup> distributed only at last minute. In paragraph 13,<sup>3</sup> dealing with recommendations Economic Committee, Secretary submitted revision<sup>4</sup> which was not acceptable to French and Philippine delegations. Various suggestions referred back to drafting committee. Final version<sup>5</sup> accepted by Secretary with observation for the record that it should be understood that SEATO Economic Committee does not have responsibility for "relieving economic strain of defense burdens and enabling economic development to continue under SEATO's protective shield".

Paragraph 22 on neutralism had not been unanimously accepted in drafting committee<sup>6</sup> but was approved by Council with additional section proposed from floor by New Zealand beginning "it was hoped that as time passed and the value of SEATO became more widely appreciated. . . ."<sup>7</sup>

Full text communiqué being telegraphed by USIS.

Meeting adjourned to resume in final open session.<sup>8</sup>

Dulles

<sup>2</sup>SCM/57/D9, March 13, not printed. (*Ibid.*, Conference Files: Lot 62 D 181, CF 841)

<sup>3</sup>In the draft cited in footnote 2 above, the paragraph in question reads: "SEATO expert committees have recommended specific projects for relieving the economic strain of defence burdens and enabling economic development to continue under SEATO's protective shield, and Council members undertook to consider the carrying out of these recommendations."

<sup>4</sup>According to the Verbatim Record of the March 13 sessions, this revision reads: "SEATO expert committees have recommended specific projects to deal with certain economic requirements or deficiencies having to do with defense burdens, and Council members undertook to consider the carrying out of these recommendations." In explanation of the revision, Dulles stated that the particular projects recommended by the expert committees, skilled labor training and truck repair, would not be sufficient to relieve the economic strain of defense burdens. (SCM/57/VR-3, March 13; Department of State, Conference Files: Lot 62 D 181, CF 840)

<sup>5</sup>For text of the final communiqué, March 13, see Department of State *Bulletin*, April 1, 1957, p. 527.

<sup>6</sup>Actually, paragraph 21 had been in dispute in committee. In both draft and final versions it reads: "Among the topics discussed by the Council was that of neutralism. It was observed with concern that some governments have in varying degrees adopted a line of active opposition to collective security arrangements such as SEATO which are in full accord with the Charter of the United Nations."

The memorandum of a conversation held among Dulles, Casey, and other U.S. and Australian officials at 9:30 a.m. on March 13 indicates that a draft final communiqué previous to that cited in footnote 2 above may have contained milder language on the subject of neutralism. (USDel/MC/8, distributed March 19; Department of State, Conference Files: Lot 62 D 181, CF 853)

<sup>7</sup>Ellipsis in the source text. The language proposed by New Zealand was placed at the beginning of paragraph 22 and reads: "It was hoped that as time passed and the value of SEATO became more widely appreciated that those who criticised it today would eventually be willing to welcome it. SEATO is not an exclusive organization, but remains open to all those countries in South-East Asia who are willing to share its benefits and responsibilities."

<sup>8</sup>For the statement made at that session by Secretary Dulles, see Department of State *Bulletin*, April 1, 1957, p. 532.

**149. Telegram From the Secretary of State to the Department of State<sup>1</sup>**

*Honolulu, March 14, 1957.*

Dulte 12. Eyes only Acting Secretary for President from Secretary.

Dear Mr. President:

I have been reflecting on my flight from Australia to Honolulu on two long-range matters. The first is the eagerness of Australia to develop itself into some kind of a defense production base in the Far East. They do not want any charity but enough business to permit of acceptable unit costs. The whole attitude of Australia is one of an eager desire to meet any conditions to cooperate with the United States. Their dependability and geographical location are such that it seems to me more thought should be given to this topic as a long range program. It has advantages over Japan and there are some risks in depending wholly upon Japan.<sup>2</sup>

The second thing is Antarctica. I believe that our policy of not making any claims ourselves and not admitting any claims of others is getting us nowhere and encouraging the Russians to develop what may in years ahead prove to be a very important base of operations from which to threaten the southern hemisphere. According to the

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A portion of Dulte 11 from Canberra, March 13 (marked "eyes only Acting Secretary for President from Secretary"), deals with the Canberra meeting. That portion reads: "We have now just concluded our three-day conference. It has been harmonious and constructive and while no major new decisions were taken, there has been solid constructive effort. I think there is general feeling that SEATO is worthwhile and is establishing itself." (Department of State, Central Files, 110.11-DU/3-1357)

<sup>1</sup>Source: Department of State, Central Files, 790.5/3-1457. Top Secret. Sent from CINCPAC.

<sup>2</sup>In his memorandum of a conversation held with Menzies at 10 a.m., March 13, Dulles stated:

"Mr. Menzies discoursed at some length about the necessity of Australia coordinating its defense production effort with that of the United States. He said that from a logistic standpoint this was necessary and he felt that it was in the interests of the United States to have a dependable production base available to it in the Western Pacific. He spoke particularly of plane production and of the fact that their cost would be awfully prohibitive unless we could do some purchasing ourselves of our models produced in Australia." (Memorandum by Dulles; Eisenhower Library, Dulles Papers, General Memoranda of Conversation)

Australians possibilities for Soviet submarine base already exist. I believe we should have a fresh review of our policy by the NSC.<sup>3</sup>

Faithfully yours, Foster.

Dulles

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<sup>3</sup> For documentation on U.S. policy with regard to Antarctica, see vol. xi, pp. 607 ff.

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## 150. Editorial Note

On March 14, the Operations Coordinating Board approved a Progress Report on NSC 5612/1. (Department of State, S/P-NSC Files: Lot 62 D 1, NSC 5612 Series) NSC 5612/1 is printed as Document 119.

At the NSC meeting on May 2, the Council, according to NSC Action No. 1711, "noted and discussed" the Progress Report. (Department of State, S/S-NSC Files (Miscellaneous) Files: Lot 66 D 95) The NSC did not discuss the substance of the Progress Report. (Memorandum of discussion by Gleason, May 2; Eisenhower Library, Whitman File, NSC Records)

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## 151. Memorandum by George S. Springsteen of the Economic Development Division, Bureau of Economic Affairs<sup>1</sup>

*Washington, March 15, 1957.*

### SUBJECT

Background of Mr. Randall's Proposal for Greater Economic Cooperation in Asia

1. In December, 1956,<sup>2</sup> Mr. Clarence B. Randall, Special Assistant to the President, visited the Far East to discuss foreign economic problems with top-level U.S. officials. Meetings with Mission representatives took place in Tokyo (covering Japan and Korea), Bangkok (covering Thailand, Viet Nam, Laos, and Burma), and Manila (covering the Philippines and Taiwan).

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<sup>1</sup>Source: Department of State, Central Files, 890.00/3-1557. Confidential.

<sup>2</sup>December 7-23.



*Mr. Randall's Proposals and Treatment to Date*

2. As a result of these meetings, Mr. Randall and his staff prepared a Report<sup>3</sup> setting forth their observations and proposals, including suggestions for regional economic cooperation. On January 22, 1957, Mr. Randall wrote the Secretary (Tab A)<sup>4</sup> setting forth his views for "an orderly approach to the economic integration of the region." This letter advanced three recommendations:

(a) Establish a small interagency committee, to be chaired by a member of Mr. Randall's staff, to prepare for and follow up on suggestions (b) and (c) below.

(b) Convene a planning meeting of key U.S. officials from the Far East, together with Washington representatives, to "quietly" discuss all aspects of suggestion (c) below.

(c) Convene an informal meeting of Far East countries, convened by some nation like the Philippines, to "discuss with each other their mutual economic problems, seeking avenues of mutual assistance." Participants would be Burma, Thailand, Viet Nam, Cambodia, Laos, Philippines, Taiwan, Korea, and Japan. At such a conference the Far East nations, working against the background of the fact that many possess untapped natural resources which constitute an important potential for expanded trade, and that duplication exists in national development programs which could be reduced by better coordination, could work out means for more effective development on a regional basis and suggest better ways for regional utilization of existing resources.

3. The Secretary replied (Tab B)<sup>5</sup> to Mr. Randall early in February, indicating that while his idea "is a good one," its implications should be thoroughly explored and specific suggestions proposed before proceeding to any conference stage. The Secretary noted that the Japanese have given this problem considerable thought and suggested that Mr. MacArthur, just then leaving as Ambassador to Japan, should first explore Mr. Randall's idea informally with Japanese officials to see if something of a concrete nature might be developed.

4. Mr. Randall replied (Tab C)<sup>6</sup> to the Secretary on February 12 indicating that he proposed to establish an interagency Committee early in March to explore his idea. We have since learned that Mr. Randall proposes first to discuss this problem with the Secretary when he returns from Canberra.

<sup>3</sup>"Report on Foreign Economic Policy Discussions between United States Officials in the Far East and Clarence B. Randall and Associates", December 1956, not printed. (Enclosure to memorandum dated January 14 from Lieutenant Colonel Paul H. Cullen, Secretary of the Council on Foreign Economic Policy, to Bryce N. Harlow, Administrative Assistant to the President; Eisenhower Library, Harlow Records)

<sup>4</sup>Not found attached. (Department of State, Central Files, 890.00/1-2257)

<sup>5</sup>Dated February 8, not found attached. (*Ibid.*, 890.00/2-857)

<sup>6</sup>Not found attached. (*Ibid.*, 890.00/2-1257)

5. Meanwhile, Ambassador MacArthur's discussions with the Japanese indicate that Japan has not developed any area-wide approach to the problem of regional integration. Instead, Japanese thinking tends in the direction of a country-by-country, project-by-project approach to the problem. MacArthur believes, however, that more active and coordinated U.S. participation is required to assure on the one hand that Japan has access to necessary raw materials, and, on the other hand, that countries of South and Southeast Asia develop more rapidly. He recommends that a conference be called of U.S. economic officers from the region to formulate a constructive program as suggested in the Randall report, that no regional conference or new regional organization be called into being to deal with this issue, but that we instead rely on a country-by-country, project-by-project approach, and that a specific individual with a small staff be appointed to give concentrated and unified direction to this matter.

6. The key to Mr. Randall's proposal is the complementary economic relationship which presently exists between Japan and the countries of South and Southeast Asia to achieve economic development. The latter lack the capital to purchase such equipment but have the natural resource potential to develop means of payment. Japan on the other hand lacks the raw materials required for her industrial development but could get them in South and Southeast Asia in increasing quantities if the resources there were developed. From this situation stems the idea of what Mr. Randall calls "regional integration."

*Predecessors to Randall Proposal*

7. This is not a new idea. During the American occupation of Japan, the Supreme Commander of the Allied Powers (SCAP) undertook extensive studies of the resource availability in the area of Free Asia with a view to their development for Japanese use.

8. During the Korean Crisis (1951), an Interdepartmental Committee on Far East Mobilization (ICFEM) was established by the Office of Defense Mobilization (ODM). This Committee, chaired by William Yandell Elliott of Harvard, concerned itself with such matters as the utilization of Indian mineral resources for Far Eastern development, nickel development in Indonesia, Korea tungsten availabilities, financing availabilities for resources development, and loan policy in relation to Japan, all matters similar to these envisaged for the Interdepartmental Committee which Mr. Randall proposes to establish. The Committee endeavored, with only a fair degree of success, to stimulate action for regional economic advancement.

9. The ICFEM ceased to operate in August, 1952, and its functions were taken over by a small office established in the Depart-

ment of State under Joseph Dodge. Mr. Dodge's designation was that of Consultant to the Secretary on Far East Matters Affecting Japan. This office, which in various ways sought to continue the work of the ICFEM, was abolished in 1953.<sup>7</sup>

10. Since 1953 there has been no similar coordinated organization effort in the U.S. government to deal with the matters of regional cooperation. The problem instead has been treated by other means. The United States, in 1955, took the initiative among Asians for discussing regional development by inducing an Asian nation to call a regional conference to discuss such matters when Mr. Harold Stassen, then head of FOA, persuaded the Indians to call a conference of Colombo Plan members for this purpose. Such a conference was held in Simla, India, in May, 1955. Only Asian members of the Colombo Plan were present. In retrospect, the Simla Conference is a benchmark for judging the Asian attitude towards regionalism. The countries present clearly opposed the establishment of a regional fund that might be multilaterally administered, expressed a preference for bilateral aid, and while approving the idea of undertaking projects of significance to more than one country of the area, cautioned that such projects should not be at the expense of more urgent national projects. The Simla Conference tended to indicate that while countries are concentrating on internal development, they are little inclined to be concerned with regional problems or regional means of solving their own problems. India and Japan appear to have been the only two countries at Simla favoring a regional approach; all others were opposed.

11. In 1955 Congress authorized the establishment of a \$200 million "President's Fund for Asian Economic Development" (referred to as AEDF). Only \$100 million, however, was appropriated for this fund. Congress, in its authorization, declared that "in utilizing the fund the President should give preference to projects or programs that will clearly contribute to promoting greater economic strength in the area as a whole or among a group or groups of countries of the area." To date, very little of this money has been expended although almost all of it has been earmarked for specific projects which may or may not develop. One particular project, the Orissa Iron Ore development in India, which would provide high grade ore for export to Japan, and which both countries are interested in developing with U.S. assistance from the AEDF, has not moved forward because of ICA attitudes. Japan and India, both of whom are prepared to invest in the project, are reluctant to plan for this project without agreement in principle from the U.S. that this project would be eligible for

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<sup>7</sup>For documentation concerning this office, see *Foreign Relations, 1952-1954*, vol. xiv, Part 2, pp. 1269 ff.

AEDF financing for part of its costs. ICA, principally Mr. Hollister, refuses to give such an indication, chiefly because of an anti-India bias. The Department, including the Secretary has repeatedly urged that ICA move on this project. Without some concrete indication of U.S. interest, the project cannot be moved off "dead center."

12. The United States has at appropriate opportunities endeavored to underscore the importance of regionalism to the development of the area. At the 1955 meeting of the Colombo Plan Consultative Committee, the U.S. suggested the establishment of an Asian Nuclear Research and Training Center under Colombo Plan auspices to which the U.S. would make a sizeable contribution.<sup>8</sup> During 1956 some basic surveys were undertaken of this proposal and a progress report made at the 1956 meeting.<sup>9</sup> Preparations are now under way to convene an international working group to consider specific steps to establish the Center. The initiative in this matter rests with the United States.

13. More recently (January, 1956) Mr. Stassen suggested the convening of a special meeting of the Colombo Plan Consultative Committee for purposes of developing increased economic relations between the free nations of the Far East and South Asia. This suggestion was not advanced further because the suggested timing of the meeting fell in the midst of Congressional consideration of the fiscal year 1957 Mutual Security program.

14. Among countries of the region, various suggestions have been advanced from time to time for regional cooperation. Japan, for instance, has suggested that some scheme be developed for utilizing GARIOA payments to the U.S. for development purposes in the area, particularly for mineral resources exploitation. ECARE studied the desirability of an Asian Payments Union but rejected it because the volume of intra-regional trade was relatively small.

15. The IBRD at one time also ventured a suggestion for a triangular trading arrangement involving the U.S., India, and Japan, the purpose of which would increase India's flow of raw material resources to Japan.

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<sup>8</sup>Documentation concerning the proposal for the training center is in Department of State, Central File 890.00, and *ibid.*, FE Files: Lot 58 D 209, Asian Nuclear Center 1956-7. The 1955 meeting of the Consultative Committee was held at Singapore, October 17-21. For text of the communiqué, see Department of State *Bulletin*, December 12, 1955, p. 994. For Hollister's statement of October 20 concerning use of the atom for social and economic progress, see *ibid.*, November 7, 1955, p. 747. Documentation concerning Colombo Plan matters is principally in Department of State, Central File 890.00.

<sup>9</sup>The 1956 meeting was held in Wellington, November 19-December 8. For text of Robertson's address, see Department of State *Bulletin*, December 19, 1956, p. 957.

16. All these various past proposals clearly indicate that considerable thought and sometimes effort has gone into coping with the problem Mr. Randall's proposals bring to the fore.

*Basis of Increased Japan-South and Southeast Asian Relations*

17. As indicated above, the basis for increased relations between Japan and other free countries of the area rests on the one hand on Japanese industrial potential and, on the other hand, on the natural resource potential of the other countries. Simply stated, the future of Japan's stability is predicated on the increased import of relatively low-priced raw materials for processing into higher-priced exports. Japan has the know-how to accomplish the latter task of adding value to inexpensive raw materials. The Japanese estimate, for instance, that to provide for a continued growth of the economy in the future (about 7-8 per cent per annum), steel ingot production must rise from 12,920,000 metric tons in 1957 to 17,040,000 million tons in 1960. Iron ore imports to meet this production must increase from 7,490,000 tons in 1957 to 10,750,000 tons in 1960. The increased production of steel is dependent on more than the availability of raw material resources. It is also dependent on market outlets. It is here that the production and resource availability aspect of the problem come together. If, for instance, Japan could get more raw material resources, such as iron ore, from South and Southeast Asia (India, Malaya, and the Philippines), these areas would then have additional means by which to procure more goods, including Japan's, for development purposes.

18. It must be emphasized, however, that the industrial raw materials, such as iron ore and coking coal, are not the principal items required. As indicated in the following table, principal Japanese imports are textile materials (principally cotton) and foodstuffs (principally rice and wheat).

	(\$1,000)
TOTAL IMPORTS .....	3,229,657
<i>Textile Materials</i> .....	798,444
(Raw Cotton 479,911)	
<i>Food and Beverages</i> .....	558,333
(Wheat 164,697)	
(Rice 109,392)	
(Sugar 127,217)	

<i>Metal Ores and Scraps</i> .....	456,617
(Iron Ore 146,586)	
(Scrap 183,892)	
<i>Mineral Fuels</i> .....	412,486
(Petroleum 312,789)	
(Coal 90,519)	
<i>Other Raw Materials</i> .....	359,695
(Lumber 81,075)	
<i>Chemicals</i> .....	163,281
<i>Machinery</i> .....	161,108
<i>Other</i> .....	223,961

19. About one half of Japan's total imports now come from the dollar area. (In prewar period (1935) a similar percentage prevailed.) Development of additional resources in South and Southeast Asia need not reduce this dependence. The situation now is one of *additional* resources rather than one of switching from one area to another. The development of such resources would also provide a sound basis for increasing the level of Japan's trade to the area. In 1955 South and Southeast Asia took 28 per cent of Japan's total exports (as compared to 32 per cent in 1954) and supplied 21 per cent of Japan's total imports (as compared with 19 per cent in 1954).

20. While the desired purpose is an increasing volume of trade flow rather than a diversion, the growth of regional cooperation may raise serious trade problems and policy issues. In a framework of intra-regional cooperation, uneconomic production may be stimulated or developed on the assumption that there will be guaranteed markets in the area. This may lead to the use of long-term marketing agreements or other devices such as preferential arrangements to assure markets for the new production. The result could be the growth of a discriminatory trading system which would be contrary to United States commercial policy principles and objectives. Thus, any specific regional development or trade proposal would have to be examined carefully on its merits, in the light of its probable effects on the United States and of U.S. policy objectives in the area.

21. By implication the Japanese often indicate that if free world sources of raw materials are not forthcoming, they may have to turn to Communist China and the Soviet Union. In 1955 Japanese trade with the Sino-Soviet bloc did increase, but did not total more than 3

per cent of the total trade of Japan. The bloc did provide some raw material, such as coal, salt, and rice, but its ability to increase export of these goods for Japan is dependent more on political rather than economic consideration. Nevertheless, Communist China will continue to be an attraction for Japan both as a source of raw materials and as a market for exports. Increased resource availability in South and Southeast Asia and better markets there would reduce this attraction.

22. Japan has concluded reparations agreements with the Philippines and Burma totalling more than the equivalent of \$1 billion. The Philippines, over a twenty-year period, will receive \$550 million of reparations in services and equipment and, in addition, \$250 million in long-term economic loans. The \$550 million of services and equipment will be made available at a rate of \$25 million a year for the first ten years, and at an average rate of \$30 million for the succeeding ten-year period. Burma's agreement is for a ten-year period, totalling \$200 million at a rate of \$20 million a year. In addition Japan will make available \$50 million for "economic cooperation" projects, chiefly in the form of joint ventures with the Burmese. Other reparations agreements are pending with Viet Nam and Indonesia. The Japanese hope that these agreements will assist the development of the area.

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**152. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>**

*Washington, April 2, 1957—7:28 p.m.*

3337. SEATO. Embassy will recall that as evidence of its strong and continuing interest in SEATO, Government of Republic of Vietnam sent representative to Canberra during recent Council meeting.

While generally recognized that Republic of Vietnam is prevented by Geneva Agreements from joining SEATO as full member at present time, it would be useful encourage Vietnamese participation in non-military SEATO activities.

As any participation by Vietnam in SEATO work would require assent of other members, Embassy is requested discuss matter informally on individual basis with other Council Representatives. In particular, comment would be appreciated on degree of participation members would consider desirable and practical—whether observer

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<sup>1</sup>Source: Department of State, Central Files, 790.5/4-257. Secret. Repeated to Saigon, Singapore, Canberra, Karachi, London, Manila, Paris, Wellington, and Ottawa.

status, full membership in civil committees, or some other basis. As there reason believe Australia especially would support Vietnamese non-military participation in organization, it is suggested informal consultation begin with Council Representative for Australia.<sup>2</sup> Department will wish consider results these conversations before any discussions held with Vietnamese and before any formal action taken by SEATO. Department will also wish keep Canadian Embassy informed because of Canadian ICC role.<sup>3</sup>

Dulles

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<sup>2</sup>In telegram 2999 from Bangkok, dated April 4, Chargé George F. Wilson reported a conversation with Australian Ambassador Hay, who also served as SEATO Council Representative. Wilson summarized the talk as follows: "While conversation unofficial obvious Australia interested in RVN participation SEATO to as great extent as possible under present circumstances." (*Ibid.*, 790.5/4-457)

<sup>3</sup>Several telegrams from Bangkok for April 1957, *ibid.*, Central File 790.5, indicate that in general the responses of the Council Representatives to informal discussions with U.S. representatives in Bangkok concerning the participation of the Republic of Vietnam in certain SEATO activities were extremely tentative. In telegram 3567 to Bangkok, dated April 23, repeated to the other SEATO capitals, Ottawa, and CINC-PAC (Honolulu), the Department observed in part: "Since reported reaction other Council Representatives represented purely personal views Department believes next step is await government reactions evoked by your Bangkok consultations rather than formal PWG study at this stage." (*Ibid.*, 790.5/4-1957)

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**153. Memorandum From the Deputy Director of the Office of Southwest Pacific Affairs (Mein) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, April 23, 1957.*

**SUBJECT**

Sir Percy Spender's 4:15 p.m., April 24th Call on You

We understand that Sir Percy intends to discuss in general terms Australia's proposed defense mission to Washington. On April 4 Prime Minister Menzies announced a revision of Australia's defense program which will include a closer tie-up with U.S. equipment. The three-year program includes provision for re-equipping the RAAF with 33 fighter aircraft equivalent to the Lockheed F 104 and 12 transport aircraft of the C 130 type. They have in mind in connection with this proposed purchase some sort of production tie-up with us that would utilize their aircraft industry in production or assembly of

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<sup>1</sup>Source: Department of State, FE/SPA Files: Lot 65 D 141, Australian-U.S. Defense Relations, Feb.-June 1957. Secret.



fighter aircraft as well as perhaps standardized production of other defense items some of which might be for offshore procurement by our Defense Department.

In line with the statement agreed with Menzies in March 1955<sup>2</sup> wherein we told the Australians we would be happy to consider ways and means of improving their equipment and supply position on the basis of an accurate assessment of their deficiencies, we instructed Embassy Canberra on April 5 to agree to the Australian suggestion of an exchange of a small technical mission to explore pertinent aspects of the foregoing. Subsequently, however, the Embassy informed us that the Australians planned to send almost immediately (in May) a negotiating mission headed by Defense Minister McBride to conduct discussions on these defense matters. After discussions in State and Defense, we instructed Embassy Canberra (Tab A)<sup>3</sup> to tell the Australians that we believed any high-level visits at this stage would be premature, possibly giving rise to false hopes, excessive publicity and frustration and such a high-level visit was not in accord with our agreement to the exchange of a small technical mission. We also told the Embassy that we considered Australia's decision to purchase U.S. military equipment was not necessarily based on any quid pro quo re tie-up with their production facilities and that normal channels appeared adequate for discussion of payment methods. We added that this did not mean, however, that we were unwilling to explore thoroughly through the exchange of a small working level technical mission what might be feasible re standardization and some sort of limited production tie-up relevant to Australia's re-equipment plans. We told the Embassy that any limited steps we may be able to take could not be achieved at the pressurized pace implied in their messages because of other commitments, domestic considerations, limited appropriations, interagency negotiations, technical problems and other factors. We also told the Embassy *for its information only* of the special interagency group now studying the long-range pros and cons of developing Australia's defense production base, adding that regardless of the outcome of this study we welcomed Australia's apparent decision to purchase for its own use limited amounts of U.S. equipment.

Despite our instructions, however, the Embassy was apparently unable to move the Australians in their desire to have Defense Minister McBride come to the U.S. The Australians want him to discuss and examine all of Australia's defense deficiencies in line with the agreed Menzies statement of March 1955 and have furnished our

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<sup>2</sup>See the enclosure to Document 37.

<sup>3</sup>Telegram 424 to Canberra, dated April 11, not printed. (Department of State, Central Files, 743.5/4-1057)

Embassy with an aide-mémoire (Tab B)<sup>4</sup> outlining the purposes of McBride's proposed mission. In general the aide-mémoire sets forth the Australian view that past consultations with our Defense Department and activity in SEATO and ANZUS have now placed them in a position to discuss with us their equipment problems on the basis of a realistic assessment of their requirements. In addition to Defense Minister McBride, the mission would include several senior officials and Service Officers familiar with procurement, supply, and production problems who would be prepared to stay on as long as necessary after McBride had set the stage. The terms of reference would be broadly as follows:

"(A) To outline to the U.S. authorities in further detail the revised basis of Australian defence policy, and of the consequences of the 3 year defence programme;

(B) To discuss the general question of coordination between Australian and U.S. forces in equipment policy in the SEATO area. In particular, to seek U.S. views on the type of fighter aircraft which should be produced in Australia from this point of view;

(C) To provide an assessment of Australia's estimated deficiencies in equipment and to ascertain whether and in what way Australia could be assisted by the U.S. in meeting them."

They also wish to "explore the financial conditions governing supply or other assistance by the U.S., having in mind the possibility of making arrangements whereby U.S. supplies which cannot be financed from Australian resources might be made available under procedures similar to those applicable to other allies of the U.S. This would include the possibility of the Australian defence industries being assisted by off-shore purchases by the U.S. with the object of developing Australia as a support area in SEATO for U.S. type equipment."

The aide-mémoire makes it clear (as previous messages didn't) that the Australians appreciate these matters will require detailed study and discussions at the working level and that no immediate agreement can be expected. In telegraphing us this aide-mémoire, Embassy Canberra said they were told that Sir Percy was not authorized to enter into substantive negotiations in this matter since it was to be handled between External Affairs and our Embassy. We assume therefore that Sir Percy intends merely to acquaint you with the Australian thinking on the timing of the mission and its purpose.

*Recommendation:*

It seems the Australians have carried the matter so far and so fast there is no commendable alternative to receiving the high-level

<sup>4</sup>Telegram 553 from Canberra, dated April 19, attached to the source text but not printed, contains the text of this aide-mémoire, dated April 18. (*Ibid.*, 743.5/4-1957)

mission in the near future although we and Defense believed a more studied pace involving at first the exchange of small technical missions was preferable.

We recommend 1) that you tell Sir Percy we would prefer the mission to arrive as late as is possible within the period available to Defense Minister McBride (May 10-June 10);

2) that Sir Percy be told that while we welcome the opportunity to hear their assessments of their defense and equipment problems we shall during the course of the mission be able to give only the most preliminary reactions;

3) that we would hope in due course to evolve mutually satisfactory defense arrangements.

(A telegram to Canberra along the foregoing lines is in process of clearance.)

Mr. Kavanaugh and/or I will be on hand and suggest you may wish to ask Ambassador Sebald to sit in.<sup>5</sup>

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<sup>5</sup>According to Mein's memorandum of the conversation held with Sir Percy on April 24, Robertson set forth the U.S. position along the lines recommended in this memorandum and Sir Percy agreed to communicate it to his government. (*Ibid.*, 743.5811/4-2457)

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#### 154. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

*Washington, May 7, 1957—7:35 p.m.*

3683. SEATO. British Embassy representative furnished preliminary Foreign Office comments on proposals for limited Vietnam participation SEATO.<sup>2</sup> British do not favor PWG study of question. While favoring in principle closer association Vietnam in SEATO British see certain problems which counterbalance advantages. Feel real interest Vietnam is in military activities particularly military planning invitation join in "innocuous" civil activities would not satisfy them and would be followed by pressure expand participation into military field. Also worried over reaction in Cambodia, India and other "non-committed" countries, with which Vietnam has recently

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<sup>1</sup>Source: Department of State, Central Files, 790.5/5-757. Secret. Also sent to Ottawa, London, and Saigon and repeated to Paris, Karachi, Manila, Wellington, Canberra, and CINCPAC in Honolulu.

<sup>2</sup>Abbott's memorandum of his conversation held May 2 with A.J. de la Mare, Counselor of the British Embassy, is not printed. (*Ibid.*, 790.5/5-257)

improved relations. Important factor would be attitude of Canadians in ICC and consequently British feel proposed consultation with Canadians should not be delayed. In conclusion British representative expressed opinion his Government would go along with steps we are proposing as first stage namely invitation to Vietnamese to participate in cultural roundtable and countersubversion seminar and send observers next meeting Economic and Information Committees (CEE and ICEL). He anticipates further instructions shortly. French Embassy has not yet received reply to its request to Paris for instructions but says their Embassy Saigon has reported conversation with high official Vietnam Foreign Office indicating latter aware conflicting opinions among SEATO members over extent Vietnam participation. Vietnam would not agree to limited participation and would prefer wait for full membership in meantime contenting themselves with observer status. *Comment:* This confusing report will presumably be clarified by talks with Ngo Dinh Diem later this week.<sup>3</sup>

Subsequent to conversation with British, Canadian representative briefed on developments.<sup>4</sup> He indicated his Government already aware Bangkok discussions. Canada anticipates charges in ICC of violation Geneva Agreement following even "innocuous" first steps proposed by US. Canada's ability defend Vietnam against these charges would depend largely on method implementation and amount and type publicity originating with SEATO and/or Vietnam. Also worried over repercussions in "uncommitted" Asian countries. To sum up Canada would regret any steps which might upset what they regard as favorable trend in Vietnam relations with ICC and neighboring neutrals.

Dulles

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<sup>3</sup>In telegram 3774 to Bangkok, dated May 17, sent also to Ottawa and Paris and repeated to Saigon, London, Karachi, Canberra, Wellington, and Manila, the Department stated in part that the question of Vietnamese participation in certain SEATO civilian activities had not been raised either by Diem or by U.S. officials during the former's stay in Washington (May 8-12). (*Ibid.*, 790.5/5-1757) In telegram 3504 from Saigon, dated May 23, Ambassador Elbridge Durbrow, who had accompanied Diem on the return trip to Vietnam, stated that he had indirectly tried to raise the subject with Diem several times during the flight. "In view his silence this matter during entire US trip and his failure pick up leads during return flight, I question whether at this time it would be advisable press other SEATO members agree GVN observers attend committee meetings." (*Ibid.*, 790.5/5-2357)

For documentation on Diem's visit to the United States, see vol. 1, pp. 762 ff.

<sup>4</sup>The memorandum of Abbott's conversation held May 3 with J.R. Maybee, First Secretary of the Canadian Embassy, is not printed. (Department of State, Central Files, 790.5/5-357)

**155. National Security Council Report<sup>1</sup>**

NSC 5713

*Washington, May 14, 1957.*

**NOTE BY THE EXECUTIVE SECRETARY TO THE NATIONAL SECURITY COUNCIL ON DEVELOPMENT OF A DEFENSE PRODUCTION BASE IN AUSTRALIA AND NEW ZEALAND**

The enclosed draft recommendations on the subject, prepared by the NSC Planning Board at the direction of the President on the suggestion of the Secretary of State, are transmitted herewith for consideration by the National Security Council at its meeting on Thursday, May 23, 1957.

A Staff Study on the subject will be circulated at a later date as an Annex to NSC 5713.<sup>2</sup>

It is recommended that, if the Council adopts the enclosed recommendations, they be submitted to the President with the recommendation that he approve them, direct their implementation by all appropriate Executive departments and agencies of the U.S. Government, and designate the Operations Coordinating Board as the coordinating agency.

**James S. Lay, Jr.<sup>3</sup>**

**[Enclosure]**

**DRAFT RECOMMENDATIONS ON DEVELOPMENT OF A DEFENSE PRODUCTION BASE IN AUSTRALIA AND NEW ZEALAND**

1. *Post-War Rehabilitation Base.* The United States should not provide assistance to any foreign country (including Australia and New Zealand) for the purpose of developing a base for rehabilitation of the Free World after massive nuclear destruction of the United States.<sup>4</sup>

2. *Logistic and Production Base.* The United States should not at this time extend to Australia or New Zealand, to create in those countries a logistic or limited defense production base for U.S. or free Asian needs.

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<sup>1</sup>Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5713 Series. Secret.

<sup>2</sup>Not printed. (*Ibid.*)

<sup>3</sup>Printed from a copy that bears this typed signature.

<sup>4</sup>ODM suggests that the reason for this policy is that the United States has more pressing interests and priorities. [Footnote in the source text.]

*Majority Proposal*

mutual security assistance,  
because:

a. Economically, Australia and New Zealand have limited manpower; have shortages of developed raw material resources and of power; are dependent on imports for capital goods; and have generally high costs.

b. Militarily, Australia and New Zealand are farther from most of the likely theatres of limited conflict in the Far East than is Japan and therefore are of less value as a logistic and production base for such conflict. In the event of general nuclear war, neither Japan nor the Australian-New Zealand area is likely to be of great value as a logistic and production base.

c. Politically, establishment of a logistic and limited production base in Australia and New Zealand might create the impression that we are abandoning our present forward-base concept, thus weakening the security and resolve of friendly nations on the periphery of the Communist bloc. The repercussions of such an impression might be especially unfortunate in Japan.

Nevertheless, Australia has many basic raw materials, especially coal and iron, which, if properly exploited, could contribute to the development of Japan and other free Asian countries.

3. *Offshore Procurement**Majority Proposal*

The United States should not initiate in Australia or New Zealand an offshore procurement program (OSP)

*State Proposal*

The United States should carefully consider arrangements and principles which Australia or New Zealand may advance (especially if either is prepared to underwrite some of the cost)

for maintenance and resupply of current or older model U.S.-type equipment for non-U.S. forces in the Pacific,

particularly in view of

but should take fully into account

the high cost structure of Australia and New Zealand and the cut-backs which have taken place in some U.S. military production and in world-wide OSP programs.

4. *Purchase, Production and Maintenance of U.S. Military Equipment.*

Nonetheless, the security and cooperation of Australia and New Zealand are in the U.S. interest, and sympathetic consideration should be given to any proposals by those countries for purchasing U.S. mili-

tary equipment in the United States, and, subject to the considerations in paragraph 3 above, for producing and maintaining U.S.-type military equipment for their own forces.

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**156. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State<sup>1</sup>**

*Washington, May 20, 1957.*

**SUBJECT**

Briefing for May 23 NSC Meeting on Development of a Defense Production Base in Australia and New Zealand (NSC 5713, May 14, 1957<sup>2</sup>)

*Discussion:*

The attached draft NSC Planning Board recommendations on Development of a Defense Production Base in Australia and New Zealand reflect the Department's disagreement with the majority proposals in paragraphs two and three.

Our representatives at the Planning Board felt that this study, initiated at your suggestion, should not have the result of firmly closing the door on the possibility of extending some sort of assistance to Australia for the establishment of a logistic or limited defence production base for U.S. or free Asian needs. (Paragraph 2.) We felt the same about offshore procurement possibilities. (Paragraph 3.) Although we are prepared to recognize that it may not be feasible to do anything at this time, we believed that your objectives in initiating this study would not be compatible with the majority proposals that seek to close out entirely any possibility of mutual security assistance for Australia (or New Zealand).

*Recommendation:*

We recommend that you continue support of the State proposals in paragraphs 2 and 3 of the attached paper.

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<sup>1</sup>Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5713 Series. Secret.

<sup>2</sup>*Supra.*

157. **Memorandum of Discussion at the 324th Meeting of the National Security Council, Washington, May 23, 1957<sup>1</sup>**

[Here follow a paragraph listing the participants at the meeting and agenda items 1-3.]

4. *Development of a Defense Production Base in Australia and New Zealand* (NSC 5713;<sup>2</sup> Annex to NSC 5713)

Mr. Cutler briefed the Council on the highlights of the policy recommendations in NSC 5713, and explained the split in view in paragraph 2, reading as follows:

[Here follows paragraph 2 of NSC 5713 as read by Cutler.]

After explaining that the majority proposal was designed clearly to prevent any grant assistance to Australia and New Zealand for the development of a logistic and production base, Mr. Cutler indicated the State proposal was somewhat less stringent and designed to be more pleasing to the Australians. Thereafter, he called on Secretary Dulles to comment on the Planning Board recommendations.

Secretary Dulles stated that he had two or three observations to make with respect to NSC 5713. The first one concerned the matter of timing. The Australian Mission was going to reach Washington on Monday.<sup>3</sup> The plain desire of the Australians for more intimate association with the United States in the future represented a major political decision on the part of Australia. Accordingly, it seemed very unfortunate to slam the door in the face of the Australians at this point.

Secondly, and in the political realm, Secretary Dulles said he could not agree with all the reasoning in paragraph 2 on which was based the recommendation that we should not assist Australia or New Zealand at this time to create a logistic or limited defense production base. In particular, the reasoning in subparagraph 2-b seemed to Secretary Dulles to be faulty. The fact that Australia and New Zealand were further away from likely theatres of conflict in the Far East than Japan, was not a valid argument. Indeed, if Japan were knocked out in a war, a defense production base in Australia might be extremely valuable to the United States.

Mr. Cutler pointed out that if Japan were attacked, there would be no question of a limited war, and subparagraph 2-b was concerned with theatres of limited conflict.

<sup>1</sup>Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on May 24.

<sup>2</sup>Document 155.

<sup>3</sup>May 27.



Secretary Dulles did not reply to Mr. Cutler's point, but went on to state that he likewise disagreed with the reasoning in subparagraph 2-c. On the contrary, it might be very helpful for us with respect to Japan if the Japanese were made to realize that we had an alternative base in Australia. Furthermore, Secretary Dulles did not believe that the establishment of a base in Australia and New Zealand would create the impression that we were abandoning our present forward-base concept. Over and above these criticisms, Secretary Dulles stated that he did not, of course, advocate any "crash" program to build up a base in Australia. Instead, he was thinking of it as a 20- to 25-year development. He believed that it would be of immense help to the United States if a production base could be developed in Australia over this longer period. Our policy should favor such a development as this, and should not concern itself with any crash program, to which NSC 5713 directed itself.

Mr. Cutler undertook to explain the views of the Planning Board as to the danger of possible large expenditures of U.S. funds to assist in the development of a production base in Australia at the very moment when the demands of the several North African countries for U.S. assistance were very heavy indeed.

Secretary Humphrey turned to Secretary Dulles and pointed out that we have normal and growing trade relations with Australia. There were times when it would be useful to have offshore purchases by the United States in Australia. But any program for building a production base in Australia which covered a long period of time, would be bound to have adverse economic repercussions in the United States. It was for this reason that we are curtailing our offshore procurement programs throughout the world. Accordingly, Secretary Humphrey said that he would hesitate to start building up any long-range offshore procurement programs in Australia or anywhere else.

In response to Secretary Humphrey, Mr. Cutler invited the Council's attention to paragraph 3 of NSC 5713, dealing with the subject of offshore procurement and reading as follows:

[Here follows paragraph 3 of NSC 5713 as read by Cutler.]

Secretary Dulles stated with warmth that he was not advocating any kind of offshore procurement program in Australia, or any other specific program. He was merely insisting that Australia represented a very good anchor to windward in the part of the world in which it was situated. Mr. Cutler replied that the Planning Board had not been unmindful of this point, as was indicated by paragraph 4 of NSC 5713, which read as follows:

[Here follows paragraph 4 of NSC 5713 as read by Cutler.]

The President then stated that it seemed to him that this entire study in NSC 5713 had gone off the rails. He said he thought that

the initial question to be studied in this report was whether or not it was in the long-run interest of the United States to get Australia and New Zealand built up industrially. Secretary Dulles said that this was precisely his view of the original purpose of this report; and he added that he did not wish to discuss military programs or offshore procurement programs or anything of that sort. Furthermore, he had never entertained the faintest idea of using mutual security funds in assistance to Australia.

In reply, Mr. Cutler warned Secretary Dulles that these very questions were likely specifically to be brought up by the Australian Mission, according to the terms of the Australian Aide-Mémoire,<sup>4</sup> of which Mr. Cutler read the relevant portions to prove his point.

Secretary Dulles stated, in response, that it was not appropriate to have detailed NSC papers written on subjects that our friends come over here to negotiate with us. What he had hoped for from NSC 5713 was a study of the broad situation of Australia in the defense picture of the United States, in order to help us to decide whether to put all our eggs in the Japanese basket or whether, instead, to build up Australia as second string to our bow in the Far Eastern area. Certainly all these details, such as an offshore procurement program, had never entered his mind.

Mr. Cutler reminded the Council that if we did not have very clear guidance on such matters prior to the arrival of the Australian Mission, we would be very likely to end up being committed to provide financial assistance for which no money is available.

Secretary Quarles<sup>5</sup> pointed out that the Defense Department had already had some discussion with the Australians, and that certain elements in their proposed program were of great interest to us. For example, they were proposing to standardize on U.S. aviation equipment, and what worried them in this connection was the matter of foreign exchange. The Australians, said Secretary Quarles, were not seeking grant aid from the United States, and we should certainly be clear in our minds that we are not entering upon a give-away program in our negotiations with the Australians. Moreover, we should be equally clear that we are not intending to provide a large program of offshore procurement for Australia.

Secretary Humphrey observed that the whole matter boiled down to what the United States can afford to do and where we want to do it. All these approaches, whether they are nice or otherwise, ultimately lead to demands for money and veer away from the ordinary channels of international trade. If Secretary Dulles thought that U.S. public funds should be used in Australia, that was OK with

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<sup>4</sup>Dated April 18; see Document 153.

<sup>5</sup>Donald A. Quarles, Deputy Secretary of Defense.

Secretary Humphrey. But the expenditure there must be compensated for by reductions elsewhere.

With reference to the comments on zinc and wool with reference to Australia, the President pointed out that the morning papers contained strong indications of the desire of many of our people to maintain very high tariff barriers on imports of zinc into the United States. How can you possibly maintain such high tariffs, he asked Secretary Humphrey, and then talk about ordinary channels of international trade? Secretary Humphrey replied that the question that the President must settle was whether he wanted our zinc to come from Australia or whether he wanted to assure some production of zinc in the United States. The same reasoning applied to oil and to many other commodities. If we wished these commodities to be produced in the United States, some degree of tariff protection would be necessary.

The President clarified his meaning by stating that if we believe that we ought to find some way of working out with the Australians the development we sought there over a period of years, he thought that a very good idea; but we certainly could not achieve our objective by depending wholly on normal trade to do the job. Secretary Humphrey was unconvinced, and said that we have already achieved part of our objective by normal trading methods, so the question really boiled down to how much further we wanted to go to assist Australia with grants, loans, or offshore procurement.

Secretary Dulles warmly reiterated his earlier statement that he had no idea that the present NSC paper would be concerned with any specific programs at all. Mr. Cutler indicated that he would withdraw NSC 5713 and write in its place a long-run policy paper on the subject. He felt, however, that he must add that in this paper the Planning Board had had its first chance to write in a warning against the expenditure of public money before the negotiations with a foreign power actually commenced. He felt that this was a desirable course of action.

The President appeared to sympathize with the views of Secretary Dulles that the paper on Australia should be much more general in character than NSC 5713, although he had no objection to NSC papers which dealt with specific assistance programs.

*The National Security Council.*<sup>6</sup>

a. Noted and discussed the draft statement of policy on the subject contained in NSC 5713, submitted by the NSC Planning Board

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<sup>6</sup>Paragraphs a and b that follow constitute NSC Action No. 1725. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

in advance of the forthcoming negotiations with the Australian Mission in the light of the views of the Joint Chiefs of Staff as presented at the meeting.

b. Referred NSC 5713 to the NSC Planning Board to prepare recommendations on long-range policy as to U.S. security relations with Australia and New Zealand.

[Here follow the remaining agenda items.]

S. Everett Gleason

**158. Memorandum of a Conversation, Department of State,  
Washington, June 7, 1957<sup>1</sup>**

**SUBJECT**

Call of the Australian Minister of Defense

**PARTICIPANTS**

Sir Philip McBride, Australian Minister of Defense  
 Sir Roland Wilson, Australian Secretary of Treasury  
 Sir Percy Spender, Australian Ambassador to U.S.  
 Mr. M.R. Booker, Counselor, Australian Embassy  
 The Acting Secretary, Mr. Christian A. Herter  
 Mr. Mein, [Deputy] Director, Office of Southwest Pacific Affairs  
 Captain Lemuel M. Stevens, U.S. Department of Defense

Minister McBride called to bid the Acting Secretary farewell.<sup>2</sup> The Minister stated that he and his group were very pleased with the reception they had received and tremendously impressed with what they had seen. The Minister stated that in two meetings at the Pentagon he and his group had had an opportunity to outline the Australian Defense Program and to point out the deficiencies which cannot be met by the Australian Government alone.<sup>3</sup> He stated that

<sup>1</sup>Source: Department of State, Central Files, 611.43/6-757. Confidential. Drafted by Mein.

<sup>2</sup>In a previous conversation with Hoover, May 27, McBride expressed the desire of the Australian Government to supply military equipment to the SEATO area to bring down unit costs and help Australia finance the reequipment of its forces. (Memorandum of conversation by Mein; *ibid.*, 611.43/5-2757)

<sup>3</sup>Information regarding the first of these meetings has not been found in Department of State files.

At the second meeting, held with a Department of Defense delegation headed by Deputy Secretary Quarles, June 6, McBride suggested that the United States provide Australia with "U.S.-type" military equipment to help Australia over the period in which its own production lines were being established. McBride also proposed storage in Australia of reserve supplies of U.S.-type equipment (to be usable by Australia under certain circumstances), arrangements for the reciprocal exchange of goods and

*Continued*

the question is one primarily of cost and Australia's inability to meet the dollar expenditures, and that from the Australian Government's viewpoint the problem becomes a common one in view of the role Australia must play in the part of the world. The Minister stated also that he had suggested several possible courses of action for consideration by the United States Government. He found considerable good will on the part of U.S. officials and although many difficulties are apparent he is convinced that the suggestions he has made will be given thorough consideration and that ways and means will be found if at all possible to meet these difficulties.

The Minister stated that he agreed with Mr. Quarles' comment that an important step has been made in establishing personal relationships between the Services of the two countries and that it is important that the channel be kept open. The Minister was very pleased that the Defense Department has agreed to sending a technical mission to Australia to make further study of Australia's production capacities.<sup>4</sup>

Sir Percy stated that as a result of the discussions with the Mission it appeared that the U.S. authorities 1) thought the new policy adopted by the Australian Government to be a wise one, 2) agreed that the major hurdle to meeting the deficiencies is the shortage of foreign exchange on the part of the Australian Government, and 3) they were rather surprised at the production capabilities of Australia which appear to be greater than they had estimated. He too expressed his appreciation for the way the Mission had been received.

The Acting Secretary thanked the Minister for his courtesy in calling before leaving and expressed his satisfaction with the way the talks had gone.

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services, the use of Australia for certain base facilities, and the visit to Australia of a U.S. technical mission. The U.S. side accepted the proposals for study while stressing the problems which might arise with the Congress with respect to loans of equipment and offshore procurement. (Minutes dated June 20 of Australian Mission meeting held June 6, prepared in the Department of Defense; *ibid.*, FE/SPA Files: Lot 65 D 141, Australian-U.S. Defense Relations)

<sup>4</sup>A memorandum to the Service secretaries and certain other Department of Defense officials, August 16, by Mansfield D. Sprague, Assistant Secretary of Defense for International Security Affairs, enclosed terms of reference for this mission. Any negotiations with the Australian Government were specifically excluded. The mission was to ascertain Australian requirements for the support of the Australian role in ANZUS and SEATO, examine possible U.S.-Australian equipment coordination in the SEATO area (particularly with respect to fighter aircraft), assess Australia's estimated deficiencies in military equipment, estimate the country's capacity to manufacture U.S.-type military equipment, survey Australian research and development activities, and analyze the feasibility of a policy of standardization of equipment. (*Ibid.*, Central Files, 743.5/8-1657) The technical mission spent most of October in Australia. A brief description of its activities is contained in despatch 186 from Canberra, November 12, not printed. (*Ibid.*, 743.5-MSP/11-1257)

### 159. Circular Telegram From the Department of State to Certain Diplomatic Missions<sup>1</sup>

*Washington, June 14, 1957—3:52 p.m.*

974. FYI. At suggestion of Clarence Randall, Chairman of Council on Foreign Economic Policy, interdepartmental working group organized and meeting to examine and make recommendations on problems of Asian regional economic development and cooperation. Geographic area committee covers Afghanistan to Japan including Australia and New Zealand. Committee members are State, Treasury, Commerce, Agriculture and ICA with an additional member (Kenneth Young) serving as Chairman and reporting to Mr. Randall.

In its third meeting on June 6 Committee agreed on following functions:

1. To examine and evaluate previous experience and recommendations.
2. To consider following general categories of questions:
  - a. Would economic development and cooperation in Asia be improved and facilitated by multilateral treatment?
  - b. To what extent will Asian governments and private groups increasingly recognize the value of and participate in regional or inter-Asian economic development and cooperation?
  - c. Would expanded Asian regional economic development and cooperation advance U.S. interests and policy objectives?
  - d. What existing or additional forms of regional association, public and private, would be desirable to encourage in order to promote accelerated economic development and cooperation in Asia?
3. To formulate criteria and determinations of regional suitability and comparative advantage in various economic fields.
4. To consider the manner in which concepts of competitive free enterprise might be fostered and participation by private capital maximized.
5. To make findings and recommendations on:
  - a. Items suitable for regional economic development and cooperation in Asia.
  - b. Ways and means for expanding regional economic development and cooperation in Asia.

<sup>1</sup>Source: Department of State, Central Files, 100.4-FEP/6-1457. Confidential. Sent to Bangkok, Canberra, Djakarta, Hong Kong, Manila, Phnom Penh, Rangoon, Saigon, Seoul, Singapore, Taipei, Tokyo, Vientiane, Wellington, Colombo, New Delhi, Kabul, Karachi, and Kuala Lumpur. Drafted and approved by Kenneth Young, and cleared with the members of the committee and appropriate geographic offices of the Department.

c. Adequacy of U.S. policies, organization and operations for handling regional economic development and cooperation in Asia.

6. To consider feasibility of holding conference of U.S. officials regarding Asian regional economic development and cooperation.

7. To submit interim report to Chairman of the CFEP.

Department would appreciate any comments, specific recommendations or suggestions from the field that might facilitate Committee's work. Committee has before it field replies (submitted in response Department's Circular 764, March 18)<sup>2</sup> to Randall report and subsequent communications but wishes point out Randall instruction undertake this study with fresh approach and without being restricted by previous recommendations in Randall report or any others. Committee hopes to have interim report or draft report by mid-July. Request Embassies discuss with Country Teams.<sup>3</sup>

Organization and work of Committee is not to be discussed at this stage with foreign personnel. End FYI.

Dulles

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<sup>2</sup>Not printed. (*Ibid.*, 890.00/3-1857) The replies are in the same file.

<sup>3</sup>Replies to circular telegram 974 are *ibid.*, 890.00.

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## 160. Editorial Note

During a conversation held in Wellington on June 19, Major General C.E. Weir, Chief of the General Staff, New Zealand Army, informed Colonel J.V. Lantermann, U.S. Army Attaché in New Zealand, that "he was thinking in terms of purchasing American equipment for the New Zealand Army and of eventually reorganizing his division along the 'pentomic' lines recently adopted by the United States Army." (Memorandum of conversation by Lantermann, enclosure to despatch 592 from Wellington, June 19; Department of State, Central Files, 744.5/6-1957)

In telegram 215 from Wellington, December 31, the Embassy transmitted a preliminary general assessment of the foreign and defense policies of the new Labor Government which had taken office December 12. A portion follows:

"With respect late government's declaration of intent to US that they intended reorient NZ army equipment and concepts to make them 'compatible' with US General Weir said he thought it unlikely Labor Government would make any material change for Australia

moving in that direction and it was basic NZ policy to keep in step with Australia. He did not however think pro-US orientation would now extend to navy or air and in case of the army it might be slowed down under Labor Government." (*Ibid.*, 790.5/12-3157)

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161. **Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>**

*Washington, June 20, 1957—11:13 a.m.*

4050. SEATO. View Diem's apparent lack of interest (Saigon's 3504<sup>2</sup> repeated addressees by pouch), serious Canadian fears, strong French reluctance and British reservations we do not intend pursue at this time matter of regular Vietnamese participation in non-military aspects SEATO.

Strongly favor however invitation Vietnamese participate January SEATO cultural round table. In addition wish consider inviting Vietnam send participants countersubversion seminar Baguio after plans firmed up.

We of course prepared re-examine matter regular non-military participation if and when any factors listed paragraph one altered.

**Dulles**

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<sup>1</sup>Source: Department of State, Central Files, 790.5/5-2357. Secret. Drafted by Zimmermann and approved by Abbott. Repeated to the other SEATO capitals, Saigon, and Ottawa.

<sup>2</sup>See footnote 3, Document 154.



**162. Memorandum From the Japanese Government to the United States Government<sup>1</sup>**

*Washington, June 20, 1957.*

**ASIAN ECONOMIC DEVELOPMENT FUND AND THE UNITED STATES ECONOMIC DEVELOPMENT ASSISTANCE**

1. The newly proposed United States Development Fund<sup>2</sup> contemplates package financing to the development banks of the recipient countries as an exceptional measure, but as a basic rule, it still seems to find it necessary that the United States will undertake bilateral negotiations directly with the recipient country on each project before approving financing. If the Fund is administered based on this broad principle:

(1) Seeing that the ICA will be responsible for each decision to finance, it will of necessity have to undertake adequate investigation in each instance and to place various conditions on the financing, and cannot be indifferent to the actual execution of the economic development project carried out by means of such financing.

(2) It will therefore become difficult to attain one of the main objectives of the newly proposed United States Development Fund; that is, the simplification and increased efficiency of the assistance administration both in the States and in the field.

(3) Although, in making decisions for each loan, emphasis seems to be placed on its long-range economic effect and its contribution to the improvement of the international political situation rather than on its normal profitability. The more strictly such policy is adhered to, the more will the judgment of the United States, instead of the judgment of the recipient country; be the deciding factor, with the result that friction between the thinking of the United States and the recipient country cannot be avoided.

2. In order to solve the problems mentioned above, and to administer the United States Economic Development Fund in the most effective manner, it is suggested that the United States, concurrently with the usual bilateral formula of negotiating with the recipient country, adopt a formula as is outlined below:

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<sup>1</sup>Source: Department of State, Central Files, 890.00/6-2057. Confidential. In a covering memorandum, dated June 20, MacArthur stated this paper was handed to him on June 20 by Koh Chiba, Director of the American Affairs Bureau in the Japanese Foreign Office, immediately following the economic talk among Dulles, Prime Minister Nobusuke Kishi, and other officials of the two countries. (Memorandum of conversation by Clifford C. Matlock, Officer in Charge of Economic Affairs in the Office of Northeast Asian Affairs; *ibid.*, Conference Files: Lot 62 D 181, CF 889B)

Kishi was in Washington June 19-22. For documentation concerning his visit, see volume xxiii.

<sup>2</sup>For documentation on the Development Loan Fund, see vol. ix, pp. 329 ff.

(1) An overall revolving Fund for the Asian countries should be established with certain portion of the main global fund which is in itself revolving, the Asian countries should be actively encouraged to cooperate in its operation, and the other free nations of the world should be invited to contribute to the Fund. Based on the above basic propositions, as given in greater detail in Attachment 1,<sup>3</sup> such an Asian Economic Development Fund should confine itself to giving financial facilities to (a) public works which would not pay at usual interest rates, and (b) development and productive enterprises which are still in their initial stage, and which have not yet reached the stage where they can be put on a commercial paying basis; both of which categories would fall somewhere between those enterprises which are already on a commercial basis and therefore can be financed by existing international financing institutions and private banks, on the one hand, and welfare and social works on the other which by their nature have to be carried out on an entirely non-profitable basis.

Certain Asian countries have in the past assumed a critical attitude towards the establishment of a regional organization, owing to various conflicting interests among them. It is considered, however, that this difficulty can be solved by taking special care in the composition and administration of the proposed Fund.

(2) The idea of re-discount institution for long- and medium-term export credit bills, presented in further detail in Attachment 2,<sup>4</sup> is also based on the same trend of thought. At present there do not exist re-discount facilities for five to ten year bills such as existed in London before the war and therefore long and medium-term deferred payments exports of capital goods tend to be priced far above the amount represented by the interest for the period. This tendency becomes more marked as the period lengthens. The establishment of such financial institution which will specialize in re-discounting deferred payments export credit bills for exports to Asia would help improve the above situation and facilitate the import of capital goods by the Asian countries.

(3) The above suggestions are made to accommodate the most pressing need in the Asian countries for long-term economic development. However, when economic development is pushed ahead rapidly in Asian countries domestic inflation is almost inevitable. In order to solve the problem it would be desirable not only to provide these countries with long-term and medium-term financing but also to extend assistance in the short-term foreign exchange credit for import of consumer goods. It is felt that this objective could be partially attained by enabling the proceeds of the seasonal sale of agri-

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<sup>3</sup>Not printed. The section concerning capitalization reads: "The Fund will start operations with capital of about five hundred million dollars, in gold, United States dollars, pounds sterling, or other convertible currencies into the above (in the case of Asian countries, it will be permitted to make half of the contribution of that country in the currency of that country). The countries contributing to the Fund shall be any free countries that may wish to contribute, and in addition, if any of the Asian countries desire to make contributions, they will be encouraged to do so."

<sup>4</sup>Not printed. The section on capitalization reads: "The capital necessary for the initial year of operation of this Institution shall be one hundred million dollars."

cultural products of the Asian countries to spread evenly over the year. Further details of this concept are given in Attachment 3.<sup>5</sup>

(4) The newly conceived United States Development Fund, with due respect to the initiative of the recipient countries in planning and putting into practice their own economic development projects, is making it possible to finance directly in a package deal the domestic development financing institutions of recipient countries. It is considered that this formula would admirably meet the national feeling of the Asian countries and greatly promote their initiative and leadership in formulating their own development programs.

It seems most desirable to encourage the establishment of domestic development financing institutions in each country to correspond to the regional development fund.

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<sup>5</sup>Not printed. In it, the Japanese Government recommended establishment of an Asian Trade Fund to be capitalized at \$100 million.

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### 163. Despatch From the Embassy in Vietnam to the Department of State<sup>1</sup>

No. 58

*Saigon, August 12, 1957.*

SUBJECT

Government of Viet Nam's Attitudes toward SEATO

*Summary*

The basically favorable attitude of the Government of Viet Nam (GVN) toward SEATO, founded upon an appreciation of the inescapable necessity of outside military assistance in the event of invasion, has recently been modified by the fear that too close an association with the Treaty Organization might alienate India and create difficulties with the International Commission for Supervision and Control (ICC). Thus, though the GVN in 1956 expressed the desire to become a member of SEATO and continues to send observers to SEATO military exercises, in the early spring of 1957 it became obvious that the Government no longer thought in terms of membership in, or even of too close association with, SEATO. President Ngo Dinh Diem's visit to Thailand from August 15 to 19<sup>2</sup> may possibly, though not probably, influence his thinking on this matter.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/8-1257. Confidential.

<sup>2</sup>A report on Diem's visit is in telegram 393 from Saigon, August 21, not printed. (*Ibid.*, 790.5/8-2157)

The change of the President's attitude toward SEATO apparently stems from the visit of Ngo Dinh Nhu, the President's brother and political adviser, to India in March 1957. Since then the improvement of Viet Nam's relations with India seems to have become of greater importance to the Vietnamese Government. The President has been invited to visit India in November<sup>3</sup> and, on that occasion, SEATO may be one of the topics of discussion. It has been rumored that Diem might agree to a joint statement in which he would disavow interest in SEATO membership and condemn nuclear experiments, and the Indians in turn would express support for South Viet Nam. Support from Prime Minister Nehru would be valuable in improving the GVN's position vis-à-vis North Viet Nam, and specifically in enhancing President Diem's reputation as the only truly independent nationalist leader for all Vietnamese.

Although the GVN is not a signatory to the Geneva Cease-Fire Agreement of June [July] 1954, and has always disclaimed the obligation to conform to any of its provisions, the Vietnamese have generally acted in accordance with the terms of the Agreement. In March 1956, however, it appeared that the GVN might be planning to push actively for membership in SEATO, despite Article 19 of the Cease-Fire Agreement forbidding signatories to join military pacts.

Foreign Secretary Vu Van Mau made the following comments concerning SEATO in a press conference on March 7, 1956: (Embtel 3638 of March 8, 1956<sup>4</sup>) "As the goals of SEATO are in accordance with Viet Nam's policy which consists of defending the liberty of the Free World, Viet Nam approves the existence of such an organization. If you ask me, does Viet Nam wish to adhere to the pact, I can only reply that such is one of our wishes."

The *Times of Viet Nam*, essentially a government paper, noted Mau's comments in an article (Embassy Despatch 317, March 26, 1956<sup>5</sup>) on March 24, 1956 praising "the increased strength and development of SEATO," emphasizing the benefits to Viet Nam of collective security and calling the support of Thailand and the Philippines for Viet Nam's membership in SEATO a "heartening sign of a new era of collaboration between neighbors." The article observed that: "It is not surprising, therefore, that our government has expressed the desire to become a member of the Treaty Organization."

The GVN clarified its position in regard to SEATO two weeks later, in what amounted to a disavowal of Mau's statement, by declaring that the GVN ". . . does not, moreover, see the necessity of joining any military alliance." This statement was made in a letter to

<sup>3</sup>See telegram 180 from Saigon, November 13, vol. 1, p. 861.

<sup>4</sup>Not printed. (Department of State, Central Files, 951G.61/3-856)

<sup>5</sup>Not printed. (*Ibid.*, 790.5/3-2656)

the British Secretary of State for Foreign Affairs dated April 3 (Embassy Despatch No. 331, April 10, 1956<sup>6</sup>) written in answer to a letter of December 21, 1955 from the British Ambassador to Viet Nam expressing concern that, according to the Fourth Interim Report of the International Control Commission (ICC), certain clauses of the Geneva Agreement had not been satisfactorily carried out in Viet Nam. In effect, the GVN reaffirmed its intention to abide by the tenor of the Agreement while refusing to acknowledge any legal obligation to do so.

The GVN continued to show interest in SEATO, however, by sending observers to the US–Thailand “Operation Team-Work” in September 1956. In February 1957 Diem told Admiral Stump in Saigon that he was anxious to have Vietnamese officers participate in SEATO military planning or at least to attend meetings as observers (Deptel 2155, February 15, 1957.<sup>7</sup>) This was followed by Vietnamese requests to Thailand the UK and the US that Viet Nam be invited to send observers to the SEATO Council meeting in Canberra in March 1957. The Secretary General of the Department of Foreign Affairs of Viet Nam told an Embassy officer on March 2 that President Diem was keenly interested in this meeting. The day before, the Vietnamese Ambassador in Bangkok, Mai Van Ham, had also informed the US representative to the SEATO Council of his government’s interest and emphasized that eventual Vietnamese membership in SEATO was the urgent desire of his “President and Government.” (Bangkok Telegram 2571, March 1, 1957.<sup>8</sup>) On March 6, Diem announced that he would send Nguyen Dinh Thuan, Director of Cabinet for the Department of Defense and one of his most trusted and esteemed young officials, to the Council meeting. In Canberra, Thuan told Admiral Stump (Canberra Telegram 17, March 13, 1957<sup>9</sup>) that Diem, worried over a rumored shift in SEATO effort, wanted it known that he desired not only continuance of major emphasis on the military side but even a greater degree of military planning in the threatened area. Meanwhile, in Saigon, *Viet Nam Presse*, the Government’s news agency, ran Canberra news despatches alleging that the American Secretary of State intended to propose that the GVN be included in SEATO and the local Vietnamese press reprinted these stories. In April 1957, the GVN sent observers to the SEATO naval exercise “Astra” at Singapore.

In the expectation that President Diem might raise the question of Viet Nam’s closer collaboration with SEATO during his visit to

<sup>6</sup>Not printed. (*Ibid.*, 751G.00/4–1056) The ellipsis is in the source text.

<sup>7</sup>Not printed. (*Ibid.*, 751G.00/2–1557)

<sup>8</sup>See footnote 2, Document 134.

<sup>9</sup>Document 147.

the United States the following month, the Department in April began testing Canadian and SEATO members' opinions concerning GVN participation in non-military aspects of SEATO activities. The Canadians and British doubted the wisdom of such participation, expressing the thesis that Viet Nam might jeopardize its relations with India, Burma and Cambodia and have no influence with neutralist and other countries in Southeast Asia if it became too closely tied to SEATO (Embtel 3305, April 30, 1957<sup>10</sup>).

A change in the GVN's attitude toward SEATO became evident during May when, with Vietnamese officers attending the SEATO military exercise "Sealink" in the Philippines, Diem in Washington refused to be drawn into any discussion of SEATO. Perhaps most significant was Diem's remark to me during the flight back to Viet Nam that he viewed the new emphasis given at Canberra to economic and non-military matters as a favorable development. This remark contradicted directly Thuan's statement that Diem desired continued, and even greater, emphasis upon the military aspect of SEATO and was worried by the shift to economic and cultural matters. This "favorable development" statement could not be reconciled at first glance with the understanding of some Western observers, notably the UK and Canada, that Diem is interested solely in the military aspect of SEATO.

Diem probably now considers that full membership in SEATO would not give Viet Nam appreciably more protection against invasion than is at present offered by the Treaty's Protocol. Furthermore, Viet Nam, alone no match for the numerically superior and well-equipped DRV army, may feel that it should not rely upon SEATO power alone, based as it is 6,000 miles away in the United States, but should also seek strength through greater political support from the free, though in most cases neutralist, countries in South and Southeast Asia.

The contacts which Ngo Dinh Nhu had with Nehru and Krishna Menon in New Delhi in March 1957 seem to have been the catalyst which caused Diem, at least for the present, to avoid further identification with SEATO. He may have been encouraged by Nehru and Menon to believe that India would be willing to abandon its uncommitted stand with respect to North and South Viet Nam in return for a closer alignment by the GVN with Indian foreign policies involving, specifically, GVN aloofness from SEATO. The GVN apparently believes that a show of Indian support would markedly strengthen its position both in Asia and vis-à-vis the Democratic Republic of Viet Nam.

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<sup>10</sup>Not printed. (Department of State, Central Files, 790.5/4-3057)

If Diem had been truly hoping for Indian support, however, he seems lately to have modified these hopes as a result of recent suggestions from top Indian ICC officials in Saigon that current disaffection in the North made the time propitious for North-South elections to unify Viet Nam (Embtel 173, July 24<sup>11</sup>). On July 25 Diem described this proposal to me as an example of the unrealistic and mystic attitudes of the Indians who wish to play a big role in Asia (Embtel 191, July 26<sup>12</sup>). Neutralism itself, he said, has lost much of its appeal in Asia since the Bandung Conference. Despite these protestations against Indian lack of realism and suggestions that neutralism is waning, Diem has probably not completely abandoned the hope of gaining some benefit from India. He may still feel that in some way it might be helpful to bring about some adjustment of GVN foreign policy which might be welcomed by a nation so near and powerful as India.

A reversion to earlier expressed desires for membership in SEATO or a statement of willingness to participate in the SEATO Cultural Round Table in January 1958 or in the planned counter-subversion seminar at Baguio, however, is not improbable.<sup>13</sup> If during his trip to Bangkok, Diem sees much advantage accruing to Thailand from membership in SEATO he may show renewed interest in SEATO activities. But probably of more influence on Diem's thinking about SEATO will be the development of Viet Nam's relations with India. His own trip to India will be balanced by Ho Chi Minh's reported visit there in the spring of 1958. If, on conclusion of the two visits, Diem considers Ho has obtained more than he, Diem may then again seek closer association with SEATO.<sup>14</sup> If, however, he believes he has gained a net advantage over his northern opponent, he may decide to play closer to India's policy and avoid any dealings with the Treaty Organization. At the moment, however, he

<sup>11</sup>Not printed. (*Ibid.*, 751G.00/7-2457)

<sup>12</sup>Not printed. (*Ibid.*, 751G.00/7-2657)

<sup>13</sup>In telegram 945 from Saigon, November 2, the Embassy reported that Diem had decided in favor of participation in the cultural seminar, but that certain procedural problems remained to be worked out. (*Ibid.*, 790.5/11-257)

<sup>14</sup>In telegram 1122 from Saigon, November 25, Ambassador Durbrow reported that Diem had told him he had "been carrying anti-communist torch on various visits particularly in India where he also gave good plug for need for a defense aspect of SEATO." For text, see vol. 1, p. 865. In telegram 1118 from Saigon, also dated November 25, Durbrow stated that Diem's attitude toward SEATO had "evidently warmed up" since May and that he therefore agreed with the Department that the United States should encourage Diem to send an unofficial observer to the March 1958 SEATO Council Meeting although he believed also that for tactical reasons the approach to Diem should not be made immediately. (Department of State, Central Files, 790.5/11-257)

seems to be less enthusiastic about helpful results coming from closer relationships with India.

Elbridge Durbrow

164. Memorandum of Discussion at the 335th Meeting of the National Security Council, Washington, August 22, 1957<sup>1</sup>

[Here follows a paragraph listing the participants at the meeting and agenda items 1-5. Under Secretary of State Christian A. Herter attended for Secretary Dulles.]

6. *Long Range U.S. Policy Interests in Australia and New Zealand* (NSC 5713;<sup>2</sup> Annex to NSC 5713;<sup>3</sup> NSC Action No. 1725;<sup>4</sup> NSC 5713/1;<sup>5</sup> Memo for NSC from Executive Secretary, same subject, dated August 20, 1957<sup>6</sup>)

Mr. Cutler briefed the Council at length on the contents of NSC 5713/1, and explained the only split in the paper, which occurred in the final paragraph, as follows:

"Be prepared to consider any further proposals by Australia and New Zealand [not involving U.S. grant aid or 'soft' loans]<sup>7</sup> for the progressive standardization of their military equipment on U.S. models."

Mr. Cutler then called on Secretary Anderson and Mr. Brundage to explain why they felt that it was desirable to include the bracketed language in paragraph 22-c.

Secretary Anderson said that he simply felt that there was a definite limit to what the United States could afford to do by way of assistance world-wide, and that therefore we ought not to contribute grant aid or make soft loans to Australia or New Zealand. He did not

<sup>1</sup>Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on August 23.

<sup>2</sup>Document 155.

<sup>3</sup>Not printed. (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5713 Series)

<sup>4</sup>See footnote 6, Document 157.

<sup>5</sup>Dated August 12, not printed. (Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5713 Series) All differences between NSC 5713/1 and NSC 5713/2, *infra*, are revealed by NSC Action No. 1779. See footnotes 8 and 9 below.

<sup>6</sup>Not found in Department of State files.

<sup>7</sup>"Treasury and Budget proposal." [Footnote and brackets in the source text. The quoted paragraph and the footnote were read at the Council meeting.]



mind, however, lending these countries soft currencies as opposed to granting them soft loans.

Mr. Brundage said that his reason for desiring the bracketed language stemmed from his fear that if this language were now left out, people at some future time might cite this paragraph as justification for U.S. grant aid to Australia or to New Zealand.

Secretary Herter feared that if this bracketed language remained in the paper, our hands would be tied over the indefinite future, though for the foreseeable future he agreed that we had no intention of offering grant aid to these countries, or soft loans. Mr. Brundage replied that we could, of course, always change our policy if events some day indicated that we should provide grant aid or soft loans to Australia and New Zealand.

Secretary Wilson said that he agreed with the views of Secretary Herter, and added that the time might well come when we need Australia and New Zealand more than we need them now.

Mr. Cutler inquired of Secretary Anderson and Mr. Brundage whether, in view of what was stated on page 14 in the "Financial Appendix Note" as to our not anticipating any significant expenditures in Australia or New Zealand, there was real need for including the bracketed language in paragraph 22-c. Secretary Anderson replied that he didn't care very much one way or another, although he still was a little worried as to what the words of this paragraph might mean to officials of this Government who were not aware of the views of the members of the Council on this issue. Secretary Anderson then agreed to leave out the bracketed phrase provided the Record of Action indicated the Treasury's concern. He merely wanted to be sure that no official of this Government informed the Australians that they could get a soft loan from the United States.

Mr. Gray suggested, as an alternative to Secretary Anderson's proposal, that the "Note" on page 14 be added to the text following paragraph 22-c. This proposal met with general agreement.<sup>8</sup>

*The National Security Council.*<sup>9</sup>

a. Discussed the draft statement of policy on the subject contained in NSC 5713/1, in the light of the views of the Joint Chiefs of Staff thereon transmitted by the reference memorandum of August 20, 1957.

b. Adopted the statement of policy in NSC 5713/1, subject to the following amendments:

<sup>8</sup>This change resulted in the "Note" being added to the last page of the paper instead of being on a separate page following the paper.

<sup>9</sup>Paragraphs a-b and Note constitute NSC Action No. 1779. (Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

(1) *Page 13, paragraph 22-c*: Delete the bracketed phrase and the footnote relating thereto.

(2) *Page 13*: Insert the "Note" on page 14 immediately following paragraph 22-c.

*Note*: NSC 5713/1, as amended, subsequently approved by the President and circulated as NSC 5713/2 for implementation by all appropriate Executive departments and agencies of the U.S. Government, and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

S. Everett Gleason

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## 165. National Security Council Report<sup>1</sup>

NSC 5713/2

*Washington, August 23, 1957.*

### NOTE BY THE EXECUTIVE SECRETARY TO THE NATIONAL SECURITY COUNCIL ON LONG-RANGE U.S. POLICY INTERESTS IN AUSTRALIA AND NEW ZEALAND

#### REFERENCES

- A. NSC 5713; Annex to NSC 5713
- B. NSC Action No. 1725
- C. NSC 5713/1
- D. Memo for NSC from Executive Secretary, same subject, dated August 20, 1957
- E. NSC Action No. 1779<sup>2</sup>

The National Security Council, the Secretary of the Treasury, and the Director, Bureau of the Budget, at the 335th Council meeting on August 22, 1957, adopted the statement of policy on the subject contained in NSC 5713/1, subject to the amendments thereto which are set forth in NSC Action No. 1779-b.

The President has this date approved the statement of policy in NSC 5713/1, as amended and adopted by the Council and enclosed herewith as NSC 5713/2; directs its implementation by all appropriate Executive departments and agencies of the U.S. Government; and designates the Operations Coordinating Board as the coordinating agency.

James S. Lay, Jr.<sup>3</sup>

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<sup>1</sup>Source: Department of State, S/S-NSC Files: Lot 63 D 351, NSC 5713 Series. Secret.

<sup>2</sup>See footnote 9, *supra*.

<sup>3</sup>Printed from a copy that bears this typed signature.

[Here follows a table of contents.]

[Enclosure]

STATEMENT OF LONG-RANGE U.S. POLICY INTERESTS IN  
AUSTRALIA AND NEW ZEALAND

General Considerations

*Introductory*

1. In the Pacific area, Australia (population 9-1/2 million) and New Zealand (population 2 million) occupy a unique position. They have and are likely to continue to have stable governments, firmly based on traditional, democratic institutions, developed civic consciousness, and a meaningful sense of external interest. The ferment of forces at work in Asia is not present in either country.

2. Since World War II, Australia and New Zealand have undergone an important reassessment of their attitudes and policy. Although still loyal members of the British Commonwealth, their earlier dependence on the United Kingdom has shifted toward acknowledgment that their ultimate security is inextricably linked with the United States. Their previous overseas commitments in support of the British in the Middle East were replaced in 1955 by formal military commitments in Malaya. As Pacific powers, Australia and New Zealand have begun to reappraise their interests in terms of the United States and Asia. The actions which they have already taken in consequence of their altered conception of their interests have produced a fundamental transformation in their national strategic outlook, despite some anti-American sentiment among intellectual, left-wing labor, and commercial circles.

*Relationships of Australia and New Zealand with the United States*

3. *ANZUS*. Australia and New Zealand are closely allied with the United States in two collective security organizations, ANZUS and SEATO. In the more intimate of these relationships, ANZUS, the United Kingdom is not represented. The ANZUS Council meetings have provided a consultative forum of major political value. ANZUS military planning has served as a strategic core for the development of SEATO military planning. ANZUS planning facilities may be more appropriate for some problems; for example, certain phases of the problem posed by the possibility of Communist subversion of all or part of Indonesia.

4. *SEATO*. Australia and New Zealand are active and close partners in SEATO; participate fully in planning and executing joint military exercises; and, almost without exception, support U.S. positions in SEATO Council meetings and in those of its specialized agencies.

5. *Military Equipment*. Australia is revising its defense program to provide for increasing use of U.S. equipment. New Zealand has indicated an intent to take similar measures. Each country maintains Joint Service Staffs in Washington to maintain liaison with the Department of Defense and to manage their purchases of military equipment. The United States has concluded agreements with Australia in 1951,<sup>4</sup> and with New Zealand in 1952,<sup>5</sup> under Mutual Security legislation for the sale of military equipment, materials, and services. Australia, whose present defense establishment and potential is significantly greater than New Zealand's, has purchased about \$30 million worth to date. The United States is currently considering the sale of military transport aircraft value at \$37 million on terms involving a 6-year credit repayable in dollars. New Zealand has purchased under \$100,000 worth.

6. *U.S. Private Investment*. U.S. private investment in Australia has risen from a total of \$200 million in 1950 to about \$600 million in 1956, and involves several hundred U.S. firms. U.S. investment in New Zealand has also significantly increased in recent years and is estimated at about \$45 million.

7. *Other Arrangements with the United States*. The United States now has in effect with Australia and New Zealand a series of other agreements in such specialized fields as atomic energy, civil aviation, taxation, and exchange of persons.

#### *Relationships of Australia and New Zealand with Asia*

8. *SEATO*. As noted above, both countries participate actively in SEATO, although they regard the ANZUS treaty as fundamental to the protection of their national security.

9. *Colombo Plan*. Both countries have begun to take a significant part in helping free Asian countries to develop along lines compatible with Free World interests. Their major instrument for this has been, and is, the Colombo Plan. In the five-year period ending June 30, 1956, Australia committed \$72 million in grant aid under the Colombo Plan to Asian members of the Plan. Actual expenditure during this period was approximately \$38 million, of which \$33 million was

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<sup>4</sup>For text of the Mutual Defense Assistance Agreement effected by an exchange of notes dated February 1 and February 20, 1951, at Washington, see 2 UST 644.

<sup>5</sup>For text of the Mutual Defense Assistance Agreement effected by an exchange of notes dated June 19, 1952, at Washington, see 3 UST (pt. 3) 4408.

in capital equipment and the remainder in technical assistance and training. During the same period, New Zealand appropriated \$15 million in grants to the Colombo Plan countries and spent approximately \$9 million, of which \$8 million was in capital equipment and the remainder in technical assistance and training.

10. *Diplomatic and Trade Relationships.* In the past few years both countries have increased their diplomatic and trade representation in free Asia, although each is still critically short of personnel, especially those qualified as Asian specialists.

11. *Japan.* Both countries are making efforts to improve their relations with Japan, long considered the traditional enemy. The Prime Ministers of Australia and New Zealand have for the first time officially visited Japan. In July 1957, Australia concluded a trade agreement with Japan providing for de facto most-favored-nation treatment.

12. *Communist China.* Both countries support the U.S. position regarding non-recognition, exclusion from the UN and its ancillary bodies and, up to the present, the maintenance of special restrictions on strategic trade. However, the opposition labor parties in both countries and appreciable public sentiment are opposed to these policies. In view of traditional Commonwealth ties and U.K. policy, the official Australian and New Zealand position indicates the importance both attach to concerting their policy with U.S. policy in Asia.

13. *Indonesia.* Good relations between Australia and Indonesia, for which Australia strives with considerable success, are handicapped by Australia's firm support of the Dutch as opposed to the Indonesian position on West New Guinea.<sup>6</sup>

14. *Malaya.* Both countries, especially Australia, are taking a special, sympathetic interest in Malaya's imminent achievement of independent status within the Commonwealth. The military detachments already on assignment there are expected to remain on the basis of Malayan invitation and may even be augmented. In addition, Australia is helping to train newly-appointed Malayan officials as well as furnishing Australian technical personnel (for example, probably a governor of the Central Bank) upon Malayan invitation.

*Australian-New Zealand Interest in Antarctica*

15. Additionally, Australia and New Zealand maintain a lively interest in nearby Antarctica. While the eventual geopolitical value of Antarctica is not clear, Australia and New Zealand, because of

<sup>6</sup>"While for the present maintaining neutrality in the New Guinea dispute in our relations with other governments explore within the U.S. Government solutions to this problem compatible with over-all U.S. objectives, for possible discussion with other interested governments." (Paragraph 19, NSC 5518) [Footnote in the source text. For text of NSC 5518, "U.S. Policy on Indonesia," May 3, 1955, see vol. xxii, p. 153.]

propinquity and announced claims, will play an important role in the solution of Antarctic problems. The U.S. "Deep Freeze" operation is based on New Zealand. U.S. efforts to achieve satisfactory Antarctic arrangements will depend, in the first instance, on understandings with Australia and New Zealand.

*Factors Limiting U.S. Ability to Strengthen Australian-New Zealand Capabilities*

16. The extent to which U.S. policy can build on the favorable circumstances summarized above to strengthen Australian and New Zealand capabilities is restricted both by the multiplicity of U.S. responsibilities and by Australian and New Zealand limitations. Some of these limitations are within the capacity of Australia and New Zealand to overcome through their own efforts; others could be overcome only with outside assistance. The more important limiting factors may be summarized as follows:

a. Despite the fact that the quality of the fighting men of Australia and New Zealand is high, and the missions which they can undertake could be important for local operations in Southeast Asian areas, the forces which these countries can maintain and equip will remain small in size. Each country spends about 4% of its national income on defense. Total Australian active forces are about 60,000; New Zealand about 15,000.

b. New Zealand has no significant industrial potential. In Australia, the local demand for important capital goods already exceeds local production capacity. Any rapid or substantial increase in Australian production would require an increase in both the supply and the efficiency of labor. However, Australia is capable of meeting many of its own requirements in manufactured goods, and its industry is likely to continue to grow. In both Australia and New Zealand high labor and capital costs, power shortages, and transportation difficulties are limiting factors. The balance of payments position in both, particularly in relation to the dollar area, is such that loans and import restrictions have periodically been resorted to.

c. The possibilities of expanding U.S. trade with Australia and New Zealand are not great. Both countries consider that our surplus disposal programs are a continuing threat to their own traditional world markets for such commodities as wheat and dairy products. In addition, any moves by the United States directed toward the protection of its own wool-growing industry is the subject of great concern to these allies. Australia, in addition, is seriously concerned over our recent action in seeking to protect our own producers of lead and zinc from foreign competition. Lead and zinc have been significant dollar earners for Australia.

d. While relatively free from the taint of "colonialism", both Australia and New Zealand maintain highly selective white immigration policies and have dependent territories and trusteeship responsibilities in the Pacific area, both of which tend to restrict their influence in racially-conscious Asia.

*Long-Range Potentialities*

17. Even with these limitations, Australia and New Zealand have long-range potentialities for strengthening the Free World in the Pacific area:

a. If present Free World lines in Asia hold:

(1) The political maturity and administrative abilities of Australia and New Zealand should, over time, permit them to assume a more active role in strengthening the capacity of the new states of the Far East to defend their independence and to consolidate their non-Communist institutions.

(2) Long term prospects are for an expansion of trade between Australia and New Zealand on the one hand and Asian countries on the other. Australia, like Japan, is a potential supplier of finished products, and may be expected to play a part in supplying any developing markets for such goods in the area. Australia, particularly, possesses mineral resources (coal, iron ore, copper, lead, zinc and uranium) which make the country potentially a significant supplementary source of industrial and defense supply for free Asia. These resources have already been developed to the point that the proportion of the gross national product derived from manufacturing is as high in Australia as it is in the United States. The living standards of Australia and New Zealand are among the highest in the world.

(3) Even though the balance of payments still fluctuates materially with the international demand for wool, and the economy experiences recurrent periods of fairly serious inflationary pressures, the Australian economy has been continuing to grow at a relatively rapid rate. With the completion of the Snowy Mountain hydroelectric and irrigation project (comparable in scope to TVA), Australia will be able to expand its agricultural output, and the additional electrical power will aid the expansion of industry.

(4) The climate for foreign investment is relatively good. In recent years about 10% of total investment in Australia had been financed by foreign capital. Part of this foreign capital (over \$300 million) has been supplied by the IBRD, but most of it has come from private investors in the United Kingdom and the United States. The further realization of the Australian potential in the Far East might be considerably facilitated, however, if labor policies were significantly changed and productivity were significantly increased. Changes in trade policy, particularly with respect to Japan, would also be beneficial. The recently concluded trade agreement with Japan promises to be helpful in this regard.

b. Australia and New Zealand may, over the long run, represent fall-back positions against political contingencies which might make the use of present Free World positions in the Pacific, including Japan, less feasible, or compel the conduct of limited military operations against Southeast Asian areas from other offshore locations.

Both countries possess useful military potentials; and, in the event other areas in the Far East were denied, the combination of their limited vulnerability and their proximity to insecure areas in Southeast Asia could greatly increase their strategic value.

c. Whether, over the longer run of a quarter century, the isolated location of both countries and the uninhabited land mass of the Australian hinterland will have greater strategic significance, can only be speculative.

### Objectives

18. An Australia and a New Zealand with sufficient political, military, and economic capabilities to assist in strengthening free Asian states and in carrying out Free World responsibilities in the Far East.

19. Preservation of Australia and New Zealand as secure rear areas which could provide alternative facilities for the conduct of Free World security operations in the Western Pacific-Indian Ocean areas.

### Major Policy Guidance

#### 20. *Political.*

a. As the capacity and influence of our European Allies in the Far East diminishes, it is in the interest of the United States that Australia and New Zealand, as strong-points of political stability and Free World orientation in the Far East, continue and extend their developing interest and activities in that area.

b. Seek to strengthen the capacity of Australia and New Zealand to assume a greater share of Free World responsibilities in Southeast Asia and to enhance their prestige in that area. To this end, continue close cooperation, consultation, and coordinated action with Australia and New Zealand, bearing in mind the importance and utility of their Commonwealth ties.

c. Recognize that the role of Australia and New Zealand in promoting Free World interests in Asia is limited and probably not susceptible to rapid increase.

#### 21. *Economic.*

a. Encourage Australia and New Zealand to maintain a favorable climate for private capital investment and to rely primarily on private enterprise to sustain their economic growth.

b. Encourage Australia and New Zealand to continue to contribute to the economic development of free Asia by providing economic and technical aid, either bilaterally or through appropriate multilateral mechanisms such as the Colombo Plan.



c. Keep U.S. trade restrictions on commodities of special interest to Australia and New Zealand (such as wool, dairy products, zinc and lead) to the minimum practicable, having due regard to national security and total national advantage.

d. In carrying out programs involving disposal of U.S. agricultural surpluses abroad, avoid, to the maximum extent practicable, detracting from the ability of Australia and New Zealand to market their own exportable products.

*22. Military.*

a. Continue to participate with Australia and New Zealand in ANZUS and SEATO operational exercises and military planning, including planning for the availability of Australian and New Zealand facilities in limited hostilities in the Far East.

b. Continue and extend, as appropriate, present arrangements for the purchase and maintenance by these countries of U.S. equipment for their own forces.

c. Be prepared to consider any further proposals by Australia and New Zealand for the progressive standardization of their military equipment on U.S. models.

**Note**

No Financial Appendix is included with the above statement of policy because, with the following exceptions, no expenditures are currently anticipated:

a. A 6-year credit up to \$32.5 million repayable in dollars for the purchase of military transport aircraft by Australia.

b. Small amounts for information, education and exchange programs.

## 166. Telegram From the Embassy in Australia to the Department of State<sup>1</sup>

*Canberra, August 23, 1957—5 p.m.*

117. Department pass Defense, Army, Navy, Air and POLAD CINCPAC. Embtels 116<sup>2</sup> and 86.<sup>3</sup> Official Prime Minister's department gave Embassy officer in strict confidence account first round Sandys' talks, which took place August 19-20.

Official showed Embassy officer briefing paper prepared for Menzies by Prime Minister's department. This stated that Sandys' primary aims would be to obtain Australian approval for UK plans for Far East, convert UK responsibility for Malaya into Commonwealth responsibility, and get Australia increase effort in Malaya. Main advice paper gave Menzies was to avoid inferring approval UK Far East plans before they had been given careful consideration and to avoid making further commitments in Malaya without United States concurrence.

During talks, Sandys outlined UK plans for Far East and tentative force strengths, which differed from those previously given Australians in London and Singapore. He committed Sir William Dickson, Chairman British chiefs staff, to submit later proposed force strengths in writing. (Official commented that Menzies made it clear in London that Australia would not even consider increasing effort in Malaya until UK decides definitely what it prepared do. UK Ministers indicated then that Sandys would give UK intentions during trip here. In view fact force strengths outlined by Sandys still tentative, official commented that Prime Minister Menzies beginning wonder when Australia will get firm plans.)

(Only specific proposal made by Sandys was strengthen ANZAM<sup>4</sup> by formation joint command for Malaya. This would be responsible ANZAM defense committee Melbourne, which would presumably assume primary responsibility now held by UK.) Official said Australia defense committee decided unanimously Thursday<sup>5</sup> to

<sup>1</sup>Source: Department of State, Central Files, 790.5/8-2357. Secret. Repeated to Wellington, London, Kuala Lumpur, and Bangkok.

<sup>2</sup>In telegram 116, dated August 22, the Embassy reported on the Australian press reaction, largely favorable, to a statement by British Defense Minister Duncan Sandys that British forces in East Asia would be equipped with nuclear weapons. (*Ibid.*, 790.5/8-2257) Sandys was in Australia during the last 2 weeks of August.

<sup>3</sup>Telegram 86, dated August 2, contained information on Sandys' projected itinerary. (*Ibid.*, 033.4143/8-257)

<sup>4</sup>A military group made up of the United Kingdom, Australia, and New Zealand, engaged in planning for the defense of the Western Pacific area (including Malaya). The ANZAM Defense Committee, chaired by Australia, met in Melbourne.

<sup>5</sup>August 22.

recommend against acceptance. Committee agreed any effort now bolster ANZAM would run counter Australia desire use SEATO as primary vehicle for defense planning. Official commented that proposal previous effort convert Malaya into Commonwealth instead of UK responsibility.

(Sandys will return Canberra first part next week to conclude talks.)

Sebald

### 167. Telegram From the Embassy in Australia to the Department of State<sup>1</sup>

*Canberra, August 30, 1957—10 a.m.*

135. Department pass Defense. Prime Minister Menzies yesterday briefed me on Sandys' talks. Stated talks with Sandys would have no effect on matters discussed by McBride mission in Washington.

Apparently London had misunderstood Menzies announcement early April<sup>2</sup> to mean all defense equipment to be standardized with that of US. Menzies explained in London only three major items involved: C-130 aircraft, 105 mm gun, and FN rifle (this item not clear). British fully understood Australian position consequently nothing to discuss with Sandys about equipment. (Menzies made no reference to fighter aircraft.)

Future use of Singapore loomed large in Sandys' discussion. Now agreed British Navy will continue use Singapore as Far Eastern base. Australians also argued strongly for continuation operation Singapore dockyard, stating should this facility be shut down consequent unemployment would create great pol difficulties Singapore. Sandys impressed by this argument, agreed take up matter with Cabinet. Aircraft strength Singapore would remain approximately unchanged and continues based on Singapore with Butterworth<sup>3</sup> as alternate. Australian air strength Malaya to be increased up to three squadrons.

Menzies spoke at considerable length regarding ANZAM which he said now "resuscitated" in consequence Sandys' visit. Parties to

<sup>1</sup>Source: Department of State, Central Files, 743.56/8-3057. Secret; Limited Distribution. Repeated to London and Wellington.

<sup>2</sup>On April 4, Menzies informed the House of Representatives of the government's intention to adopt certain U.S. military equipment.

<sup>3</sup>On the Malay Peninsula, facing Penang.

ANZAM are Australia, New Zealand and UK. He strongly emphasized this primarily military planning organization with no formal terms of reference. Said ANZAM will not detract from SEATO which confirmed in communiqué as "prime instrument for defense" SEA. Menzies thought that when SEATO has reached point where all parties can take part in intimate high-level planning, ANZAM would contribute its accomplishments and thus actually strengthen SEATO. (Lord Carrington,<sup>4</sup> with whom I had conversation today, stated ANZAM has periodically met in Melbourne since inception. Said Sandys' talks have merely confirmed its usefulness as military planning body.)

Menzies discussed problem raised by Malayan independence which creates ambiguity regarding right maintain Australian Forces there. Stated although Australia traditionally has been unable station troops overseas during peace time, Malaya expedient had now established principle of doing so and Menzies hopes continue this over period of years thus firmly establishing principle and simultaneously creating framework strategic reserve for SEATO.

Menzies thought Sandys' statement regarding nuclear weapons indiscreet and may cause considerable difficulty with Rahman. Hoped bring Malaya into SEATO during course next year or so but thought this may now be extremely difficult.

Memo of conversation airpouched Department, London and Kuala Lumpur.<sup>5</sup>

Carrington stated UK ground forces level in FE would not be finalized until Sandys' return to London.

Sebald

<sup>4</sup>British High Commissioner in Australia.

<sup>5</sup>Not found in Department of State files.

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**168. Memorandum From the Deputy Assistant Secretary of State for Far Eastern Affairs (Jones) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, September 9, 1957.*

SUBJECT

Meeting State-Defense September 5, 1957

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<sup>1</sup>Source: Department of State, FE Files: Lot 65 D 497, FE 2500-3100. Top Secret.

Attached at Tab A<sup>2</sup> is the agenda of a State-Defense meeting in Secretary Quarles' office, attended by Secretary Dulles and at which I represented FE. I believe a summary of some of the points discussed under agenda items 1 and 2 will be of particular interest to you.

*Agenda Item I:*

Top Secret plans of the military were presented in a briefing by General Randall. Secretary Quarles emphasized that these were being held very closely for obvious reasons and that only one-half dozen people in the Pentagon knew about them. The Defense Department is planning on the basis of \$38 billion in defense expenditures and a military aid ceiling of \$2.2 billion. At the present time the number of Defense personnel, as of 30 June 1957, was 2,794,000 of whom 900,000 were stationed overseas. These two figures, he pointed out, had been made public since the latter figure had been authorized by the President but further figures were top secret for planning purposes only. These plans call for further reductions as follows:

*Defense Personnel*

By June 30, 1958—2,600,000

By June 30, 1959—2,500,000

By June 30, 1960—2,300,000

By June 30, 1961—2,200,000

In terms of Army Divisions, this would mean a gradual reduction on the following basis.

*Army Divisions*

By June 30, 1957—18 divisions

By June 30, 1958—15 divisions

By June 30, 1959—14 divisions

By June 30, 1960—13 divisions

By June 30, 1961—11 divisions

Secretary Quarles observed that this meant by June 30, 1961, on the basis of present calculations which were tentative, there would be no divisions left in the Far East, four divisions would be left in NATO and one in Hawaii.

The Secretary picked this one up fast and said that he hoped that Defense would not take forces out of Korea without checking with State. He observed dryly that if they did, they might have to send more back in than they took out. Secretary Quarles emphasized

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<sup>2</sup>Not found attached.

that they would, of course, keep in close contact with State. He said that Defense did not have in mind taking all our forces out of Korea. He put it this way to the Secretary: "You are stating a problem that is clearly recognized here but unresolved."

The Secretary then inquired as to their plans for Japan, and Quarles responded that they would leave some Air in Japan, that there was no plan for a complete withdrawal from Japan, but that there would be a 40% (or 39,500) reduction in U.S. military personnel by the end of fiscal year 1958. All ground forces would be withdrawn from Japan by the end of this year.

In connection with a discussion of the Air Force, which will get the largest slice of the Defense appropriation pie, it was pointed out that over a period of years tactical air would be cut to half, i.e., from 40 to 20 wings, as the strategic air and missile programs developed. One-half of these tactical air units are overseas now and Secretary Quarles observed that the proportion overseas would necessarily increase.

The Secretary took occasion to observe that one thing which makes it very difficult for State to cope with the international implications of this kind of program is advance stories in the press—both leaks and statements by officials which have not been cleared with State and which place us frequently in an impossible position. He referred to the recent leak which Ambassador MacArthur and Admiral Stump had protested. Attached at Tab B<sup>3</sup> are telegrams and stories. The Secretary made clear that he was not blaming Defense for this leak. He recognized that a skillful newspaper man would gather bits and pieces from various sources and make a pattern out of it, but this very fact underlined the need for caution in what our people say to the press. For example, in connection with the withdrawal of U.S. forces from Japan, it makes a lot of difference whether a friendly Japanese government gets the credit for these withdrawals and consequently is in a favorable position to take the initiative in developing its own forces, or whether the impression is conveyed inside Japan that the government is simply responding to U.S. pressure. In the first instance, we utilize an asset we have; in the second, we throw it away, he pointed out.

The Secretary raised the question of better coordination between Defense and State in connection with military planning. Secretary Quarles suggested a meeting such as the one held today should be held often. He hoped that once a month the top people in Defense and State might get together. The Secretary indicated that this would be very useful but pursued the matter further by wondering whether it might be possible for State to have contact with the planning

<sup>3</sup>Not found attached.

group within Defense before the plans had jelled and been presented to the JCS. Secretary Quarles said that he would be glad to work out anything Secretary Dulles thought would be useful. In this connection, Bob Murphy observed that a State-JCS meeting at which he represented State was held weekly.

There was considerable discussion of the NATO program during which Secretary Quarles noted that by the end of calendar 1958 Defense would be able to meet its NATO commitments. It was clear, however, that as time went on, Defense faced the problem under its current program of robbing NATO to meet FE requirements or vice versa.

[Here follows discussion of agenda item II, on Korea, scheduled for publication in volume XXIII.]

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**169. Report of the Committee on Asian Regional Economic Development and Cooperation<sup>1</sup>**

*Washington, September 11, 1957.*

[Here follows the body of the report.]

**SUMMARY RECOMMENDATIONS**

1. The U.S. should expand its efforts to foster Asian regional economic cooperation. For this purpose the U.S. should work with countries individually, in small groupings, and through selective projects. This should be done within the framework of existing regional organizations, rather than seeking to form a new regional body or a new funding organization in Asia.

2. U.S. bilateral assistance programs and projects should increasingly take into account regional implications of these programs and the U.S. objective of encouraging sound economic cooperation among free Asian countries.

3. U.S. organizational arrangements, particularly in the field, should be reviewed at an early date to assure that adequate attention is being given to encouraging regional economic cooperation in Asia.

4. A careful assessment should be made as to whether continued availability of the Asian Economic Development Fund beyond June

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<sup>1</sup>Source: Department of State, Central Files, 100.4/11-2557. Confidential. Regarding the membership and terms of reference of this committee, see Document 159.

30, 1958 might be necessary for achieving U.S. objectives in Asian regional economic cooperation.

5. A group of experienced and competent U.S. specialists, representing the industries of steel manufacturing and fabrication, minerals development, bulk transportation, and heavy industry investment should now be organized as a task force to study the development of iron and steel in Asia and to make findings to be used in the formulation of U.S. policy.

6. All appropriate means should be utilized to strengthen Asian private enterprise, ameliorate the climate for foreign private investment in Asia, and expand the contribution of American industry and technology to economic development in Asia.

7. To encourage suitable projects involving Japan and Asian countries receptive to economic cooperation with Japan, the United States should focus on situations which can aid a less developed country, provide a profitable outlet for Japan, and demonstrate to all Asian countries the benefits of economic cooperation, without prejudice to U.S. Government programs, private investment and trade activities or the interests of other friendly countries.

8. Consideration should be given to obtaining Asian support for an effort to identify areas that merit intensive surveying in order to develop the necessary basic data required to assess the possibilities for the development of minerals and basic facilities. Ways and means should be explored to enlist the cooperation of U.S. private capital in the initial surveys.

9. The U.S. should support projects for expanded regional cooperation in technical skills. The United States should give priority to expanding its present efforts in the English language field in Asia.

[Here follows the remainder of the report.]

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**170. Memorandum of a Conversation, U.S. Mission at the United Nations, New York, September 16, 1957, 1 p.m.<sup>1</sup>**

TGA/MC/7

**PARTICIPANTS**

*United States*  
The Secretary  
Mr. Rountree  
Mr. Greene

*United Kingdom*  
Mr. Selwyn Lloyd  
Sir Harold Caccia  
Mr. Harold Beeley

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<sup>1</sup>Source: Department of State, Central Files, 110.11-DU/9-1857. Secret.



## SUBJECT

## Malayan Membership in SEATO

The Secretary told Mr. Lloyd that he felt that unless Malaya joins SEATO quickly there is danger that they never will.<sup>2</sup> As he believes it important to provide for the effective inclusion of Malaya under SEATO's protection, he wondered whether it might be possible to take the line that the Malayan Government in effect succeeds to that part of the British membership in SEATO which covered Malaya.

Mr. Lloyd said that he sees two dangers in this connection. The Malayan Prime Minister, at this late stage of negotiations with the United Kingdom for a Defense Agreement, has now decided that he must submit the Agreement to the Malayan Parliament for approval. Moreover, he has declined to put into writing his assurance that until the Defense Agreement becomes effective he personally will insure that its spirit and its provisions will be observed. Mr. Lloyd thought that any approach to the Prime Minister about SEATO might jeopardize ratification of the Defense Agreement and this HMG does not want to risk. Mr. Lloyd continued that once the Defense Agreement is in force there is the danger that the issue of Malayan membership in SEATO might become involved in the next Malayan election campaign. In this eventuality the Prime Minister might be forced to take a strong position against joining SEATO. Accordingly, Mr. Lloyd thought that the best time to try to persuade the Malayan Government would be as soon as the Defense Agreement is effective and before the election campaign gets underway.<sup>3</sup>

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<sup>2</sup>Malaya celebrated its independence on August 31.

<sup>3</sup>During a conversation between the Secretary and Casey at New York, September 18, Casey "expressed the judgment that it will not be possible to obtain early entry of Malaya in the SEATO. His personal judgment led him to conclude that it could not take place before the elections in Malaya, which would be about two years in the future. He explained that the two main election issues would probably be SEATO and the presence of foreign troops on Malayan soil. He added that any reference to SEATO particularly by outsiders would have to be handled most carefully and concluded that evidence of pressure from the outside would lead to the wrong answer in Malaya on SEATO. He explained that Australia is most anxious to have Malaya join SEATO but felt that it is necessary to recognize the political situation in Malaya." (Memorandum of conversation by Parsons, TGA/MC/22; Department of State, Central Files, 110.11-DU/9-1857)

171. United States Minutes of the ANZUS Council Meeting,  
Department of State, Washington, October 4, 1957, 10:30  
a.m.-12:45 p.m. and 2:15-4:15 p.m.<sup>1</sup>

ACM MC-1

[Here follows a list of participants (26) at the meeting. The three delegations were led by Casey, Macdonald, and Dulles.]

The Secretary welcomed the delegations of Australia and New Zealand stating that it was a pleasure to join with them in another ANZUS meeting. He said that these meetings have proved useful in the past and that he was certain that it would prove useful to review at this time events in the world which concern the three nations, with special reference to the Far East. Continuing, the Secretary said that since there was no formal agenda he would if agreeable make a statement as at previous meetings giving his estimate of some of the situations in the world. The Secretary then proceeded as follows:

[Here follow the Secretary's estimate of, and the Council's discussion of, the situation in the Middle East.]

*Japan.* (Secret)—The Secretary stated that we had had a very useful visit to this country by Kishi,<sup>2</sup> who, in his opinion, is the strongest and most competent Prime Minister the Japanese have had since the war. The Prime Minister is making good-will with the United States the cardinal aspect of his foreign policy. The U.S. has worked out a number of matters with him designed to help him with his public relations as far as the United States is concerned. The U.S. is withdrawing all its ground combat troops within the next year. Although the Japanese wanted this to be done now that the U.S. is prepared to do it some are not happy about the decision. The Secretary believes that on balance, however, it will help.

The U.S. has also agreed to implement the Security Treaty with Japan so that it will be more balanced in fact. The Treaty is in effect a unilateral one, since it gives the U.S. the right to stay anywhere in Japan, to have bases anywhere and to remain as long as it desires. The U.S. did not undertake to defend Japan; Japan got nothing out of it. There has been some talk of replacing the treaty with a more normal security type treaty. Kishi, however, very wisely did not press for this because it would be very difficult for the United States to accede in view of Japan's constitutional limitations to acceptance of any military obligations.

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<sup>1</sup>Source: Department of State, Conference Files: Lot 62 D 181, CF 920. Top Secret; Limit Distribution. Drafted by Mein on October 5 and distributed as an attachment to a memorandum dated October 18 by Robert K. German of the Reports and Operations Staff.

<sup>2</sup>Prime Minister Nobusuke Kishi visited the United States June 19-22. Documentation on his visit is scheduled for publication in volume xxxiii.

The U.S. and Japan have set up a joint committee in Tokyo with a view to discussing what actions are to be taken or should be taken under the treaty, thus giving the Japanese a feeling that the Treaty is not entirely unilateral and that they are voluntarily participating in its implementation. Two meetings have been held to date. This is an ingenious method for implementing the treaty thought of by Kishi.

On some matters the Japanese have pressed the U.S. very hard. They wanted additional authority on Okinawa. The U.S. thought it could not give in on that without starting a chain of events that would make its stay there precarious, possibly creating another Cyprus situation. The Secretary recalled the interests of the Governments of Australia and New Zealand in the Okinawa situation at the time of the negotiations of the Japanese Peace Treaty. He said the Japanese want to fly their flag in Okinawa and to participate in the civil administration of the island. The U.S. can see trouble looming there. The island is crowded. The civil authorities need more agricultural land and the military want more areas for landing fields. It cannot be said that the situation has stabilized but there is hope that it can be kept under control.

Another problem concerns the Bonin Islands which have been placed under U.S. trusteeship. Some of the Japanese who were moved from the islands by the Japanese themselves are now pressing to return. The U.S. cannot allow them to go back in view of its high security requirements in the islands. An effort is being made to work out a solution involving some form of compensation. Approximately 2600 Japanese are involved.

Minister Macdonald asked about the possibilities of the Japanese adopting a neutralist attitude. The Secretary commented that this is not likely unless the Socialists come to power. He said he had recently received some Japanese Socialist parliamentarians who indicated Japan would probably go neutralist if they came to power. In the Secretary's opinion, however this would not necessarily follow. The Secretary said he had pointed out to the Socialists who called on him that United States policies toward Japan are such that any government coming into power would want to collaborate with the United States. The Secretary said he thought that if Japan were in economic difficulty and not able to trade they might as an act of desperation become neutralist but short of that there is little likelihood of that happening.

Ambassador Spender commented that in his opinion if a general war broke out Japan would stand aside to see which way things were going before determining its position.

*Communist China.* (Confidential)—The Secretary stated that the situation in Communist China indicates an appreciable amount of unrest there, although at the moment it does not appear to threaten

the existence of the government. China, however, is a big country, and the possibility of outbreaks in some of the areas should not be overruled. Should such occur, the U.S. would seek to take advantage of them. (The Secretary referred to his June speech in San Francisco on "Our Policies Toward Communism in China", a major policy statement approved by the President, and expressed the hope that the Foreign Ministers of Australia and New Zealand would read it, if they had not already done so.)

*Republic of China.* The Secretary said that the situation on Taiwan is satisfactory notwithstanding the recent riots about an incident involving a U.S. soldier. The riots are not thought to reflect any basic antagonism to the presence of U.S. forces there but are believed to have been related entirely to the incident itself. The Chinese Army is being built up more and more with Taiwanese, who constitute about a third of the present army. The relations between the Taiwanese and Mainlanders on the island are good, and the economy is good, with the gross national product having increased 72 percent since 1951. There is some concern as to what will happen when Chiang Kai-shek passes out of the picture. Mr. Herter and Mr. Richards were out there recently and Mr. Richards, who at the Secretary's request made a special study of conditions on the island, feels there will be a peaceful transfer of power upon Chiang's death, probably to the Vice President although there is a possibility that power may pass to Chiang's son. The judgment of the Department at the moment, however, is that the present Vice President will succeed Chiang.

Minister Macdonald asked whether the Mainlanders on Taiwan have as high morale as they had in China or as that of those now on the Mainland. The Secretary said that the Mainlanders on Taiwan are being integrated very effectively. The Chinese Army today consists of about one-third Taiwanese and about two-thirds Mainlanders. The Taiwanese are not as eager to move to the Mainland as the Mainlanders, but they do form part of a well-disciplined force that will do whatever it is ordered to do.

*Southeast Asia.* (Secret)—The Secretary said that conditions have improved in Burma, Cambodia and Laos. There are growing signs that Burma is becoming more aware of the dangers of communism and is shifting to the West. In Cambodia also there is a growing awareness of this danger. The Secretary referred to a recent editorial in a leading Cambodian newspaper attacking the Soviet Government. In Laos the danger of an unacceptable compromise with the Pathet Laos has diminished. The Secretary said he was seeing the Foreign Minister of Laos on Sunday.<sup>3</sup> There is hope for that situation.

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<sup>3</sup>See Document 474.

In Viet Nam the situation is moving along in a normal way. In the economic field the fictitious exchange rates in Viet Nam and in Laos give rise to a situation favoring some individuals. The U.S. has been pressing Diem very hard to accept reevaluation of the currency. This situation makes it very difficult for the U.S. to maintain the necessary level of aid there. In the case of Korea a similar situation has improved to a considerable extent.

As to Thailand recent events show a degree of political instability. The new government does not appear to be anti-Western although it may be slightly more neutralist. The Prime Minister<sup>4</sup> is strongly pro-Western but is probably no more than just a figurehead. He is not likely to continue in power after the elections. With that in mind the SEATO post is being kept open for him.

*Indonesia.* (Top Secret)—The Secretary stated that he would like to discuss Indonesia while Mr. Allen Dulles was present, and with the concurrence of the others, asked that he comment on conditions there.

Mr. Allen Dulles said that we felt that since Sukarno's visit to Peking and Moscow<sup>5</sup> he was coming increasingly under Soviet influence. It is not that he is a communist but that he apparently believes that he can use the communists. Since the elections in 1955 Indonesians have had a troubled political life primarily because no single party has a majority in parliament. That has created difficult governmental situations. Sukarno has felt that he could not make the system work and has devised what he terms "guided democracy", which has played into the hands of the communists. He has established a National Council which has taken some of the powers of the cabinet and of parliament. As a result some Moslem elements, especially in the outer islands, have been dissatisfied. The situation has also developed to a point where some military leaders in Sumatra are not following the direction of the central government. They do come to Djakarta from time to time for discussions, as they recently did to attend the national conference. The national conference in Djakarta had no real results. We were afraid Sukarno might pull a trick and arrest the dissident leaders while they were in Djakarta but he did not. In the meantime the situation has somewhat worsened. The position of Hatta<sup>6</sup> also has been weakened by his signing a declaration with Sukarno. Information we have received . . . is that Simbolon,

<sup>4</sup>Pote Sarasin became Prime Minister of Thailand following a coup September 16-17. For documentation, see vol. xxii, pp. 932 ff.

<sup>5</sup>Sukarno was in Moscow in September 1956, and in Peking the following month, in the course of a trip to several Communist countries.

<sup>6</sup>Dr. Mohammed Hatta, former Vice President of Indonesia.

Sumual and Hussein<sup>7</sup> cannot tolerate a communist regime and are still in revolt. Sukarno evidently feels that he can let these revolting elements die on the vine. That is the situation as it stands today. The thinking here is that the break-up of Indonesia is not something to be sought but only to be accepted if part of Indonesia goes communist.

In reply to a question by Minister Casey as to whether decentralization should be encouraged, Mr. Allen Dulles said he thought not, but that the dissident leaders should be encouraged to maintain their position. There are still some strong points outside Java, such as Medan, under control of the central government. Also Simbolon and Hussein are finding it difficult to get arms for their forces. In the recent elections on Java, in which Sukarno abandoned the PNI, the strength of the PRI increased substantially. The communists are working closely with Sukarno.

Minister Casey asked whether the overall increase of communists in Java would not indicate that similar increases are possible in the elections in 1959, adding that the figures tend to upset the Australians.

Minister Macdonald asked whether it would be correct to say that the present situation in the outer islands has developed to some extent because of the smuggling undertaken in many cases by some of the army people, and whether Indonesia would not eventually have to come to some form of federation.

Mr. Allen Dulles replied in the affirmative, pointing out that it should be kept in mind, however, that Java is not economically viable.

Ambassador Spender asked whether Sukarno is still a key figure with the masses, and Mr. Allen Dulles replied that he has the greatest appeal to the population as a whole, although there are some indications that he is losing some of that appeal, especially among the Moslem elements. Ambassador Spender commented that the election figures suggest increasing political efficiency in the communist organization, with the chance that they will increase their position on Java. He asked if there were any internal forces which might tend to arrest this trend, and if so a) is there anything that the western world, especially the United States can do to help arrest it, and b) if not, had any thought been given to any action which might be taken, such as assisting the political organizations of the other parties. The greatest danger, he thought, was the weakness of the other parties.

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<sup>7</sup>Colonel Simbolon, Lieutenant Colonels Ventje Sumual, and Ahmed Hussein, all of the Indonesian Army, were associated with the dissident movement against the central government.

Mr. Allen Dulles commented that if we consider Indonesia as a whole there is a chance to arrest the situation. If Java is considered alone, however, there seems to be nothing to stop Sukarno and the PKI from taking over.

Minister Casey, noting that the Masjumi and the NU are poorly organized—apparently for lack of personnel, funds and so on—asked if there is any way in which those parties might be helped by the United States, Australia or anybody else. Mr. Allen Dulles said something had been tried at the time of the elections of 1955 but that the Masjumi had not had, contrary to expectations, an organization at the grassroots level. He did not know if there is anything that can be done very quickly.

Minister Casey asked whether there is any fear that Indonesia will go communist by constitutional means. Mr. Allen Dulles commented that such is not the situation today. He said that some consideration has been given to extending some support to the outer island elements and unless something can be done for these elements they might wither on the vine as Sukarno wants them to.

Minister Casey stated that Subandrio<sup>8</sup> had told an Australian officer at Kuala Lumpur that Indonesians don't fear communism as we do and that they regard the continued existence of the Communist Party as a safeguard against Indonesia becoming smothered like Thailand. The Minister said his Government is very much disturbed as to what can be done about the situation in Indonesia apart from what can be done by the United States.

Mr. Robertson said that one factor not to be overlooked is that the animosity of the army officers toward Sukarno is not personal but political, it is in opposition to his taking communists into the government. The national conference attended by some of the dissident elements was in itself indicative that these elements want to keep the country together. . . .

Ambassador Spender asked if there is any machinery presently in existence, or which might be set up, to consider what can be done to arrest this situation. Mr. Allen Dulles stated that the matter has been under recent consideration by the highest levels of the United States Government.

Minister Macdonald asked the bearing on the situation of the technical assistance programs being extended bilaterally or under the Colombo Plan. Mr. Allen Dulles commented that these programs are very helpful, but their influence is very slow in being felt.

Minister Casey stated that the net effect of all this is very disturbing. The Australian Ambassador in Djakarta recently told him that if Sukarno would come out against communism it would wither

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<sup>8</sup>Dr. Subandrio, Indonesian Minister of Foreign Affairs.

away. He asked if there is any direction in which Australia can work to improve the situation.

The Secretary said that no conclusion had as yet been reached on whether the growth of communist influence on Java is so great that hope should be banked on the revolutionary elements. The time is fast approaching, however, when this decision will have to be made. The people in the U.S. Embassy in Djakarta feel that the situation has not reached the point where Sukarno would be unable to reverse his position. . . .

Minister Casey asked if Australia should concentrate its aid to Indonesia in the outer islands. Mr. Allen Dulles commented that the U.S. is considering such a course of action since while using the assistance on Java in an effort to turn Sukarno it is also important to keep the dissident elements alive and operating.

Mr. Robertson stated that Indonesians had often expressed to him their high appreciation for all the efforts of the Australian Government in Indonesia, which in many ways they appreciate more than the efforts of the United States. Minister Macdonald suggested that a word be added concerning the work being done in Indonesia by the Australian Christian Student Movement, in which New Zealand was planning to join. Minister Casey said that this is a small movement in which the students volunteer to go to Indonesia and live under Indonesian conditions, in Indonesian homes, and receive Indonesian salaries while teaching English and doing other work. All the Australian Government gives them is the fare and a bicycle. There are not many students but they have been well received.

Minister Casey asked General Wells what plans the Military Planners might have undertaken regarding Indonesia. General Wells said that the Military Planners had undertaken studies involving Indonesia covering four aspects: a) detailed study of communist personalities and sympathizers; b) detailed study of anti-communist personalities and sympathizers; c) safe areas; and d) up-to-date terrain studies. He said that papers (a) and (d) have been circulated in draft form and that paper (b) is about ready and will be circulated shortly.

*Malaya.* (Secret)—Minister Casey said he had received the definite impression in Kuala Lumpur that it would be unwise to seek publicly the admission of Malaya to SEATO at this time. He saw no reason, however, why private and confidential talks should not be undertaken with the Prime Minister and the Malayan Ambassador in Washington prior to the elections. He thought that in the meantime one runs the risk of the neutralists nibbling away trying to get Malaya into their camp. He said a start has already been made, and



cited a speech made by the representative of Ceylon in Kuala Lumpur. In his opinion there is not much chance of Malaya joining SEATO before the elections but there is no reason why discussions should not be undertaken with Ismail<sup>9</sup> in Washington and without loss of time.

Minister Macdonald said he supported what Mr. Casey had said and that he too thought it premature to bring public pressure to bear on Malaya at this time. It was his opinion, however, that in view of the experience the Malaysians have had with the terrorists over the last several years they are not likely to join the neutralists. Ambassador Spender thought Malayan membership in SEATO was a matter of now or never.

*West New Guinea.* (Secret)—Minister Casey stated that this is the fourth time this subject has come before the United Nations and each time there is an increase in the membership of the Afro-Asian group. There is some talk in New York of Indonesia trying to get this subject considered as matter of "no great importance" thereby requiring only a majority vote to pass a resolution. He did not know what type of resolution Indonesia will introduce but thought it would probably be one requesting the good offices of the United Nations. The Dutch and Australian Governments are trying to get everybody lined up but are not sure they can prevent a two-thirds vote, but they have hopes. Minister Casey was of the opinion that the Dutch are not bluffing and that if the UN adopts a resolution they will defy it, perhaps along the line the South Africans have followed. It should be taken into account that if Indonesia wins and a resolution is adopted there will be consequences. He fears this might consolidate Sukarno's position. He said he understood the reasons motivating the United States position but wondered whether the U.S. might not be willing to take the risk involved in using its influence behind the scenes to influence the vote of some countries. He said that if anything is done it must be done within the next three weeks since most countries will probably be consolidating their position within that period.

Ambassador Spender said that some of the Asians who still support the Indonesian position have told him personally that they are sick of the Indonesians themselves, but that in view of the Bandung resolution they must vote with them. If a resolution is passed, he said, 1) the Dutch will refuse to accept any resolution which creates an international issue of greater significance and 2) by attrition the area will eventually be turned over by the Dutch to the Indonesians. He thought that if the Indonesians gain a vote in this session they will keep it up until as a result of attrition the area falls into their

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<sup>9</sup>Dr. Ismail bin Dato' Abdul Rahman, Malayan Ambassador to the United States.

hands. Ambassador Spender felt very definitely the United States did not want New Guinea to go to the Indonesians for both legal and security reasons. He hoped there were ways by which the United States could make known that, although abstaining, it would not be unhappy to see others oppose any resolution. He asked if it might not be possible to point out to selected countries the gravity of the Indonesian situation and by inference let it be known that an increase in the area of Indonesia might be more grievous. Minister Casey reiterated the foregoing points.

Minister Macdonald said he had learned from some Indonesian cabinet ministers when he was in Indonesia some time ago that Sukarno uses the subject to stir up popular opinion.

The Secretary said that the United States feels very definitely that for the present and as far as we can see in the future it would be contrary to the security interests of the United States for West New Guinea to come under Indonesian rule, especially if the threat of communist Indonesian control was present. It would bring Indonesia closer to Australia and be a breach in the offshore island chain. Also there could be some advantage if it were realized in some quarters in Indonesia that as they move to the left any gain in support from the United States would be in doubt. The matter has been studied again very carefully this year, including the fact that if they gain a two-thirds vote it will make the problem more difficult. The Secretary said that it was not felt so far that it would be advisable to change our position. Those who are trying to keep Indonesia from going communist or to present some alternatives would lose such alternatives if we were to change our position. If it were only a matter of the Sukarno Government it might be salutary to show them that flirting with communists involves paying a price. Our people are concerned with the reaction in the outer islands, upon which we might wish to fall back in case of communist take-over in Java. They feel if we change our position it might militate against our ability to work with those elements in the outer islands. The Secretary asked Mr. Allen Dulles to comment on this.

Mr. Allen Dulles said that although the decision is a political decision, he agrees that a change in our position would weaken our chances of working with the anti-communist elements. The elements in the outer islands feel as strongly about the matter as Sukarno and any change would impair our chances of working with the anti-communist elements on those islands.

The Secretary commented that the form of the resolution was not known. Ambassador Spender said he thought it would be very much as that presented last year. Minister Casey said it might be easier to beat a strong resolution than a mild one.

The Secretary said there was probably nothing else which we could usefully say about this at this time.

*Military Planning.* (Secret)—The Secretary gave the Military Advisors an opportunity to submit any report or make any comment they wished to make.

Admiral Stump, referring to the earlier discussion on Thailand, said he was unable to evaluate the effect of the change in government in Thailand. He said that Sarit<sup>10</sup> had made a positive statement that there would be no change in Thai support of SEATO, but he was not in a position to evaluate it. He said that as to the military planning, the planners have gone as far and as fast as possible and have reached a stage where there is enough mutual understanding, standardization and equipment built up so that SEATO can act if necessary.

The Secretary asked if there were any plans for any SEATO exercises this winter, adding that he had seen no details of any. Admiral Stump stated that there are plans, but he did not have any of the details with him. He stated that Phiblink<sup>11</sup> is not a SEATO exercise but rather a bilateral one involving the United States and the Philippines. Mr. Robertson said that we are worried about any exercises in the Philippines before the elections, scheduled for November 12, and that it might be the better part of caution not to have these exercises until after the election.

Admiral Stump said he had talked about these exercises to Ambassador Bohlen and General Arellano and that neither had raised any objection, nor had they discussed the election factor. He said there are no exercises scheduled for Japan, although some of the ships and Marines who will participate in Phiblink will be coming from Japan, and at the end will exercise in Okinawa. The Admiral said he would also check with the Council of Representatives about invitations to observers to this exercise.

Minister Macdonald asked if these exercises were not given the SEATO label automatically. Admiral Stump said that in the past such exercises have been held without the SEATO label and that although there are advantages to giving such exercises a SEATO label this is never done unless approved by the Council.

General Wells said that planning under SEATO has been accelerated by the recent establishment of the Planning Group. The Planning Group, he said, is still having its organizational troubles but as a result of the review recently undertaken it will shortly be making recommendations to improve its operations. One of the difficulties is

<sup>10</sup>Field Marshal Sarit Thanarit, Chief of the Armed Forces of Thailand.

<sup>11</sup>Operation Phiblink, a Philippine-U.S. training exercise held under SEATO auspices, took place November 1-December 11, 1957.

that not all members of the Planning Staff are skilled planners and must therefore be trained. At the present time there is better skill and direction in the group.

Regarding Thailand General Wells said that the question arises of what reliance can be placed on Thailand in the SEATO setup. Plans would have to be greatly readjusted should Thailand prove not to be reliable and become neutralist or even go communist. He said he was unable to resolve this doubt. Plans are being made on the assumption that the status quo will continue unless the Council advises the planners that Thailand is no longer dependable as an ally.

The Secretary said that as things stand today it would be a great mistake for the Thais to know that there are any doubts regarding the situation; that the best way to keep them tied in is just to assume that they will remain tied in.

General Weir said he was unable to offer any appraisal of the situation in Thailand but that he felt it was absolutely vital that Thailand be held as a SEATO ally. In his opinion the meeting in Bangkok was one of the easiest meetings held.

Minister Casey said that his Government on the political side was not frightfully impressed with the speed of SEATO progress. There were three phases to the problem: military planning, anti-subversion and economic planning. Regarding military planning he said he assumed that if the Communist Chinese came into the situation by overt aggression, it would mean all-out war. He believed, therefore, that the Chinese would avoid such a situation and that any action by them in Southeast Asia would be short of that and would involve highly mobile, heavily armed forces, free from any ponderous train or wheeled vehicles. He said he hoped this had been taken into consideration by the military planners as one of the contingencies in that part of the world and that in response we would plan to use similar forces, the same weapons and indigenous troops. He said he was also very skeptical as to the fighting ability of the armed forces of Thailand.

On the anti-subversion side he thought advance had been slow. Mr. Allen Dulles pointed out that security considerations prevented a frank discussion with the other members of SEATO on this subject.

Minister Casey said that on the economic side it had been suggested that the SEATO label be put on some of the economic aid going into the area. Australia, he said, has sent some weapons to Pakistan, the Philippines, Thailand and some to Viet-Nam. He said Australia would like to see a greater speed-up of SEATO aid and asked if the United States has done any more thinking on putting the SEATO label on military aid to those countries.

Admiral Stump said he shared Minister Casey's concern about the effectiveness of the Thai army and navy, although the air force is

somewhat better. As to the type of attack that might occur, the United States plans to take that into consideration. The SEATO plans are limited, primarily by security considerations. The Admiral felt it necessary to include atomic weapons which can be used in such cases in any plans to resist aggression. Both Chiang Kai-shek and Diem had indicated to him the hope that the United States would come to their aid as soon as possible with everything it has, including atomic weapons. The Admiral did not believe we would lose by winning local wars nor that a general war would follow and favored the immediate use of everything available. In his opinion if the communists were not ready for total war they will not start it. He said there is a great deal of doubt in Asia about whether we will act and act fast enough. Rhee doubts that President Eisenhower will act fast enough if anything happens. The same doubt exists in Thailand. They are watching everything to see what are our intentions. That is the reason, he said, why he is opposed to any reduction in forces unless accompanied by an increase in weapon capability.

Ambassador Spender said that in Europe a declaration has been made that in case of war everything will be brought into play and asked why such a declaration cannot be made in Asia. Admiral Stump replied that he saw no difference except that most of the planners are close to NATO and have not had Asian experience and do not realize the importance of Asia. Communist infiltration and action cannot be effectively resisted with conventional weapons. In all his discussions with the leaders in Asia he has informed them of what Secretary Dulles has often stated, that we are now stronger in the Pacific than at the close of the last war. It is necessary, however, that we make up our minds now that we would act immediately if necessary and use all our weapons to win. In SEATO planning nothing is said about the type of weapons which will be used. SEATO planning goes only to the extent of troops, etc.

Ambassador Spender asked if what is needed in SEATO planning is a decision to act when necessary and with everything available. Admiral Stump said that what is needed is not a decision to use atomic weapons, but for the people who will make the decision to make up their minds now that they will use the weapons if necessary. Minister Casey made the point that subjects can be discussed in ANZUS which cannot be discussed in SEATO. Admiral Stump said he thought the greatest value of ANZUS is that frank discussions can be held on subjects like this which is not possible in SEATO.

Minister Casey said that in the early days of ANZUS there were more frequent meetings of the military advisors but recently that appears not to have been the case, and asked why. Admiral Stump said that meetings are as frequent as before. Minister Casey asked if there were any need for an ANZUS military planning meeting in the near

future. Admiral Stump did not think so on the basis of information available.

Ambassador Spender asked where the planning is being done on the contingencies mentioned by Mr. Casey. Admiral Stump replied that forces are not being built in Thailand to resist aggression but only to maintain internal order. CINCPAC had plans which are purely U.S. plans for retaliatory action in South China in case of a Chinese attack against Thailand. There is no reason for bringing such plans out into the open. But there are also no reasons why such plans cannot be discussed with Australia and New Zealand.

Minister Casey said that there appears to be a need for greater indigenous guerrilla forces in these countries. Admiral Stump commented that the chief of MAAG is putting in just that kind of training in Viet Nam, teaching them to get out into the hills. This training has been going on for about one year. It is being undertaken to a very limited extent also in Thailand but there are certain difficulties such as a requirement for additional pay if the troops get beyond a certain distance from Bangkok. Mr. Allen Dulles added that a large number of border police have been trained in Thailand primarily to prevent border smuggling. Sarit may look upon them as an instrument in the hands of Phao<sup>12</sup> and therefore not with favor. The problem now is whether Sarit will permit them to keep going.

Ambassador Spender commented that the absence of a policy decision regarding the use of atomic weapons did not seem to affect the planning. Admiral Stump concurred, adding that the necessary measures have been taken to use the weapons if necessary.

The Secretary said he was not aware of any distinction as to the use of atomic weapons in Europe or Asia and that the same criteria would be applied in both cases. Minister Casey asked whether the Chinese knew that. The Secretary said they assume that. Mr. Robertson stated that the language of the declaration of the 16 powers on Korea<sup>13</sup> also carries a strong implication on this. The Secretary added that in the past when the danger was greater he had on several occasions discussed publicly the use of atomic weapons from Taiwan.

Mr. Sprague asked if there has been any ANZUS planning regarding Indonesia and whether such would be desirable. Admiral Stump said that he and Generals Wells and Weir agree such should be done but that it takes time. General Wells said he agreed with that but that some progress had been made as he had outlined earlier.

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<sup>12</sup>General Phao Sriyanon had been, until the September coup, Director of the Thai National Police.

<sup>13</sup>For text of this declaration, signed at Washington July 27, 1953, see Department of State *Bulletin*, August 24, 1953, p. 247.

Mr. Allen Dulles said that the counter subversion committee of SEATO has a definite function to perform but doubts that it can get into detailed study of the subversive activities of the Soviets in each country. There is a broad field that can be given dissemination, however, such as Soviet techniques, apparatus, etc., much of which is already known to those countries, and a great deal of information in these fields that can be given to these countries which would be helpful to them.

Minister Casey asked whether the anti-subversive conference to be held in Manila in November will be largely a public relations exercise. Mr. Reinhardt said it would be wrong to label it purely as a public relations exercise since one of the purposes of the meeting will be to educate some of the officials in Asia in that field.

Minister Casey asked if there is likely to be any extension of SEATO economic aid programs or if the attitude of the United States is the same as before. The Secretary said that the U.S. attitude is the same. The U.S. has no objection to putting the SEATO label on any economic aid if that is all that it involves. However, if it means additional administrative burden and the setting up of SEATO machinery to handle it, the U.S. does not favor it. Minister Casey asked if there had been any pressure from some of the countries, such as in the past there had been from Pakistan, to the effect that they are not receiving as much benefit from SEATO as they would expect. Minister Macdonald commented that if the SEATO label is used there is the danger that the nations not members of SEATO may feel that they are being deprived of help because they are not members of the organization and thus increase their opposition to SEATO. The Secretary said that since his statement in Canberra<sup>14</sup> no one has asked for the SEATO label. One reason for this he thought is that these nations would rather advertise their connections with the United States than with SEATO.

*Review by Minister Casey. (Confidential)*—Australia has no different position than in past years concerning recognition of Red China or its seating in the United Nations. As to trade, Australia has been one of the countries that has held out, and they hope to continue to hold out but can give no assurance that they will be able to. Australia has taken a middle-of-the-road attitude about travel in China, neither encouraging nor discouraging it. At least half a dozen groups of six to eight people each have gone there, but none of these, to the best of his knowledge, had been communist although some leftists were included. He did not see that any damage has come as a result or that China has received any greater support in Australia. He wished

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<sup>14</sup>See Document 145.

to make this statement because of some criticism which has been made in the United States concerning these trips.

The Secretary said that the United States position in these matters is governed more by the harm the example might serve rather than the harm it might do to ourselves. The impact upon the vast, strong, non-communist society in the United States would not be significant, but we do think it important for some nations to maintain barriers in order to assist those countries not in a position to do so.

Minister Macdonald said that some groups from New Zealand have also gone. He would like to point out that in New Zealand there is a Federation of Labor headed by strong anti-communists which has recently put out a pamphlet pointing out the dangers from such visits since communists do not undertake these for nothing. New Zealand's trade with Red China is very small.

Minister Casey continued that as to Japan the Australian Government continues its efforts to establish normal relations. In the field of trade Australia has a favorable balance; it has recently included [*concluded*] a trade treaty which is a good treaty from Australia's viewpoint; it has released all Japanese war criminals. The only outstanding problem is that of the pearl fisheries in the north of Australia which has been referred to the International Court of Justice. Kishi is visiting Australia in November; Menzies has visited Japan recently; and parliamentary delegations will be exchanged within the next few months.

Australia appreciates the firm stand taken by the United States in Okinawa. The Minister said he did not know just how the United States considers the island strategic and that maybe something could be said on this.

As to the Philippines, there is nothing new except that the Australian Ambassador speaks in the highest terms of Ambassador Bohlen's performance.

As to Viet Nam, Diem visited Australia recently. Australia also plans to exchange parliamentary delegations with Viet Nam. Minister Casey stated that although it was not the place for Diem to have stated it, one thing he did say while in Australia and which he wanted to pass along only as a matter of interest, was that he hoped the U.S. would not reduce or cut out its aid to Laos.

As to Singapore, Lim Yew Hock has been very sturdy in his anti-communist activities. The elections will be held soon after which a Governor General will be appointed. The gentleman being proposed is half Chinese. The future of the naval base and dockyard hangs in balance. The Australians would like to see the dockyard retained and Mr. Casey had urged this on Minister Sandys when he visited them last August. Mr. Casey felt the UK would not be able to



maintain both the Chatham and Singapore yards. Mr. Casey said he had urged Admiral Burke<sup>15</sup> to consider putting some business into it to help maintain it.

Australian relations with Malaya are good. Australia is doing a great deal for them under the Colombo Plan. They are also helping train some of their diplomatic personnel, taking six individuals at a time.

Admiral Stump said that there are three main reasons which make Okinawa important to us: a) the Philippine concern over its loss or its becoming communist, b) a similar concern on the part of Taiwan, c) its importance as an advance base and the effect this has on Asian thinking concerning our ability to defend them.

As to the Singapore dockyard, the preliminary opinion of the CNO is that work cannot be done cheaper in Singapore than in the UK. CINCPAC is anxious to have the UK keep the dockyard but does not know whether any business can be put there.

Minister Casey continued that in a few months Australia hopes to complete the take-over of Christmas Island in the Indian Ocean, which is important as a) a source of fertilizer, b) an air field site, c) a staging point for fighters between Australia and New Zealand. (General Wells stated he thought that it was no longer necessary for point c.) The take-over has been made easier since there has been no outcry from Singapore.

Australia has made an offer to the UK to repair and overhaul aircraft in Australia.

Australia is about to make an approach through a third party to Egypt concerning sequestered property, maintenance of Australian war graves and memorials, and resumption of Qantas flights, etc. Egypt shows signs of wanting to get Qantas back which is the only bargaining lever Australia has. Egypt has no frozen funds in Australia. Minister Macdonald added that New Zealand has not been "thrown out" of Egypt like Australia only because they had had no representative there in the first place.

*Antarctica.* (Secret)—Minister Casey said Australia welcomes the talks on this subject scheduled to begin in Washington on Monday.<sup>16</sup> They are afraid the Russians may wish to remain in the Antarctic after conclusion of the IGY. A party of Australians visited the Russian station last week and were impressed with the high quality of the facilities. Details of the visit can be made available if desired.

<sup>15</sup>Admiral Arleigh A. Burke, Chief of Naval Operations.

<sup>16</sup>For documentation on the talks which began October 7 among representatives of Australia, New Zealand, the United Kingdom, and the United States, see vol. XI, pp. 711 ff.

He has no definite ideas as to what should be done. To internationalize the area without demilitarizing it would not advance the problem very much. He said he did not want to pre-judge the discussions but that if the only interest is to neutralize the Russians he does not see how it can be done short of demilitarization except by getting them out.

Minister Macdonald said he too did not want to get ahead of the forthcoming discussions, but he hoped some way can be found to get the Russians out. Ambassador Spender commented that it is important that we find a common objective.

The Secretary stated that following the March SEATO meeting at Canberra, where the governments of Australia and New Zealand had expressed to him their concern, he had requested a review of the United States position which has always been a double negative. A decision was taken by the NSC to review the U.S. position, and responsibility was given to the State Department, and Ambassador Paul Daniels has been brought back for the job. The Secretary said he did not have a clear position to put forward because the best position would grow out of an exchange of views. He did want to set forth some of his preliminary views. The immediate objective is to get the Russians out or to minimize as much as possible their position in that area. The potential threat to the Southern Hemisphere from submarine and air bases is of the greatest importance. He thought that as a preliminary step to getting them out all those interested in obtaining this objective should get together rather than combat each other. He said that when we talk about internationalization we are thinking in terms of pooling claims and submerging our differences. Afterwards we could work out whether we would have a condominium or divide the area; the main effort should be to achieve a legal basis for excluding the Russians. The Secretary believed we could outmatch the Soviet position. One problem relates to Chile and Argentina, whose claimed areas are close to the Antarctic and whose national pride is involved, so that special handling of them may be required. The essence of our approach is to put first things first to get Russia out. The United States has taken no firm position, however, and our thinking on the matter is fluid.

*Press Release.* The attached press release was approved for release.<sup>17</sup>

*Closing Remarks.* Ministers Casey and Macdonald expressed their high appreciation for the opportunity of holding the meeting and of having such frank exchanges of views with the United States Government. The Secretary added comment in a similar vein.

<sup>17</sup>For text, see Department of State *Bulletin*, October 21, 1957, p. 646.

## 172. Circular Telegram From the Department of State to Certain Diplomatic Missions<sup>1</sup>

*Washington, October 11, 1957—7:14 p.m.*

344. 1. Following for background information and guidance answering any queries from host Government on US reaction to Japanese SEA economic development proposals:

2. In conversation with Secretary during recent Washington visit Japanese Foreign Minister Fujiyama<sup>2</sup> raised question US reactions toward Japanese Southeast Asian (SEA) economic development proposals. Said Japanese not necessarily intending insist on proposals originally advanced by Prime Minister Kishi,<sup>3</sup> now awaiting reactions SEA countries. Meanwhile Japanese want start with what is feasible, will budget next year for financing technical training center for cooperation SEA nations to assist economic development countries concerned, expand trade for benefit Japan and entire free world. Said Japanese plan move in modest way and any evidence of support would help them.

3. Secretary replied that US considers growth of trade between Japan and SEA very important, in principle favors and encourages idea of economic development such as suggested by Japanese. US does not believe heavily capitalized organization proposed by Kishi practicable, prefers work through existing generalized financial institutions which adequate, rather than set up new one of limited character. US frequently asked provide funds for new regional banks, e.g. NATO proposal for African trade bank, SUNFED, proposed bank for South American development, etc. If there real opportunity do business between Japan and SEA and help needed from US we will find one means or another to help. Important thing is to find the business then see if new organization needed. Where there is good business prospect it should be possible find means provide capital. Japanese now proceeding in more modest basis and that is fine. If idea develops we may find way to help but first necessary get responses other countries which will shed light on problem.

<sup>1</sup>Source: Department of State, Central Files, 890.0094/10-1157. Confidential. Sent to Bangkok, Canberra, Colombo, Djakarta, Hong Kong, Kabul, Karachi, Kuala Lumpur, Manila, New Delhi, Phnom Penh, Rangoon, Saigon (with instructions to pass to the U.S. Delegation to the Colombo Plan Consultative Committee), Seoul, Singapore, Taipei, Tokyo, Vientiane, and Wellington and repeated to CINCPAC in Honolulu for the Political Adviser.

The Colombo Plan Consultative Committee met in Saigon October 21-24. Documentation concerning U.S. participation is *ibid.*, 890.00 for the fall of 1957.

<sup>2</sup>The memorandum of this September 23 conversation is *ibid.*, Secretary's Memoranda of Conversation, Lot 64 D 199. Documentation on Aichiro Fujiyama's visit is scheduled for publication in volume xxiii.

<sup>3</sup>See Document 162.

4. Recapitulating, Secretary said idea Japan-SEA cooperation absolutely sound. Japanese have technical know-how, industrial capacity; other countries have raw materials. US does not feel new regional institutions necessary but rather present institutions adequate. Will welcome further knowledge of situation when obtained by Japanese. If business to be done but no credit available, then time to think of new institution. US fully recognizes trade vital to Japan. With population approaching 100 million Japan needs solid dependable foreign trade, not kind found on China mainland which never was really major Japanese market. Important encourage development new markets but need for new agency not demonstrated. Secretary reiterated that if responses from SEA countries to Japanese proposals indicate business can be done and more capital needed Japanese should not hesitate come to use on case-by-case basis. Under US aegis "Arc of Asia" plan had once been proposed but impossible find reality behind name. SEA countries not anxious for triangular or multilateral business and U.S. experience not good. Perhaps however Japanese will develop possibilities US could not find. US could not guarantee funds to cover shortages capital but Japanese should call cases our attention and we will try to help. End background information.

5. Report on continuing basis any reactions to Japanese economic development proposals in country to which accredited.

**Herter**

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### 173. Editorial Note

In a letter dated October 29 to Clarence Randall concerning the September 11 Report of the Committee on Asian Economic Development and Cooperation (Document 169), Robert Cutler stated in part:

"I understand that the present report has been prepared quite separately from the review of NSC 5506, 'Future U.S. Economic Assistance for Asia,' which the NSC requested the CFEP to undertake on January 24, 1956. However, the two projects are obviously related. I understand that it is likely that the Department of State will recommend cancellation of NSC 5506 on the grounds (a) that there is no similar policy statement relating only to economic assistance for any other area of the world and (b) that individual NSC country or regional policies provide sufficient policy guidance for Asian programs.

"While I do not fully agree that such reasons justify the cancellation of NSC 5506 I can perceive other grounds which might justify that action. NSC 5506 is primarily of historical significance—it reflected the decision *not* to initiate a major *regional* economic assistance

effort in Asia as had been contemplated in certain NSC papers adopted following the end of the Indochinese war. It was primarily a philosophic statement rather than a specific guide to action.

"I believe that the CFEP should consider the question of the disposition of NSC 5506 at the same time that it considers the recommendations in the Committee's report. If the CFEP decides to recommend cancellation of NSC 5506 and to adopt recommendations in the Committee's report (which seem generally consistent with the point of view of NSC 5506), those recommendations as approved by the CFEP might be circulated to the NSC for its information, together with the CFEP recommendation that NSC 5506 be cancelled. If, instead, it is decided that NSC 5506 should be revised, the recommendations in the Committee's report could, I should think, provide the basis for a first draft of a revision that the CFEP might recommend to the NSC." (Attachment to memorandum dated November 25 from Gardner E. Palmer, Deputy Assistant Secretary of State for Far Eastern Economic Affairs, to Walter Robertson; Department of State, Central Files, 100.4/11-2557)

The NSC action mentioned in the first quoted paragraph took place on January 18, not January 24, 1956. See Document 77.

The National Security Council cancelled NSC 5506 at its meeting held on January 30, 1958. (NSC Action No. 1853; Department of State, S/S-NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

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#### 174. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

*Washington, November 6, 1957—11:05 a.m.*

1218. SEATO. Following Secretary's talks with Selwyn Lloyd and Casey<sup>2</sup> in New York and discussion in ANZUS meeting<sup>3</sup> (pouched) of Malayan membership SEATO, there seems to be general agreement between British, Australians, New Zealanders and ourselves on following:

1. We would welcome Malayan membership SEATO and regard it of considerable importance to future of the organization.
2. New Malayan Government is reluctant take up question and will probably not take any action on own initiative.

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<sup>1</sup>Source: Department of State, Central Files, 790.5/11-657. Secret. Drafted by Abbott; cleared in C, BNA, and several offices of FE; and initialed by Robertson. Repeated to Canberra, Karachi, Kuala Lumpur, London, Manila, Paris, Wellington, Singapore, and CINCPAC in Honolulu for the Political Adviser.

<sup>2</sup>See Document 170 and footnote 3 thereto.

<sup>3</sup>See Document 171.

3. Any pressure or coercion would be resented and probably unproductive.

4. Thus formal invitation to join SEATO or even invitations to participate as observers in SEATO committees or military exercises would be premature and unwise. Exception would be cultural activities such as Round Table in January, to which a number of non-members invited.

5. Best tactic for moment is to continue personal informal approaches to Malayan leaders to indicate our hope they will decide it is to their interest join SEATO, and assure them they will be most welcome.

6. Asian members of SEATO particularly Thailand can be especially helpful in this type approach.

Believe it would be useful make presentation at November 14 Council Reps meeting along above lines both to assure that all members are aware of danger undue pressure on Malayan government and to enlist support of Asian members in type of approach which we hope will be effective.<sup>4</sup>

Department has discussed above with British, Australian and New Zealand Embassies and suggests you do same with colleagues Bangkok before Council Reps meeting to coordinate presentation. In view special ties of Prime Minister Rahman with Thailand you should also approach Sarasin to assure full Thai support and understanding.<sup>5</sup>

Dulles

<sup>4</sup>In telegram 1498 from Bangkok, November 15, Ambassador Bishop stated in part: "In light my UK colleague's instructions from Foreign Office strongly opposing further specific formal discussion Malayan membership question (Deptel 1218) have agreed not raise question separately at council representatives meeting." (Department of State, Central Files, 790.5/11-1557) Earlier, in telegram 1239 to Bangkok, November 8, the Department left the matter to Bishop's discretion in view of the fact that the British had already raised the Malayan membership question at a previous Council Representatives meeting. (*Ibid.*, 790.5/10-2457)

<sup>5</sup>In despatch 377 from Bangkok, November 18, Bishop enclosed a memorandum of his conversation with Sarasin held November 14, which concluded as follows:

"He agreed to take the first suitable opportunity to impress personally and informally on Malayan leaders the desirability of eventual SEATO membership. As a matter of fact, Pote Sarasin said, Abdul Rahman when he was here last year had stated frankly and flatly that Malaya must eventually join SEATO and that SEATO is good for Malaya." (*Ibid.*, 790.5/11-1857)

175. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

Washington, December 4, 1957—6:35 p.m.

1478. SEATO. Subject Vientiane's comments Laos now appears be subject in which SEATO should take strong interest.

In recent past US has avoided subject in SEATO forum. Until RLG-PL agreements ratified topic of obvious delicacy and discussions could have been embarrassing to US. Certainly our experiences with subject in 1955 were not reassuring. Moreover French attitude at least was not always parallel to our position. In context formal organization this could only have been confusing to Thai and Philippines particularly.

Laos now however has formally embarked on dangerous policy of coalition government although it professes ability to cope with PL elements within official ranks. Consequently SEATO now is faced with situation in protocol state which could lead directly to threat to Thailand and other protocol states. To avoid discussing Lao problem now might reflect on frankness of US as well as give impression SEATO not firm in principles for which it stands. Clearly organization must not appear unconcerned with coalition government in which Communists or Communist sympathizers included as one component. Thai in particular might well be puzzled by failure discuss this development.

We do not at this time envisage any communiqué emerging from this discussion and in fact believe such development would be damaging as would force RLG take open position against SEATO "interference in local affairs". Leaks to Souvanna re private discussion within SEATO might however have beneficial effect.

If Vientiane concurs we shall prepare statement you may make in Council Reps meeting December 9.<sup>2</sup>

Dulles

<sup>1</sup>Source: Department of State, Central Files, 790.5/12-457. Secret; Priority. Drafted by Zimmerman in FE and approved by Jones. Sent also priority to Vientiane.

<sup>2</sup>The Department, in telegram 1503 to Bangkok, December 6, and the Embassy in Laos in telegram 266 to Bangkok, December 8 (repeated to the Department as 960), each submitted draft statements for Bishop's use. Both were along the lines that the changed situation in Laos was leading the United States to consider whether continued aid to Laos was appropriate. (Department of State, Central Files, 611.51J/12-657 and 790.5/12-857, respectively)

In telegram 1722 from Bangkok, December 12, the Embassy stated in part that at a meeting of the Council Representatives, the U.S. spokesman (unidentified) said it was premature to discuss the Laotian situation in detail and then made a statement based closely on the suggestions in telegrams 1503 and 266. (*Ibid.*, 790.5/12-1257)

# CAMBODIA

## UNITED STATES ASSISTANCE TO AND TRAINING OF THE CAMBODIAN ARMY; UNITED STATES CONCERN OVER THE "NEUTRALIST" POLICIES OF PRINCE SIHANOUK<sup>1</sup>

### 176. Telegram From the Department of State to the Embassy in France<sup>2</sup>

*Washington, January 6, 1955—3:41 p.m.*

2417. Reference last paragraph Deptel 2390<sup>3</sup> in which Paris views requested concerning French attitude toward US assistance programs Cambodia, following summarizes situation regarding training as indicated in series telegrams many not repeated Paris.

Last October Phnom Penh informed of JCS position that US should undertake no MAAG functions without prior written commitment from Cambodians to ultimate withdrawal all French training personnel. Department's continuing efforts obtain change this position unavailing. Ambassador set forth this position Cambodian Defense Minister November 16. French not been informed of this by us nor have they informed us their intentions Cambodia other than Mendes-France statement to Secretary and delegation in Paris of French intention keep their instructors in Cambodia.<sup>4</sup> About same time information received from Cambodian official Phnom Penh (its 193<sup>5</sup>) that French and Cambodians concluded secret agreement on continuance several hundred French instructors. Implementation in Cambodia of agreement on US-French coordination Indochina during Mendes-France talks Washington<sup>6</sup> leaves something to be desired.

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<sup>1</sup>For previous documentation on Cambodia, see *Foreign Relations*, 1952-1954, volumes XIII and XVI.

<sup>2</sup>Source: Department of State, Central Files, 751H.5-MSP/1-655. Top Secret. Drafted and approved in WE and repeated to Phnom Penh.

<sup>3</sup>The last paragraph of telegram 2390, January 3, reads as follows:

"For Paris: It appears to us critical area possible dispute between U.S. and French may be over question of training Cambodian military forces. Forwarding separately summary recent telegrams." (*Ibid.*, 751H.5-MSP/1-355)

<sup>4</sup>As reported in telegram 2601 from Paris, December 19, 1954, *Foreign Relations*, 1952-1954, vol. XIII, Part 2, p. 2400.

<sup>5</sup>Dated October 27, 1954, not printed. (Department of State, Central Files, 751H.5-MSP/10-2654)

<sup>6</sup>November 17-20, 1954. For documentation on the visit, see *Foreign Relations*, 1952-1954, vol. XIII, Part 2, pp. 2265 ff.



Phnom Penh's 155 and 176<sup>7</sup> express need for MAAG personnel assist implementation direct budget support program for Cambodian forces and additional MAAG personnel carry out training those forces. Phnom Penh believes certain French technical assistance needed in budget support program. On December 8 Ambassador discussed logistics function with King who approved and on December 27 several MAAG officers arrived from Saigon to begin this work.

Phnom Penh proposes we not insist on prior written Cambodian engagement phase out French instructors as condition precedent formal establishment logistics MAAG and suggests Ambassador broach training function again in manner and at time he considers propitious. After visiting Phnom Penh Admiral Radford again expressed view we must have exclusive control training and must eliminate French military influence Cambodia.

Department presently trying secure Defense agreement permit formal establishment logistics MAAG now with idea securing Defense approval sometime later for training MAAG under conditions acceptable US, Cambodia and France. How and when to reconcile French intentions maintain instructors with aim eliminating French military influence without jeopardizing necessary French cooperation other matters three Associated States as yet unresolved.

Dulles

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<sup>7</sup>Dated October 13 and 21, neither printed. (Department of State, Central Files, 951G.5301/10-1354 and 124.5H2/10-2054, respectively)

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**177. Telegram From the Embassy in France to the Department of State<sup>1</sup>**

*Paris, January 6, 1955—8 p.m.*

2859. Pass copy FOA. Re Deptel 2390.<sup>2</sup> Embassy's comments reference telegram follow:

Although Embassy has not yet received separate summary recent telegrams<sup>3</sup> (last paragraph reference telegram) on basis those available to us and our own observation French scene we agree basis exists for Franco-American conflict in question training Cambodian military forces. This and other possible areas of disagreement may be

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<sup>1</sup>Source: Department of State, Central Files, 751G.5-MSP/1-655. Secret; Limit Distribution. Repeated to Saigon, Phnom Penh, and Vientiane.

<sup>2</sup>See footnote 3, *supra*.

<sup>3</sup>*Supra*.

intensified unless appreciation given to distinction drawn by French between Vietnam on one hand and Cambodia and Laos on other.

In general, French recognition reduction their military and political influence Vietnam has made them more than ever determined maintain and if possible increase it in Cambodia and Laos. They are unwilling concede to US in Cambodia and Laos to same extent as in South Vietnam. Although many French believe South Vietnam will ultimately fall under Viet Minh control and only hope rests in Sain-teny approach on economic and cultural plane, they do not apply same reasoning to Cambodia and Laos. Embassy telegram 2448 December 9<sup>4</sup> reported Embassy's view that French decision accelerate withdrawal FEC Vietnam, together with those French and Vietnamese civilians who would wish follow, would not affect appreciably French intention maintain its role and influence in other two countries. Since then there have been increasing confirmations this fact, most important of which following:

(A) During tripartite Ministerial discussions on IC December 18, Mendes stated French had 500-officer training mission Cambodia and intended keep it there and that French considered presence this mission Cambodia in keeping French defense policy (Embtel 2601 December 19<sup>5</sup>).

(B) During Assembly's IC debate revolving around 1955 civil budget Ministry Associated States (approved December 20) it was made amply evident that majority deputies did not think there much hope of saving South Vietnam from eventual Viet Minh control and hence were concerned over extending any new French economic assistance to that area, but at same time were agreed that France should make every effort maintain its influence in Cambodia and Laos, particularly on economic and cultural plane. Pertinent extracts debate follow:

(1) Massot (RADSOC), reporter finance committee which had rejected budget, stated that economic aid for three IC States for 1955 would be only 7 billion francs; 3.9 billion for Cambodia, 1 billion for Laos, and 2 billion for Vietnam. Indicated committee concern over budget largely addressed to projected new investment South Vietnam and that was reason why committee favored blocking funds for Vietnam although approving those for Cambodia and Laos. Emphasized importance Cambodia this context saying: "Principal effort ought be brought bear on Cambodia. This country has remained faithful to us. We have found there (Massot was member recent Parliamentary Mission IC) remarkable sympathy for France and desire cooperate with French Union. Cambodia has need of [garble] indispensable that Port of Ream give this country direct access to sea, and that communications lines tie this port to other parts of country. Construction

<sup>4</sup> See *Foreign Relations, 1952-1954*, vol. XIII, Part 2, p. 2336, footnote 1.

<sup>5</sup> For text, see *ibid.*, p. 2400.

bridge Tonle-Sap contemplated as well development Phnom Penh aerodrome."

(2) With regard economic and technical assistance IC States Prime Minister LaChambre stated "essential part French financial effort is destined for Cambodia and Laos because we have considered it possible carry out in these two states some long-term programs, while only some expenditures of immediate return could be envisaged for Vietnam." He said since Cambodia and Laos depended on Port Saigon for outlet, some people thought that a Viet Minh electoral victory in 1956 would drag these two countries shortly thereafter into Communist orbit. "This why in program submitted, works we intend carry out to assist these two states have principal objective dispensing with Port Saigon." LaChambre added that studies showed Port Ream technically feasible and that total 3.3 billion francs earmarked this project for 1955-1956 which included connecting road between Ream and Phnom Penh. In emphasizing cultural approach, LaChambre stated that "of all manifestations of our presence in IC, our teaching effort is without doubt the one which, in present conjecture, offers us maximum chance enduring." He referred, as did Massot, to heavy demand for entry into Lycee Albert Sarraut Hanoi, a demand which exceeded facilities. In emphasizing significance IC protocol Manila Pact, LaChambre said it of greater importance to Cambodia and Laos than South Vietnam. LaChambre also underlined French intend safeguard French interests wherever located IC including North Vietnam.

(3) ARS deputy Frederic-Dupont (who also member Parliamentary Mission IC) reiterated his July charge that Geneva Accord represented phased abandonment Vietnam but underlined "great French policy SEA still possible since Cambodia and Laos remain faithful French culture and hence French economic and financial cooperation should be assured them."

(4) Social Republican Jean-Paul Palewski (also member Parliamentary Mission IC), in criticizing US policy towards IC, said "is it necessary cite action of businessmen and representatives of US in Cambodia who prevent or wish prevent maintenance French influence there?"

(5) Mendes-France, in urging Assembly get on with task considering Ministry Associated States budget during debate, said problem Vietnam had been evoked "but it is necessary to think also of Laos and Cambodia where we carrying out constructive policy regarding which, I am happy say, no criticism evoked." He said major part of credits requested were destined for Laos and Cambodia, and that unfavorable Assembly vote would "raise doubts among people and authorities those countries who impatiently await our decision."

(6) Letourneau (MRP) took exception Mendes by saying despite praiseworthy project Ream Port, did he, Mendes really think France could effectively help Cambodia and Laos after France leaves Saigon? Letourneau also asked LaChambre whether he, Letourneau, should conclude that South Vietnam will be forgotten as far economic aid concerned since LaChambre had said economic aid would almost exclusively be directed to Cambodia and Laos.

(7) Mendes responded saying while major part sum requested by government destined for Cambodia and Laos, South Vietnam had not

been forgotten and that why Government taking exception finance committee position favoring blocking funds for Vietnam while approving those destined Cambodia and Laos. In emphasizing French cultural approach IC, Mendes also stated in course debate: "if on political plane our action is now limited, on other hand and to extent our assistance is requested, we have fine mission to accomplish on cultural plane and in field technical assistance. I have conviction that maintenance French educational establishments as well as the sending of French professors and technicians to IC countries represents one of best chances for France in future in this region."

*Comment:* Inescapable conclusion is that policy of Mendes Government is to maintain, if not increase, French role in Cambodia and Laos on military, economic and cultural plane. In this policy, Government is supported by majority non-Communist members both Houses. Mendes is far too astute a politician to espouse any other policy for Government is already under heavy pressure from MRP, Gaullists and others for having "abandoned" France's role in Indochina and, incidentally, for having abandoned it not to three countries in keeping with their new independence but rather to US who, in view of many non-Communist parliamentarians, is rapidly proceeding to replace France as dominating influential power in three countries. Cambodia is most sensitive area this regard and therefore understandable that Mendes Government, in striving to choose country to which it is able to point in refuting charge, should choose Cambodia.

We have no doubt that Mendes by so using subject of maintenance of the French military mission in Cambodia during recent tripartite ministerial talks wished to give us notice French intentions this regard. Budget of Associated States, already passed by Assembly and soon to go to Council of Republic, provides for economic and cultural aid to Cambodia and Laos including projects which are apparently now under consideration by FOA.<sup>6</sup>

Dillon

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<sup>6</sup>A note on the source text indicates there was an omission at the end of this last sentence.

178. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>*Phnom Penh, January 11, 1955—4 p.m.*

457. Our reporting of current French plans for dominance in Cambodia has been so extensive (cf Embtels 402<sup>2</sup> and 426<sup>3</sup>) that little additional comment (Deptel 252 repeated Paris 2390<sup>4</sup>) seems necessary. However, in light of penultimate paragraph Paris telegram 2859 repeated Phnom Penh 57,<sup>5</sup> it may be useful for record to point out that no matter what French Parliamentarians think of position France occupies in Cambodia, it is certainly not true French have "paid heavy price in lives and money over the years in developing the country".

As for cost in men, history of war in Indochina is conclusive that final successful Cambodian resistance to Viet Minh was carried out by Cambodians, not Frenchmen.

It is a matter of historic record that Cambodia has been consistently exploited by French for some 90 years. Cambodians are well aware of fact it was deliberate French policy to route all foreign trade via Saigon at high prices in order to benefit (a) Messageries Maritimes and (b) French commercial enterprises in port of Saigon. Cambodians are likewise aware of fact that for years French expended minimum of joint funds of three Associated States for development of Cambodia. There are few Cambodians who do not still resent fact that France, when it was "protecting power" here, amputated eastern provinces of Cambodia and incorporated them in Cochinchina. Finally, events of 1953 conclusively show Cambodians were in unanimous support of their King in securing independence from detested French.

In consequence, present stories of supposed idyllic relations between France and Cambodia belong to neo-mythology developed along banks of Seine but not of Mekong.

As for our own position here, it seems to me Embassy and USIS Paris could conveniently seek to refute canard that US, for some Machiavellian purpose, is seeking to oust honest French traders from Cambodia by mechanism of direct economic aid. To set record straight, as Department knows, Cambodia for past 2 years has been requesting US to provide direct aid and initiative came from this country, not US. Fact is that Cambodia and other two Associated

<sup>1</sup>Source: Department of State, Central Files, 651.51H/1-1155. Secret. Repeated to Paris, Vientiane, and Saigon.

<sup>2</sup>Dated December 24, 1954, *Foreign Relations*, 1952-1954, vol. XIII, Part 2, p. 2420.

<sup>3</sup>Dated December 29, 1954, not printed. (Department of State, Central Files, 951H.541/12-2954)

<sup>4</sup>See footnote 3, Document 176.

<sup>5</sup>*Supra.*

States have been last victims of a mercantile colonial policy which became extinct so far as US was concerned in 18th Century. French have deliberately used Associated States as compulsory dumping ground for high cost exports and it is not useful in terms of US policy that we should now be blamed because at long last markets of Indochina are to be opened to free competition.

McClintock

**179. Memorandum From the Deputy Assistant Secretary of Defense for International Security Affairs (Davis) to the Chairman of the Joint Chiefs of Staff (Radford)<sup>1</sup>**

*Washington, January 14, 1955.*

**SUBJECT**

U.S.-Cambodian Bilateral Agreement on the Establishment of a U.S. Military Advisory Group (MAAG), Cambodia

*Problem:*

1. Should the Department of Defense continue to insist upon a written agreement pertaining to the withdrawal of French instructors and technicians as a prerequisite to the negotiation of a bilateral agreement with the Government of Cambodia, in reference to the establishment of a U.S. Military Assistance Advisory Group (MAAG), Cambodia?

*Background:*

2. During the period 16 November–15 December 1954, Ambassador McClintock, in a series of messages to the Department of State, generally supported the Joint Chiefs of Staff prerequisite for obtaining Cambodian agreement to the eventual phase-out of French instructors and technicians prior to negotiating a MAAG, Cambodia, bilateral agreement.<sup>2</sup>

3. On 17 December 1954, the Chief, MAAG, Indochina, was informed of the Defense position in reference to a MAAG bilateral for Cambodia in order that he might have adequate guidance while assisting Ambassador McClintock in determining the military requirements of the Cambodian aid program. He was also informed that he

<sup>1</sup>Source: Washington National Records Center, OASD/ISA Files: FRC 60 A 1025, 334 MAAG, Cambodia. Secret.

<sup>2</sup>Documentation on this topic is in Department of State, Central File 751H.5-MSP.

should furnish a small number of personnel to Ambassador McClintock, on a temporary duty basis, for the purpose of supervising the logistical aspects of U.S. support of the Cambodian military forces subsequent to 1 January 1955.

4. On 19 December 1954, Ambassador McClintock stated that the Cambodians had negotiated a secret agreement with the French calling for 720 French military instructors to be provided for the Cambodian Armed Forces during 1955.<sup>3</sup> The Cambodians insisted on reservations which would permit Cambodia to decide, on a continuing basis, the number of instructors required and their nationality. This clause was apparently designed to meet the U.S. requirement for the gradual phase-out of the French as the King and the Prime Minister indicated agreement in the concept of replacing the French with U.S. military guidance.

5. During the tripartite discussions at Paris on 19 December 1954, Mendes-France informed Secretary Dulles that the French had a training mission of 500 officers in Cambodia and intended to keep them there. Further, Mendes-France stated that the French considered the presence of their military mission in Cambodia as being consistent with French defense policy.<sup>4</sup>

6. On 21 December 1954, Ambassador McClintock stated, as a result of conversations with the French Chargé Bicurani and Colonel Dessessars, Chief of the French Military Training Mission to Cambodia, that the French would probably not contribute financial assistance to the Cambodians for military purposes. Ambassador McClintock further stated that these French representatives reiterated, on several occasions, that the French had a training mission for the Cambodian Army and, therefore, an American training mission was unnecessary.<sup>5</sup>

7. On 21 December 1954, the Department of State transmitted to Ambassador McClintock the State and Defense positions on the problem of a MAAG bilateral for Cambodia.<sup>6</sup> However, State did not inform or obtain concurrence in this message of any agency within the Department of Defense.

8. On 22 December 1954, Ambassador McClintock stated that Admiral Radford shared his view that the Joint Chiefs of Staff insistence on phasing out the French was unduly restrictive.<sup>7</sup>

<sup>3</sup>Telegram 389 from Phnom Penh, December 19, 1954, not printed. (*Ibid.*, 751H.5-MSP/12-1954)

<sup>4</sup>As reported in telegram 2601 from Paris, December 19, 1954, *Foreign Relations, 1952-1954*, vol. XIII, Part 2, p. 2400.

<sup>5</sup>Telegram 394 from Phnom Penh, December 21, 1954, not printed. (Department of State, Central Files, 751H.5-MSP/12-2154)

<sup>6</sup>Telegram 223 to Phnom Penh, December 21, 1954, not printed. (*Ibid.*)

<sup>7</sup>Telegram 398 from Phnom Penh, December 22, 1954, *Foreign Relations, 1952-1954*, vol. XIII, Part 2, p. 2410.

9. On 26 December 1954, Ambassador McClintock stated that in reference to Cambodia, the French were making every effort in the military field to maintain control of doctrinal guidance and would attempt to keep a French training mission in Cambodia even though the U.S. assumed direct support of the Cambodia Army.<sup>8</sup>

10. On 31 December 1954, Ambassador McClintock stated that aid should not be provided to Cambodian Armed Forces until written assurances, in accordance with U.S. desires, were obtained from the Cambodians.<sup>9</sup>

11. On 3 January 1955, the Department of State informed Ambassador McClintock that they were concerned over aggressive French competition with U.S. assistance to Cambodia.<sup>10</sup>

12. On 8 January 1955, Ambassador McClintock requested authorization to commence negotiation with the Cambodians in reference to the establishment of a small logistical MAAG.<sup>11</sup> (This is not necessary as he had been informed that General O'Daniel would provide him with personnel for temporary logistical supervision.)

13. On 9 January 1955, the Department of State informed Ambassador McClintock that the Defense position was unchanged; he could not negotiate for the establishment of a logistical MAAG: and that this matter would be discussed with Admiral Radford subsequent to his return.<sup>12</sup>

14. On 12 January 1955, Ambassador McClintock stated that the French training mission in Cambodia was there on an informal basis only and that the Cambodians have the right, at any time, to withdraw their somewhat vague terms of reference.<sup>13</sup>

*Conclusions:*

15. The problem of a bilateral agreement establishing a MAAG, Cambodia, has been discussed in great detail by representatives of the three Services and agencies within the Department of Defense. As a result of these discussions, the following conclusions have been arrived at:

<sup>8</sup>Apparent reference to telegram 402 from Phnom Penh, December 24 (not December 26), 1954, *ibid.*, p. 2420.

<sup>9</sup>Telegram 427 from Phnom Penh, December 30, received on December 31, 1954, not printed. (Department of State, Central Files, 751H.5-MSP/12-3054)

<sup>10</sup>Telegram 252 to Phnom Penh, January 3, 1955, not printed. (*Ibid.*, 751H.5-MSP/1-355)

<sup>11</sup>Telegram 445 from Phnom Penh, January 8, 1955, not printed. (*Ibid.*, 751H.5-MSP/1-855)

<sup>12</sup>Telegram 265 to Phnom Penh, January 9, 1955, not printed. (*Ibid.*)

<sup>13</sup>Telegram 459 from Phnom Penh, January 12, 1955, not printed. (*Ibid.*, 751H.5-MSP/1-1255)



a. As long as the French remain in Cambodia, there will be only token compliance on the part of the Cambodians, due to French influence, in reference to the acceptance of U.S. doctrinal guidance.

b. The French will make every effort to deemphasize the scope, magnitude and effectiveness of a U.S. military aid program for Cambodia.

c. The effectiveness of a U.S. military aid program for Cambodia will be negligible for the reasons stated in a. and b. above, and will represent a major waste of money, effort and the services of critical U.S. personnel.

d. The ultimate effectiveness of U.S. efforts in relation to Cambodian military forces will be a responsibility of the Department of Defense and an ineffective program for Cambodia will subject Defense to adverse criticism and cause a further loss of U.S. prestige in the Southeast Asia area.

16. The conclusion arrived at by various Service and Department of Defense representatives as a result of discussions with representatives of the Department of State on this problem is that:

The Department of State will, for reasons of political expediency, attempt to persuade the Department of Defense to accept responsibility for a military aid program to Cambodia even though such a program would be fettered by the bonds of French inefficiency and would produce only negligible results due to French interference.

*Recommendation:*

17. That you continue to support the Department of Defense position in this matter which is:

Either prior to or concurrent with the negotiation of a MAAG, Cambodia, bilateral agreement, the U.S. must obtain from the Government of Cambodia, an agreement in writing providing for the ultimate withdrawal of French instructors and technicians, on a gradual phase-out basis, as Cambodian officers and NCO's become adequately proficient.

**A.C. Davis**<sup>14</sup>

*Vice Admiral, U.S. Navy*

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<sup>14</sup>Printed from a copy that bears this stamped signature.

180. **Memorandum on the Substance of Discussion at a Department of State-Joint Chiefs of Staff Meeting, Washington, January 14, 1955, 11:30 a.m.**<sup>1</sup>

[Here follows discussion of items 1-4.]

5. *Cambodia*

Referring to his stop in Cambodia,<sup>2</sup> Admiral Radford brought up the subject of our military training mission there and the phasing out of the French training mission. He wanted to know what obstacle now stood in the way.

Mr. Robertson said that he realized that Defense wanted us to phase the French out and to establish exclusive training arrangements with the Cambodians, but he emphasized that we must proceed carefully. Cambodia, he said, was not an isolated problem, but was related to others, importantly to the role of France in our over-all coalition strategy. Mr. Robertson said that one source of the confusing situation was the fact that the Cambodians talked to us with one voice, and to the French with another.

Admiral Radford agreed and said that Cambodian officials in Paris referred casually to the arrangements made between the French and the Cambodians for a French military mission of some 550 officers and men, while on the other hand, when the Admiral was in Phnom Penh, the Defense Minister evinced puzzlement at the Admiral's query concerning the agreement between the French and the Cambodians on the status of the French military mission. The Defense Minister had said that it was an open question, that Cambodia reserved the right to be free to call in the French, but that the status of the French mission had never been finalized. The Cambodian budget, the Admiral remarked, did not include funds for the mission. All the Cambodians did was to provide the French military mission with lodging and transportation; other expenses were taken care of by the French. It was on an entirely informal basis.

Admiral Radford said that according to information which he received from Mr. Hensel's office, the State Department was not willing to agree to the specific provision for French withdrawal in a bilateral agreement, but that we were willing to make this arrangement

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<sup>1</sup>Source: Department of State, State-JCS Meetings: Lot 61 D 417. Top Secret. A note on the title page reads: "State Draft. Not cleared with any of the participants." Present for the Joint Chiefs were Admirals Radford and Duncan and Generals Ridgway, Twining, and Pate. Hensel, Sullivan, and Admiral Davis attended for the Department of Defense, while Murphy and Robertson headed the Department of State contingent. General Cabell and Amory represented the CIA and Gleason the NSC. In all, 26 persons attended.

<sup>2</sup>Part of Radford's extensive trip to the Near and Far East, December 22, 1954-January 5, 1955.

in a separate agreement with the Cambodians. He said he didn't much care how we got rid of them, as long as the French were removed and noted that Ambassador McClintock seemed to agree with this thesis.

Mr. Robertson said that Ambassador McClintock only had to worry about the Cambodian "tree", whereas we had other troublesome "trees" in our forest, including the problem of the French in Europe. However much of an anchor around our necks the French might be in Cambodia, Mr. Robertson said, we needed them in Europe.

Mr. Murphy told Admiral Radford that the vote on ratification of the Paris Accords<sup>3</sup> was due to take place in the French Council of the Republic some time during the latter part of February, and that naturally we did not wish to upset the applecart before ratification had a chance to go through.

Mr. Murphy asked the Admiral if he had an opportunity to talk to Premier Penh Nouth. The Admiral said that he had not had the opportunity.

Mr. Young then elaborated on the manner on which we intended to provide military training to the Cambodians. Mr. Hensel interjected that like Admiral Radford, he did not care how it was done; we had no quarrel with the technique. Mr. Robertson said that nevertheless, overlooking the question of *how* the problem was to be solved did not help to solve it. Our general position, he said, is that if we have control of training under our bilateral agreement with the Cambodians, the phasing out of the French will naturally fall into line, since they have no formal agreement with the Cambodians to that effect.

Mr. Sullivan stressed that Ambassador McClintock believed that now is the time to negotiate.

Mr. Young said that our projected written agreement would place the responsibility of phasing out the French upon the Cambodians, thus avoiding the difficulties which would naturally ensue if the responsibility were placed upon the U.S.

Mr. Robertson said, in summing up, that we would like to get the cooperation of the Defense Department so that the desired result of establishing a U.S. training mission in Cambodia can be gained without disturbing our position vis-à-vis France. As usual, the situation was not black and white.

Reverting to the question of ratification, Mr. Murphy said that all indications were that ratification would go through, probably in 5

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<sup>3</sup>Reference is to French ratification of the agreements on Germany signed at the NAC Ministerial meetings at Paris, October 20-23, 1954. For documentation, see *Foreign Relations, 1952-1954*, vol. v, Part 2, pp. 1404 ff.

or 6 weeks, and that it might be worthwhile to avoid roiling the waters at least until then.

[Here follows discussion of the remaining items.]

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181. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, January 15, 1955—5 p.m.*

490. Department pass Defense. Saigon: Eyes only Collins and O'Daniel. Cambodian Defense Minister<sup>2</sup> sent for me this morning. He said King and his Ministers had agreed to acceptable US military mission and to ultimate phase-out of French from Cambodian Armed Forces.

Colonel Ngo Hou said he wished urgently to negotiate MAAG bilateral with me and that Cambodian Government was ready to turn over training installations almost at once to US, but would have greater difficulty in arranging for rapid phase-out French military mission. Ngo Hou showed me text of memorandum agreement between Deputy Minister of Defense Ouk Chhoun and General Gazeaud dated December 15, 1954 which provides that members of French military mission will be made available "as a credit in personnel" to Cambodian Armed Forces only upon demand of Cambodian Government, and that as personnel of French military mission depart from Cambodia, they will not automatically be replaced unless at specific request of Cambodian Government. This accord is effective from January 1 to July 1, 1955 and contemplates a maximum total of French officers and NCOs of 727.

I told Minister of Defense I thought it essential if US were to agree to MAAG bilateral and eventually to assumption of training responsibilities that we should have secret exchange of letters indicating firm intention of Cambodian Government to phase-out French. Minister of Defense agreed to such an exchange of letters.

We concurred there was no need and in fact it would be harmful for any abrupt withdrawal of French before US instructors and MAAG personnel were in position to backstop Khmer Armed Forces.

For example, no MAAG which we could supply could on 24 hours notice suddenly replace French element in Khmer Army and, in my judgment, it would be disastrous for us to attempt such abrupt

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/1-1555. Top Secret; Priority. Repeated priority to Saigon.

<sup>2</sup>Ngo Hou was Minister of Defense until January 25, 1955.

transfer of responsibility. However, there is no doubt at all that from King on down Cambodian Government has accepted decision for phase-out and orderly withdrawal of French from Khmer Armed Forces.

I feel this negotiation has fully met conditions established by our defense authorities and that this opportunity should be seized at once.

I accordingly request immediate authority to initiate negotiation of a MAAG bilateral and to conclude exchange of letters re phase-out of French.<sup>3</sup>

I asked Ngo Hou his view on informing French authorities here of negotiation of MAAG bilateral, saying I had long since placed High Commissioner Gorce on notice of my intention eventually to negotiate such agreement. Minister of Defense made a wry smile and said Prime Minister Penn Nouth had decided it would be best to negotiate agreement and then politely tell French it had been signed. Ngo Hou said this was likewise view of King. In my opinion, we have so consistently informed local French officials of intention eventually to negotiate for American military mission that there is no further requirement for consultation on this point. Furthermore, as my tiny team of military experts goes over Cambodian Plan de Campagne and budget for 1955, we shall make no secret to French that we are undertaking necessary technical duties upon which to base our estimate of US direct military assistance for 1955. I think, in consequence, we can honestly say we have met Dulles-Mendes-France agreement for prior consultation before taking action in Indochina.

I have fixed appointment with Minister of Defense for an initial conference on January 20 between Cambodian and US military technicians to discuss 1955 Plan de Campagne and military budget. Ngo Hou said so far as possible, Cambodians would be represented strictly by Cambodians and if by chance French technicians had to be called in to clear up certain points, they would be limited to testimony of those points only and negotiation would be entirely Cambodian-American.

I said I should be glad to attend first meeting of technicians but that this would be purely preliminary technical study of Cambodian military requirements and means of screening them.

<sup>3</sup>The Department responded in telegram 294 to Phnom Penh, January 19:

"No objection your beginning talks 20th. Specific point for you bear in mind is that you not authorized negotiate MAAG bilateral until we have received Defense concurrence bilateral and have notified you.

"Therefore in meetings beginning 20th you requested limit your talks to exploratory field plus advice on force structure and other related military matters." (Department of State, Central Files, 751H.5-MSP/1-1855)

Minister of Defense made urgent appeal that bilateral accord be signed this month and that first installment US budgetary aid be made available February 1.

McClintock

182. **Telegram From the Department of State to the Embassy in Cambodia**<sup>1</sup>

*Washington, January 24, 1955—7 p.m.*

311. Joint State/Defense message. You authorized begin negotiation MAAG bilateral with Cambodian Government. On grounds overriding political consideration Defense no longer insists on JCS prerequisite requiring written guarantees eventual withdrawal French instructors. However both State and Defense agree following text to replace language paragraph four Deptel 99 info Paris 1383 Saigon 1531<sup>2</sup> as sentence to be inserted in a written declaration by Cambodia (not to be made public) to be initialled at time signing bilateral.

“The Cambodian Government recognizes that the actual direction of an effective program in fields of military training and organization must be vested in a single authority and declares that full authority for assisting the Government of Cambodia in the organization and training of its armed forces shall be exercised by the Chief of the United States Military Assistance Advisory Group on a date to be determined by Chief MAAG”.

Use original 17 September 1954 text bilateral as modified Deptel 190 info Saigon 2334 pouched Paris.<sup>3</sup>

<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/1-2455. Top Secret; Priority. Drafted by Purnell; cleared by S/MSA, L/T, G, EUR, FOA, and the Department of Defense; and approved by Robertson. Repeated priority to Saigon, Paris, and Vientiane.

<sup>2</sup>Paragraph 4 of telegram 99 to Phnom Penh, October 13, 1954, reads as follows:

“As the Government of France has announced its willingness to withdraw French troops from Cambodia upon the request of the Cambodian Government, it is understood that the Government of Cambodia, in consultation with U.S. authorities in Phnom Penh, intends to request the progressive withdrawal of French instructors and technicians as their services become no longer required.” (*Ibid.*, 751G.5-MSP/10-1354)

<sup>3</sup>The modification contained in telegram 190 to Phnom Penh, December 8, 1954, reads as follows:

“My Government is prepared, subject to the requirements and limitations of any applicable United States legislation and on the basis of the understandings set forth in paragraph one of the notes exchanged between our two Governments on December 19 and 28, 1951, to furnish military assistance directly to the Kingdom of Cambodia, including the assignment of personnel to perform mutually agreeable advisory and non-combatant services in aid of Cambodia’s defense program.” (*Ibid.*, 751H.5-MSP/12-854)

As you aware MAAG bilateral may heighten French sensitivity U.S. activities not only Cambodia but also Viet-Nam and Laos. Therefore you requested keep French informed U.S. proposals (including substance confidential declaration) progress negotiations and seek their concurrence thereto.

Success MAAG operation will to large extent depend upon French cooperation. You should therefore make every effort stress our joint objectives and necessity close French-U.S. cooperation Cambodia, particularly desirability cooperation French military instructors with MAAG.

FYI: State and Defense consider French instructors will be required in initial stages only.

Keep Department Paris and Saigon informed your progress so that French there can be kept current.

Regarding aid agreement assume you will proceed negotiate along lines Deptel 290.<sup>4</sup>

For Paris: You should inform La Chambre substance less FYI of foregoing.<sup>5</sup> Department will inform French Embassy.

Dulles

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<sup>4</sup>Dated January 19, not printed. (*Ibid.*, 751H.5-MSP/1-1555)

<sup>5</sup>Done according to telegram 3150 from Paris, January 26, although the Embassy, in La Chambre's absence, informed M. Clarac, Cabinet Director of the Ministry of Associated States. (*Ibid.*, 751H.5-MSP/1-2655)

In telegram 3174 from Paris, January 27, the Embassy reported, on the basis of further discussions with French Foreign Ministry authorities, their view that the official French reaction to the U.S.-Cambodian negotiations would be unfavorable. (*Ibid.*, 751H.5-MSP/1-2755)

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### 183. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, January 27, 1955—7 p.m.*

543. Pursuant Department telegram 311,<sup>2</sup> I called this morning on Prime Minister Leng Ngeth in his capacity as Minister Foreign Affairs and left with him note in English and French using September 17 text as modified Department telegram 190. I likewise left with him secret draft of proposed written declaration as set out in English

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/1-2755. Top Secret. Repeated to Saigon, Paris, and Vientiane.

<sup>2</sup>*Supra.*

text Department telegram 311 and French text Department telegram 312<sup>3</sup> as amended Department telegram 314.<sup>4</sup>

Prime Minister said his energies had been almost completely absorbed in assisting King in preparations for referendum February 7<sup>5</sup> and he doubted if his government, which was provisional one, would be able to reach decision on US note and accompanying draft declarations until after referendum. However, he promised experts concerned both in Foreign Office and Ministry of Defense would at once study our proposals. I said I was in no hurry, but obviously I could not be expected to authorize direct support of Cambodian armed forces unless I had MAAG to give me expert counsel. Re proposed declaration by Cambodian Government on training, I stressed US did not seek to impose its views on Cambodia, but that if Cambodian Government desired MAAG to assume training function, it was obvious responsibility should be vested in one authority and not two.

I likewise apprised Gorce of my instructions and told him I intended to propose a MAAG bilateral to Cambodian Government. I said bilateral as drafted did not specifically incorporate any engagement re training, but I had made no secret during recent months in conversations with himself and members of French Military Mission that if US undertook to provide ARK with equipment it would be logical to expect US to train ARK in use of such equipment. If Cambodian Government asked us to institute a training mission we would insist on sole responsibility therefor although, of course, we confidently hoped to be able to utilize French instructors, and had no desire abruptly to oust present French Military Mission.

Gorce said he had not yet informed Cambodian Government because French budget had not been voted, but he could inform me in confidence that he thought it probable French would pay for salaries of Military Mission to Cambodia. He likewise hoped French would be able to contribute modest amount of direct military aid to Cambodia in connection with activities of Military Mission. Gorce

<sup>3</sup>Telegram 312, January 24, contained the French text of the single sentence declaration in English in paragraph 2 of telegram 311, *supra*. (Department of State, Central Files, 751H.5-MSP/1-2455)

<sup>4</sup>In telegram 314, January 25, the Department instructed the Embassy to bring the French translation in telegram 312 in line with the English version in telegram 311. (*Ibid.*, 751H.5-MSP/1-2555)

<sup>5</sup>According to telegram 526 from Phnom Penh, January 23, King Norodom Sihanouk announced on January 22 his decision to hold national elections on April 17 and a popular referendum on February 7. The referendum preceding the elections was to obtain public approval for Sihanouk's 3-year program for maintenance and achievement of national independence and peace. As a consequence of this announcement, the Cabinet resigned and Sihanouk consulted political leaders to form a caretaker government for the period preceding the elections in April. (*Ibid.*, 751H.00/1-2355)



thought this would include funds for improvement of existing training facilities, but he was not precise on this point.

Once new Minister of Defense gets settled in his job, I shall pursue these matters further directly with him. French, meanwhile, may be expected sedulously to press Cambodians to firm up status of their Military Mission. However, King is fully cognizant of our position and, in fact, had authorized secret engagement by his government for phased withdrawal of French. In consequence, I do not anticipate undue difficulty in making arrangements desired by Department and Defense. However, I continue to feel it would be wise for us to modify language in proposed secret declaration along lines suggested Embassy telegram 532.<sup>6</sup> This would give us opportunity to make graceful concession without in substance altering our relationship in MAAG or training mission, since obviously no MAAG commander unilaterally fixing a date when he proposes to start training can force Cambodians to accept that decision unless they are ready to accept US training.

Request, therefore, Department respond affirmatively re final sentence first paragraph my telegram 532.<sup>7</sup>

McClintock

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<sup>6</sup>In telegram 532, January 25, the Embassy in Phnom Penh expressed concern that the statement did not suggest enough mutuality of agreement with the Cambodians. As written, the MAAG Chief would unilaterally determine the date when instruction responsibilities were to be assumed by the United States. (*Ibid.*, 751H.5-MSP/1-2555)

<sup>7</sup>The final sentence of the first paragraph of telegram 532 reads as follows: "They [the Cambodians] might wish, for example, to ask that language be modified to read that this authority would be assumed at a date to be fixed by mutual agreement by Chief of MAAG and Cambodian Chief of Staff."

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#### 184. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, January 29, 1955—noon.*

551. I called this morning on Prince Sirik Matak, new Minister of Defense and Chief of Staff Cambodian Armed Forces. I left with him copies of my note of January 27 and of proposed secret declaration re training. Minister thanked me warmly for US interest in providing direct aid Cambodian Armed Forces and accepted my thesis that in order to administer such aid, we needed prompt establishment

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/1-2955. Top Secret; Priority. Repeated to Saigon and Paris.

of a small MAAG/Phnom Penh. He is seeing King at noon today and will discuss over-all principles re MAAG bilateral and proposed secret declaration. Minister did not hide fact he feared French reaction would be sharp and unfavorable.

I stressed we had no desire at once to oust French instructors and my personal view that any abrupt shift in present set-up would be disastrous. We wished loyally to cooperate with French and to continue use of French instructors so far as this was practicable. However, Prince could readily see it would be chaotic to attempt to train Cambodian Army through two lines of command. It was not possible to have two principals running one school, and in consequence, insistence of our defense authorities on unity of responsibility was reasonable and sound.

Re first paragraph Department's telegram 322,<sup>2</sup> Minister and I agreed talks on technical level would continue between my officers and officers of ARK in effort to refine views on 1955 "plan de campagne" and military budget. However, on both sides these talks would be purely exploratory and without commitment.

I said I needed a MAAG here soon as possible if I were to be able to fulfill my responsibilities both to Cambodia and to US Government for proper administration of direct aid. I could not for example, determine what amounts of war matériels would be handed over to ARK without a MAAG to counsel me on this highly technical matter. As for budgetary assistance, I should be glad to recommend to my government a one-month advance payment in order that ARK should not be without financial support, but this would be without commitment as to over-all budget for 1955 and final amount which US would contribute to that budget.

Re final paragraph Department's telegram 322<sup>3</sup> and without prejudice to JCS determination force levels recommended my 352, 367, 512 to Saigon<sup>4</sup> and Saigon telegram 2636,<sup>5</sup> after consultation with MAAG officers and army attaché, I believe FOA should authorize me to hand check for 1.5 million dollars to Cambodian Minister of Defense as of 1 February to cover fiscal needs of Cambodian

<sup>2</sup>In the first paragraph of telegram 322 to Phnom Penh, January 27, the Embassy was urged to keep the talks with Cambodian officials on force levels on an "exploratory" basis in view of the fact that no decision was expected from the JCS on the matter within the month. (*Ibid.*, 751H.5-MSP/1-2455)

<sup>3</sup>In the final paragraph of telegram 322, the Department authorized the Embassy to submit the initial request for funds required for Cambodian direct forces support to FOA if the Embassy anticipated the necessity to begin such support in the near future.

<sup>4</sup>The force level recommended in telegram 352 from Phnom Penh, repeated to Saigon as 367 and Paris as 185, December 13, 1954, was 34,000. (Department of State, Central Files, 751H.5/12-1354) The reference to telegrams 367 and 512 to Saigon is apparently in error as neither deals with Cambodian force levels. (*Ibid.*, 751H.5-MSP/12-1554 and 751G.5622/1-2555)

<sup>5</sup>Dated January 8, vol. 1, p. 25.

Armed Forces for that month. This figure takes into account 1955 Cambodian military budget and is arrived at on a forces basis of 35,353 men because this is number of troops now under arms, and they cannot be instantly demobilized, irrespective of what final decision JCS reaches re force levels. We have deducted from over-all dollar figure of 2.5 million as net US contribution.

I believe it psychologically of first importance that we provide Cambodian Government with direct financial support for February. This will be tangible evidence of our intentions and will be conclusive so far as Cambodian Government is concerned as indicating US can be relied upon as effective friend. Speed in authorizing this payment is of essence as French here can be expected to place immense pressure on Cambodian Government following revelations recently made to them of our intentions.

McClintock

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**185. Telegram From the Department of State to the Embassy in France<sup>1</sup>**

*Washington, February 2, 1955—7:11 p.m.*

2741. On instructions Millet of French Embassy called on Young 31st re US proposal for US training mission in Cambodia (Deptel 2627 rptd Saigon 3085 Phnom Penh 311 Vientiane 221<sup>2</sup>). Millet said (1) US proposals raised possibility "serious clash" between our two governments which Paris hoped could be avoided (2) Mendes-France fears new American proposal indicated grave misunderstanding between two governments (3) French Government firmly intends keep complete responsibility for training in Cambodia and maintain French military mission continue training and equipping Cambodia and (4) since this would require US aid and equipment and some form of small US mission his government hoped US would "cooperate" with French training mission. Millet commented understandings reached between France and the US in Vietnam are not applicable to Cambodia or Laos and French had repeatedly told us their intention keep mission in Cambodia which US had never disputed. According-ly sudden new US proposal startling and hard to understand.

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/2-255. Secret. Drafted by Young, cleared by Merchant and MacArthur; and approved by Robertson. Sent also to Phnom Penh and repeated to Saigon and Vientiane.

<sup>2</sup>Printed as Document 182.

Millet requested French views be transmitted to appropriate US authorities. His instructions contained no suggestions or counter proposals.

Young acknowledged divergence, outlined US viewpoint and agreed inform appropriate authorities. He pointed out (1) Gen. Smith in September meetings specifically informed French our intentions<sup>3</sup> (2) necessity for operating efficiency and accountability to Congress to have only one training mission with one doctrine and procedure accorded full and single responsibility from Cambodians for supervising use of US funds and equipment in organization, equipping and training of Cambodian army bring about modernization in shortest possible time (3) US could furnish aid directly and in keeping sovereignty and independence Cambodia only by such mission and (4) US is increasingly concerned with security Thailand, rest of SEA, particularly Philippines and offshore island chain, which are immediately affected by present threats to security Vietnam, Cambodia and Laos. For all these reasons there must be clear understanding among Cambodia, France and US as to who will and will not assume single responsible authority for improving and modernizing Cambodian security forces in the light of the situation in Southeast Asia and Far East in general.

Millet was reminded of US position on French-US cooperation in Associated States to effect US has no intention of itself supplanting France, we hoped no extraneous question over pride of place would enter into American or French consideration this regard, and in US view it is vital that military establishments Associated States be modernized and improved as matter urgency in face threat of possible subversion or aggression.

In connection French-US cooperation Cambodia Young suggested wide area of opportunity for both France and US in various fields. It would be folly for either try duplicate major effort of other in all fields. Reasonable division of effort with maximum practical results for example would be along economic and military lines. French are proposing build Ream seaport as fast possible, which US endorses and supports. Cambodians intensely interested in this project which has great psychological impact Cambodia. US will assist Cambodian economy in other ways. By same token US could devote its principal effort to training mission with US funds and equipment to build up Cambodian security forces which French instructors could help develop. In view US training operations Thailand, Vietnam and Philip-

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<sup>3</sup>For documentation on discussions among Acting Secretary of State Walter Bedell Smith and Minister for Associated States Guy La Chambre and Finance Minister Edgar Faure, September 27-29, 1954, see *Foreign Relations, 1952-1954*, vol. xiii, Part 2, pp. 2078 ff.

lines thus enhancing rapidity and efficacy urgently required modernization Cambodian forces. *End Comment.*

Embassies Phnom Penh and Paris should inform appropriate French officials of démarche and points made by Young emphasizing Cambodians have requested US training assistance for their security forces and we believe it reasonable that if US furnishes bulk of aid for forces US should train forces.<sup>4</sup> Department believes this matter could be worked out with French and Cambodians along above lines. Department sees no conflict in this undertaking with agreed US-French objectives and cooperation in Associated States as affirmed in Smith-LaChambre understanding of Sept. 29 and reaffirmed in November by Secretary and Mendes-France.

FYI This matter must be resolved at Government level. Department will refer issue to Secretary next week. Pending further advice, Phnom Penh should not press negotiation classified declaration on training responsibility.

Hoover

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<sup>4</sup>Done as reported in telegrams 3290 from Paris, February 5, and 589 from Phnom Penh, February 8, neither printed. (Department of State, Central Files, 751H.5-MSP/2-555 and 751H.5-MSP/2-855, respectively)

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**186. Memorandum of a Conversation, Department of State, Washington, February 14, 1955<sup>1</sup>**

**SUBJECT**

Military Assistance and Training in Cambodia

**PARTICIPANTS**

The Secretary  
 Couve de Murville, French Ambassador  
 Mr. Livingston T. Merchant  
 Mr. Kenneth T. Young, Jr.

The French Ambassador came in to inform the Secretary today regarding French views on the above subject, before the Secretary left for Bangkok<sup>2</sup> because the French would speak to him about it there. In answer to the Secretary's question, Couve de Murville said

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/2-1455. Secret. Drafted by Young.

<sup>2</sup>Secretary Dulles was to attend the first session of the SEATO Council meetings at Bangkok, February 23-25. See Documents 16 ff.

he did not know who would represent France at Bangkok but was sure that it would be the Foreign Minister, perhaps Edgar Faure.

The Secretary said that at one time it had been planned to have a discussion about this and other matters in Bangkok with Sir Anthony Eden and the French representative. He asked the French Ambassador what exactly was the French point of view on this question of training in Cambodia.

The Ambassador replied that the only difficult question was whether France or the US would have the responsibility for conducting training in Cambodia. He said that it was very disturbing to have this issue raised because Indochina is an important part of Southeast Asia. The French understood that the US proposal was patterned on the arrangements agreed to in Viet-Nam. However, the French do not believe Cambodia is the same as Viet-Nam. The French still feel that they should keep the French training mission there and are prepared to pay its costs. They do not believe that a US training mission is desirable. It would not be completely in keeping with the spirit of the Geneva Accords. It would raise political difficulties for France in Cambodia and elsewhere.

As to costs, the Ambassador made clear that he was not speaking of the costs for maintaining Cambodian forces. In answer to his inquiry on this point, Mr. Young stated that the estimate for maintaining Cambodian forces, not including costs of initial equipment was in the range of \$40 to \$60 million depending on how much the Cambodian Government itself dispersed. The equipment could be provided from stocks of American MDAP arms now in Viet-Nam and to be declared surplus. Including equipment, the cost of maintaining Cambodian forces could run between \$100 and \$200 million.

The Secretary stated that the US had to have some voice in the handling of US funds and equipment. How this could be worked out was not certain at this time. In any event the US was not seeking the total replacement of the French in Cambodia. He pointed to the language problem for the US there. On the other hand the Secretary pointed out, as these countries develop their sovereignty and independence and as US aid is given directly, the US must exercise controls for providing its aid on the same basis as with other sovereign independent countries. Some new formula has to be worked out in the case of Cambodia because it is not possible to go on as in the past when France was a sort of "overlord" of the area. During the period of hostilities there were various US-French arrangements for the support and development of indigenous armed forces. Those arrangements have all been blown up and fresh ones are necessary. The US must have a voice in the military policies it is to support. Otherwise it might not be possible to get the funds from Congress. Some compromise position is necessary. The Secretary emphasized

that in this whole area of the Associated States France and the US must work together. He referred to the suggestion of Mendes-France last November that the United States should have primary responsibility there. The Secretary said he had rejected this concept and told Mendes-France that we do not wish to supplant France and that we must find ways to work together, for in some fields we must depend on the French. The Secretary cited the fine example of cooperation between Generals Ely and Collins.

The Secretary said he had no concrete proposal to suggest today but was sure that something could be worked out. While we have no desire for reasons of pride to substitute the United States for France, we are active in the three Associated States and do have a responsibility for producing satisfactory results. The Secretary said he would talk with the Defense Department regarding some compromise solution before departing for Bangkok.

The Ambassador assured the Secretary he did not wish to leave the impression that the French wish to get the United States out of the picture. On the contrary they would like to have the US there, but the difficulty is Cambodia is not the same as Viet-Nam. The King is commander-in-chief in Cambodia, not Ely. If the US takes over and directs the training in Cambodia then the French will be squeezed out. This will create real political difficulties.

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### 187. Draft Memorandum for the President<sup>1</sup>

*Washington, February 14, 1955.*

#### SUBJECT

Military Assistance and Training for Cambodian Armed Forces

1. The rapid modernization of the security forces in Cambodia, Laos and Viet-Nam is an important US objective. The security of those states is essential to the security of Southeast Asia particularly Thailand and Malaya. It is desirable that the US, France and the Governments of Cambodia, Laos, and Viet-Nam agree on effective programs of military assistance and training. Agreement has been satisfactorily reached in Viet-Nam. There will probably not be much of a problem in Laos. However, Cambodia presents an acute problem because the French oppose a US training mission.

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<sup>1</sup> Source: Department of State, FE-SEA, Cambodia, Files: Lot 59 D 630, 404.2 MAAG. Secret. Drafted by Young. According to the memorandum of conversation *infra*, the substance of this memorandum was transmitted to the President by Dulles.

2. In May 1954, the Cambodian Government requested US military assistance and training. They have since repeated that request, and we have indicated to France and to Cambodia our readiness to undertake a training mission, as well as direct financial support. The French have strongly reacted against our negotiations with the Cambodians for a military assistance agreement. We are not pressing for completion of the negotiations at this time, pending a resolution of the problem. Meanwhile the French are trying to get in ahead of us by pressuring the Cambodians to sign up with them, to the exclusion of US direction of training but with US financing of the costs. It is probable that no French Government will agree to hand over the exclusive responsibility for training to the US in Cambodia. Their prestige is too much at stake. Accordingly some compromise formula must be found.

3. The Cambodian armed forces will depend exclusively on the US for funds and equipment. The French do not propose to provide them. On the other hand the French now have a training mission in Cambodia. It will be difficult to find enough French-speaking American officers and enlisted men to perform the training function. Accordingly, both the French and the Americans have need for each other in Cambodia for training purposes.

4. Under these circumstances the following is a possible compromise formula:

a. The Chief of US MAAG in Cambodia would be designated the principal military adviser to the King of Cambodia who is Commander in Chief of the Cambodian armed forces. The Chief of US MAAG would advise the King, and in effect the Chief of the French training mission on:

1) the utilization of US funds and equipment in Cambodia;

2) the force goals, costs, structure, and mission of Cambodian forces for which US funds and equipment are to be provided.

b. The French training mission under a French general officer would remain in Cambodia to conduct the day-to-day training operation of Cambodian units and personnel according to the advice and doctrines given to the King by the US MAAG Chief and accepted by him for the training of Cambodian forces. The US MAAG would have authority to observe the day-to-day training operations and make recommendations and suggestions to the French training mission and to the King.

c. The US MAAG would maintain exclusive control over US funds and equipment. If US recommendations and suggestions as to doctrine and procedure for the development of Cambodian armed forces were not followed, the Chief US MAAG could ultimately recommend to the US Ambassador and US Government the withdrawal of US equipment and funds for training Cambodian armed forces.



5. This formula would be similar to the present arrangements in Viet-Nam except that the French instructors would not be under the direction of the US MAAG. It would also be similar to possible arrangements in Laos where the US is prohibited by the Geneva Accords from undertaking a training function, and where the French have the responsibility for training.

6. The above formula for Cambodia has not been discussed with the Department of Defense. It proposes to send the Chief of MAAG designate, Brig. Gen. George Lodoen, and three officers to Cambodia on temporary detail to review the situation.

*Recommendation*

I recommend that we explore working out arrangements on the basis of the above formula, and General Lodoen be sent to Cambodia to work out an agreement on the spot among the French, Americans and Cambodians.

**188. Memorandum of a Conversation Between the President and the Secretary of State, Washington, February 14, 1955<sup>1</sup>**

[Here follows discussion of items 1-5.]

6. I discussed with the President the matter of training for Cambodia, as outlined in the memorandum<sup>2</sup> which had been handed me a few moments before as a result of our earlier Departmental conference.<sup>3</sup> I did not submit the memorandum to the President because I did not think it proper to do so except with prior knowledge of the Department of Defense. However, I outlined generally the problem and the President agreed that our Defense people should accept some sort of a compromise position. He asked me to take this up with Wilson and the JCS.

<sup>1</sup>Source: Eisenhower Library, Dulles Papers, "Meetings with the President". Secret; Personal and Private. Drafted by Dulles.

<sup>2</sup>*Supra*.

<sup>3</sup>According to a brief covering memorandum from Young to Robertson, February 15, the draft memorandum for the President (*supra*) was prepared for a meeting with the Secretary on February 14. No record of the meeting has been found. Also according to Young's covering note, another memorandum from Robertson to Dulles, February 5, on outstanding Indochina problems including the Cambodian MAAG training negotiations as well as a staff study on the training mission in Cambodia, were sent to Dulles in the Bahamas where he was vacationing. Dulles read the memorandum and the study on his return to Washington. (Department of State, Central Files, 751H.5/2-555)

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[Here follows the remainder of the memorandum.]

JFD

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189. Letter From the Secretary of State to the Deputy Secretary of Defense (Anderson)<sup>1</sup>

*Washington, February 15, 1955.*

DEAR BOB: Since our talk yesterday<sup>2</sup> regarding the problem of training in Cambodia, I have given considerable thought to finding a formula to resolve the issue with the French. I am sure that no French Government will accede to exclusive U.S. control and operation of the training of Cambodian forces. To press our current proposals will undoubtedly provoke a sharp and vigorous counteraction from the French. This will only have the effect of straining U.S.-French relations in general, putting the Cambodians in a difficult position, and delaying indefinitely the reorganization and modernization of Cambodian armed forces. This latter objective is essential to the security of the area, as we indicated yesterday.

I wish that we could proceed with our proposals, for they seem sensible and workable from our viewpoint. However, the French Ambassador has told me on instructions that his government is deeply disturbed and opposes turning over the training in Cambodia to us.<sup>3</sup> His government wishes to discuss this problem with me at the Bangkok Conference.

So, after a good deal of thought on the matter I think we have to evolve a formula that I can negotiate at Bangkok with the French, if you concur. This formula must satisfy our requirement for the controlling voice in the entire utilization of U.S. funds and equipment in Cambodia. This means, as I see it, that our resources will be used according to our doctrine and procedures. If we have satisfactory assurances to that effect and the means to safeguard and observe the utilization of U.S. resources, then it is not indispensable, though it would be desirable, to participate in the day-to-day conduct of the training operation. Since U.S. resources will be the mainstay of the Cambodian army, our control over their use will provide us with the deciding voice on the development of Cambodian forces,

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<sup>1</sup>Source: Department of State, Central Files, 751H.5/2-1555. Secret. Drafted by Young.

<sup>2</sup>No record of this meeting has been found.

<sup>3</sup>See Document 186.

subject only to the assent of the King of Cambodia as commander-in-chief.

Under these circumstances, I suggest for your consideration the following possible formula:

1. By agreement with the Cambodian Government, the Chief of U.S. MAAG in Cambodia would be designated by the United States as the military adviser to the King of Cambodia who is Commander in Chief of the Cambodian armed forces. The Chief of U.S. MAAG would advise the King, and through him the Chief of the French training mission, on:

- a. the doctrine and procedures for the utilization of U.S. funds and equipment by Cambodian armed forces;
- b. the force goals, costs, structure, and military mission of Cambodian forces for which U.S. funds and equipment are to be provided.

2. It should be understood by the French and Cambodian Governments that the Chief, U.S. MAAG will have the sole responsibility and final authority, subject to the U.S. Ambassador, for providing such advice.

3. The French training mission under a French general officer would remain in Cambodia to conduct the day-to-day training operation of Cambodian units and personnel according to the advice and doctrines provided the King by the U.S. MAAG Chief and accepted by the King for the training of Cambodian forces. The U.S. MAAG would have authority to observe the day-to-day training operations and to make recommendations and suggestions to the French training mission and to the King.

4. The U.S. MAAG would maintain exclusive control over U.S. funds and equipment. If U.S. recommendations and suggestions as to doctrine and procedure for the development of Cambodian armed forces were not followed, the Chief of U.S. MAAG could ultimately recommend to the U.S. Ambassador and U.S. Government the withdrawal of U.S. equipment and funds for training Cambodian armed forces.

This is just the bare outline of a formula. If it is workable in principle, you may want to refine it. I think we may be able to persuade the Cambodians and the French to accept it. Accordingly, I would appreciate your views on this if possible before I leave Friday<sup>4</sup> for Bangkok.

Sincerely,

Foster

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<sup>4</sup>February 18.

190. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)<sup>1</sup>

*Washington, February 16, 1955.*

SUBJECT

Training of Cambodian Armed Forces

1. Reference is made to a letter from the Secretary of State to the Deputy Secretary of Defense on the above subject, dated 15 February 1955.<sup>2</sup> The letter was passed to me by the Deputy Secretary of Defense so that I might obtain the views of the Joint Chiefs of Staff on the formula for the problem of training Cambodian armed forces suggested therein by Secretary Dulles.

2. The Joint Chiefs of Staff recommend that the formula proposed by the Secretary of State be revised as follows:

a. Amend paragraph 1 as follows:

"1. By agreement with the Cambodian Government, the Chief of US MAAG in Cambodia would be designated by the United States and the King of Cambodia as the military adviser to the King of Cambodia who is Commander in Chief of the Cambodian armed forces. The Chief of US MAAG would advise the King, and through him the Chief of the French training mission, on:

a. the doctrine and procedures for the utilization of US funds and equipment by Cambodian armed forces;

b. the force goals, costs structure, and military mission of Cambodian forces for which US funds and equipment are to be provided."

b. Delete paragraphs 2 and 3, and substitute the following as paragraph 2:

"2. It should be formally agreed in writing by the Cambodian Government that responsibility for organizing and training the Cambodian Army shall be delegated to the Chief, US MAAG, and further that the Cambodian Government shall provide that the French training mission shall carry out such directions as the Chief, US MAAG, in the name of the King, shall duly transmit to him."

c. Renumber paragraph 4 as paragraph 3 and change as follows:

"3. ~~4~~ The US MAAG would maintain exclusive control over US funds and equipment. If US recommendations and suggestions as to doctrine and procedure for the development of Cambodian armed forces were not followed, the Chief of US MAAG could ultimately recommend to the ~~US Ambassador and US Ambassador and US Gov-~~

<sup>1</sup>Source: National Archives and Records Administration, RG 218, JCS Records, CCS 092 Asia (6/25/48) (2). Secret.

<sup>2</sup>*Supra.*

ernment through the US Ambassador the withdrawal of US equipment and funds for training Cambodian armed forces."

d. Insert a new paragraph 4 as follows:

"4. The Cambodian Government should agree further that it intends to request the progressive withdrawal of French instructors and technicians as their services become no longer required."

For the Joint Chiefs of Staff:

**Arthur Radford**<sup>3</sup>

*Chairman*

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<sup>3</sup>Printed from a copy that bears this typed signature.

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**191. Memorandum for the Record by the President's Staff  
Secretary (Goodpaster)**<sup>1</sup>

*Washington, February 19, 1955.*

State Department has advised that following the NSC meeting on 17 February the President met briefly with Secretary Dulles, Deputy Secretary Anderson, and Admiral Radford regarding the problem of arrangements for control of Cambodian military training. After a full discussion of the matter with the President, during the course of which Admiral Radford stated the concern of the JCS over the formula proposed by Secretary Dulles for solving this problem, the President approved the formula set forth by the Secretary in his letter of February 15 to Secretary Anderson.<sup>2</sup>

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*Colonel, CE, U S Army*

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<sup>1</sup>Source: Eisenhower Library, Whitman File, ACW Diary. Secret.

<sup>2</sup>*Supra.*

192. Telegram From the Embassy in the Philippines to the Department of State<sup>1</sup>

*Manila, March 2, 1955—5 p.m.*

Secto 51. Department pass Defense. For Acting Secretary from Secretary. On February 28 after general conversation with King of Cambodia,<sup>2</sup> I had an hour's working session with Prime Minister and Ministers of National Defense, Finance, Economy and Public Works.<sup>3</sup> Informed them US prepared undertake aid program roughly \$40 million over and above US equipment under usual conditions in agreements other countries. I suggested formula which might be acceptable to Cambodians and French re responsibility for training Cambodian Armed Forces.

This formula would be to start with King of Cambodia at apex as Commander-in-Chief Cambodian Armed Forces. Assisting him as his principal military adviser would be chief MAAG/Phnom Penh, who in addition to logistical functions of MAAG would have responsibility for counseling King on standards training to be maintained in ARK. There would likewise be French military mission under overall direction of King, who would be expected to require that on standards of training, military and doctrine, etc, to be adopted by Cambodian Armed Forces would be American standards. Thus although French training mission would not be under direct command of chief MAAG, it would be subject to his over-all guidance and influence channeled through King. I emphasized whether to keep French mission or not was decision for Cambodian Government. If government wanted our help and also wanted French to stay the French would have to follow US military doctrine. If it did not want them, we would seek to proceed without them. Essential point is to use methods which US military consider effective and produce results consistent with our ideas.

Prime Minister said that this formula might indeed facilitate solution of problem caused by French susceptibility and desire to retain

<sup>1</sup>Source: Department of State, Central Files, 110.11-DU/3-255. Secret. Repeated to Paris and Phnom Penh. After conclusion of the SEATO Council meetings at Bangkok, Dulles made brief visits to Rangoon and Vientiane on February 27, Phnom Penh on February 28, Saigon on the night of February 28-March 1, and then on to Manila.

<sup>2</sup>Briefing material for the Secretary's trip to Phnom Penh is *ibid.*, FE Files: Lot 56 D 679, Bangkok Conference Visits. A brief summary of Dulles' meeting with Sihanouk is in telegram 2277 from Manila, March 3, not printed. (*ibid.*, Central Files, 751H.11/3-355)

For a brief summary by Dulles, for Eisenhower's benefit, of his stay in Cambodia, see Dulte 18 from Manila, March 1, vol. 1, p. 96.

<sup>3</sup>Pho Proeung was Minister of Finance and Neal Phleng was Minister of Public Works, Telecommunications and Economic Planning.

a military mission in Cambodia, which government found acceptable if acceptable to us.

I stressed important to have French arrangement of short duration with possible renewal, so as to keep pressure on them to follow US doctrine. I informed them we are ready send MAAG chief to Cambodia in few days if over-all arrangements can be completed soon.

I took occasion to secure Prime Minister's written agreement to principles established Usfoto X 290<sup>4</sup> and give him check for \$1.5 million to Minister of Finance as direct defense support for February. It was agreed that we would not publicize this. Prime Minister expressed hope that similar check would soon be forthcoming for March. We feel however that no additional payment should be made until Cambodian Government responds affirmatively to our note of January 27 proposing MAAG bilateral. I pointed out need for prompt action on bilateral (Department inform FOA/Washington).

In Saigon Tuesday evening<sup>5</sup> Hensel informed Phnom Penh conversation. Later that evening, with Hensel present, explained training formula to General Ely and Ambassador Bonnet, saying it might not work, that our military people did not like it but that we were trying to meet the French reluctance to have their mission under US command. Neither Bonnet nor Ely like it. They thought it would subordinate in effect French military mission to over-all US direction, which I told them it would do. Yesterday General [Ely?] requested McClintock to discuss further training formula to make sure that he had understood last night's description of it. Ely said at first he could not at all recommend acceptance by his government. He said, "I used my last ounce of influence in Paris to get acceptance of US training in Vietnam. I cannot draw further on my credit in that bank to meet your desires in Cambodia." Ely hoped there could be slight modification of formula whereby French military mission responsible for training would take its orders directly from King but without constant "cross-fertilization" from US MAAG. Ely said he feared that if there were proliferating MAAG we would find spectacle of American advisers to French advisers which would result in chaos. However if chain of command were directly from King he felt he could recommend acceptance by French government of proposition that training conducted by French military mission should be in accord with American military doctrine, and even accepted suggestion organization of Cambodian Army be according to US TOs and Es. He said specifically if we wished he would be prepared to recommend that French military mission reorganize Cambodian Army on regimental

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<sup>4</sup>Not found.

<sup>5</sup>March 1.

and divisional basis, provided this was acceptable to King. Ely said Ambassador Bonnet would be able to report these problems promptly to his government.

Dulles

193. **Telegram From the Embassy in the Philippines to the Department of State<sup>1</sup>**

*Manila, March 2, 1955—11 p.m.*

Secto 54. Following represents tentative suggestions MacArthur, Robertson, Bowie, McClintock and Young after Secretary's talk with Cambodians and French on training formula:

Assuming French reject or procrastinate on formula, we can take following order of steps during next 4 to 6 weeks while Paris is ratifying Paris agreements:

1. Sign immediately bilateral with Cambodia to proceed with logistics and costing. (The French would not object to this.)
2. Ask Defense to send, as soon as bilateral signed, General Lodoen to Cambodia to survey material requirements, and size, structure and composition of Cambodian forces in light of what we think their mission should be. Lodoen should also be asked to report separately his views on adequacy of French training and security conditions Cambodia including conditions Cambodian forces.
3. Defer the training issue until Lodoen's report received and studied.
4. Then, probably in mid-April, put decision up to Cambodians to choose alternatives already put up to them on training.
5. In meantime, make study of possible ways to set up a training organization. Perhaps Colonel Rossin of O'Daniel's staff and an expert on such matters could be detailed on temporary duty to Phnom Penh to assist in this aspect of the problem.

Request Department study above and comment to Secretary on his return Washington. No action should be taken until then. If above approved McClintock can be instructed proceed with bilateral.

Dulles

<sup>1</sup>Source: Department of State, Central Files, 110.11-DU/3-255. Secret. Repeated to Phnom Penh and Paris.



**194. Memorandum From the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald) to the Secretary of State<sup>1</sup>**

*Washington, March 4, 1955.*

**SUBJECT**

Situation in Cambodia<sup>2</sup>

Reasons behind the King's abdication are still obscure and probably not subject to conventional western logical analysis. It is possible he may return to the throne under coaxing and although his general prestige among the masses might not be impaired, many of the more sophisticated political leaders probably have become disillusioned with the King's gyrations.

The outlook for the future is not encouraging. In recent months the King through his practice of "infallible" absolutism has antagonized many of the moderate political figures and most of the liberals. If the present trend continues and elections are held April 17th, the Democratic Party now under radical control will likely return a majority to Parliament and possibly give government leadership to Son Ngoc Thanh. If this should happen, we could expect a quick shift toward neutralism and coexistence and a rejection of western influence.

The present ineffective King and unpopular Queen<sup>3</sup> can do little to stave off the above eventuality without risking a revolution.

Should Norodom Sihanouk return to the throne, he conceivably could save the situation by giving his support to moderate political

<sup>1</sup>Source: Department of State, Central Files, 751H.00/3-455. Secret. Drafted by Purnell and concurred in by Hoey and Murphy. A note on the source text indicates that the Secretary saw this memorandum.

<sup>2</sup>King Norodom Sihanouk announced his abdication on the afternoon of March 2. Additional documentation on the abdication is *ibid.*, 751H.11.

At the 239th meeting of the National Security Council, March 3, Allen Dulles described the abdication as follows:

"Mr. Dulles then commented that the King of Cambodia had just abdicated his throne. . . . Mr. Dulles went on to state that he did not attach any profound significance to the King's abdication."

At the 240th meeting of the NSC, March 10, Allen Dulles commented further on Sihanouk's abdication as follows:

"Mr. Dulles then referred to a recent report from the scene analyzing the reasons which prompted the recent abdication of the King of Cambodia. It nevertheless remained difficult to grasp why the King had taken this step. Some motivation seemed to derive from the King's Buddhist religious feelings. In any event, he had informed the American authorities that his abdication was in fact definite and final. However, the King could readily change this decision if he chose to do so. Summing up the affair, Mr. Dulles said that there was 'nothing very subtle back of it.' " (Memoranda of discussion; both in Eisenhower Library, Whitman File, NSC Records)

<sup>3</sup>King Norodom Suramarit and Queen Sisowath Kossamak Nearireath, Sihanouk's father and mother.

leaders and assist them in recapturing the Democratic Party and in winning the elections. However, the King from his recent behavior has shown no inclination or willingness to tolerate even the mild dis-sension or compromise considered necessary to create such a political counter-force. It therefore would appear Cambodia will develop along lines unsatisfactory to attainment of our political objectives unless Norodom Sihanouk returns to the throne and having done so takes actions which in the past he has been unwilling to do.

It would appear useful to discuss the Cambodian problem in detail with the French and ascertain their analysis and plans for the future. . . .

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**195. Letter From the Secretary of Defense (Wilson) to the Secretary of State<sup>1</sup>**

*Washington, March 16, 1955.*

DEAR MR. SECRETARY: Since our meeting with the President, February 17, 1955,<sup>2</sup> on the Cambodian MAAG, I have become increasingly concerned with the events that have taken place. The attitude the French seem to be taking toward their training responsibilities in Laos (Department of State secret message, Vientiane to SecState No. 384, February 26, 1955<sup>3</sup>) and the reception General Ely gave your proposal for the training and organization of Cambodian forces (Sectos 51 and 54<sup>4</sup>), convince me that French interests in these two countries will not lead to the development of efficient forces or disciplined forces. The recent riotous outbursts of Cambodian army units in Phnom Penh is but one example of what might be expected under a continuation of French training.

While the proposal contained in Department of State secret cable, Secto 54, from Manila, March 2, 1955, has definite merit in concluding a bilateral speedily and would be in conformance with the instructions given you by the President, I firmly believe that there would be no safeguard against poor French training. Neither does it provide for the eventual replacement of the French by U.S.

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<sup>1</sup>Source: Department of State, Central Files, 751H.5/3-1655. Secret.

<sup>2</sup>See Document 191.

<sup>3</sup>In telegram 384, the Embassy reported that it had raised with French officials in Vientiane the problems of reduction of French forces at Seno, failure to replace rotated French officers involved in training the Lao Army, and the general low morale of the French training mission in Laos. (Department of State, Central Files, 751J.5/2-2655)

<sup>4</sup>Documents 192 and 193.

personnel which I am sure you will agree would be to the best interests of Cambodia and the United States.

As you have so often pointed out in your letters concerning force levels, the stability of governments in this area is generally dependent on stable, loyal military forces. Because of this, we are striving to do everything possible to create and support effective forces in the area. Therefore, in spite of the latitude given you by the President for negotiation of a MAAG bilateral agreement, I wish to recommend that you reconsider a Department of Defense proposal for the eventual withdrawal of the French training mission from Cambodia and that a secret memorandum of understanding to that effect be signed with Cambodia at the time the bilateral for the establishment of the MAAG is concluded.

Attached is a memorandum which contains the Joint Chiefs of Staff comments<sup>5</sup> on your letter to me of February 15, 1955,<sup>6</sup> on this subject. The Department of Defense concurs in the views of the JCS. You are aware of this, but I feel your Department should receive this memorandum to complete your record of this case.<sup>7</sup>

Sincerely yours,

C.E. Wilson

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<sup>5</sup>See Document 190.

<sup>6</sup>Document 189.

<sup>7</sup>Dulles replied in a letter to Secretary Wilson, April 2, in which the Secretary of State acknowledged receipt of the Wilson letter and the JCS memorandum, and noted they had been "studied with interest." The letter continued:

"We plan to discuss the Cambodian training problem during bipartite talks now being scheduled with the French along the lines of the formula which the President approved and, if practical, we shall move in the direction you suggest. It is hoped that representatives of the Department of Defense will participate in those talks to assist in obtaining the best possible compromise solution." (Department of State, Central Files, 751H.5/3-1655)

196. **Telegram From the Military Attaché in Cambodia (Burfans) to the Department of the Army<sup>1</sup>**

*Phnom Penh, March 20, 1955—10 a.m.*

OARMA 28-55. In consequence of visit by Mr. Kenneth Young,<sup>2</sup> Department of State, it appears that policy-making agencies in Washington should carefully appraise exact status of Royal Khmer army with respect both to function of French military mission and negotiation of MAAG bilateral. Purpose this message is to restate certain salient truisms governing ARK at this time.

A. French military mission in Cambodia is not a training mission. French personnel have not been integrated within ARK combat formations since dissolution GOBM and GM Khmer Hqs in fall 1954. Only integration today, excepting technical services, are one Lt. Col. advisor to Chief of Staff and one Captain advisor to G-4, both working in and with General Staff. Lt. Col. Cadeaux, C/S advisor, makes infrequent visits to field units and then only in company with high ARK officer, usually [garble]. Exact figures carefully concealed, but estimate not more than 20-25 percent French mission strength engaged in training activities, that is to say, military schools. Balance of mission concerned advising or operationally managing technical services.

B. There is no comprehensive training program in ARK. Bn commanders mostly inexperienced captains, do not receive General Staff training guidance. The individual bn programs stress physical training by ceremonies and road marches. Recent reorganization of subordinate commands into seven military sectors plus city of Phnom Penh is not expected to provide necessary supervision of field battalions. This because sector commanders are themselves inexperienced and uninstructed by General Staff on broad training objectives.

C. French mission unable to guide ARK via schools control except by shaping military education of raw material going to field units as replacement. French doctrine and training methods are applied by competent French instructors at officer producing military school, infantry, artillery, armoured and training NCO and recruit centers of instruction. Once individual reaches unit this training ceases. French attempting to increase level of ARK military education by means newly-opened staff school, which opened prematurely in

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/3-2055. Top Secret; Priority. The source text is the copy sent to the Department of State for transmission to the Army.

<sup>2</sup>Young was on an extended visit to Southeast Asia following conclusion of the SEATO Council meetings.

order for French to have another fait accompli in school structure when and if USMAAG arrives on scene.

D. Measured by requirements of situation there is nothing to prevent installation Korean-type MAAG in Cambodia. However, French do not desire MAAG that would place training officers with units. But any training activity neglect in unit guidance and training must fail to halt present ARK drift. Simultaneously General Staff must be taken in hand by skilled US officers and put on effective footing. It must operate as policy instrument and supervisor agency. These functions are now largely inoperative. The concept of US guidance of General Staff and units, French guidance of schools and services, while an interim measure, could work for up to two years if it could be sold. But in the long run, major permanent improvement will be found only in US-supervised schools, teaching US concepts, procedures, and weapons, and ARK self-operated technical services. Failure to provide French phase-out in the bi-lateral will only prolong the agony. Down grade to secret 19 October 1955. Signed Burfans.

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197. **Telegram From the Embassy in France to the Department of State<sup>1</sup>**

*Paris, March 25, 1955—8 p.m.*

4112. Embtel 4075.<sup>2</sup> In conversation today including Roux and Young, Roux gave us informal memo dated March 24 outlining present state French thinking on Cambodian Army training responsibility. Free translation text follows:

"French Government considers it normal that American Government, furnishing important military assistance to Cambodia, is preoccupied with uses that aid.

"Like American Government, it is convinced that nothing in aid that the two governments provide to Cambodia, ought to appear to derogate from the independence and sovereignty of that country.

"On other hand, a French military mission already exists in Cambodia, and Khmer Government neither desires its withdrawal nor its present powers limited.

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<sup>1</sup>Source: Department of State, Central Files, 751H.5/3-2455. Secret. Repeated to Phnom Penh and Saigon.

<sup>2</sup>In telegram 4075, March 24, the Embassy reported that Roux of the French Foreign Ministry had asked for a draft working paper outlining the Secretary's formula for Cambodian training responsibilities. The Embassy was noncommittal, it reported, believing it undesirable to present the French with a written document and thus reduce U.S. negotiating flexibility. (*Ibid.*, 751H.5/3-2355)

"Finally, Cambodia is bound by Geneva Accords and it would be contrary to spirit these Accords that American military influence appear to be substituted for French influence.

"In light these considerations French Government considers that two governments ought adopt following principles in their action toward development Khmer Armed Forces:

"(1) The chief of MAAG will present to HM the King, Commander-in-Chief, all suggestions that he will judge useful concerning the organization of the Khmer Armed Forces, the standards for use and maintenance of the matériel furnished by us.

"French Government desires that these suggestions be prepared in agreement with the chief of French military mission.

"(2) French military mission will retain under overall authority of (sous l'haute autorite de) HM entire responsibility for the direct instruction of Khmer Armed Forces the execution of which it will insure of all levels."

Re numbered paragraph 1 above, we suggested and Roux agreeable, adopt following modification as starting point, "Chief MAAG will present to HM, the King, Commander-in-Chief, with view to their being put into effective operation all suggestions he will judge useful concerning organization and training of Khmer Armed Forces, the standards etc."

At this juncture we provided Roux copy text note sent Leng Ngeth March 12 (Phnom Penh's 298<sup>3</sup> and 297,<sup>4</sup> and Deptel 3226<sup>5</sup>).

Re numbered paragraph 2 above, we emphasized and Roux in agreement necessity officers assigned American military mission Cambodia being placed in position at battalion, division and chief of staff level Khmer Armed Forces to ensure application US military organization and training doctrines.

<sup>3</sup>Telegram 757 from Phnom Penh to the Department of State, repeated to Paris as 298, March 14, contained texts in English and French of the note of March 12 sent to Leng Ngeth. The English text reads as follows:

"Excellency: I have the honor to inform you that continued US aid on support of the Cambodian military establishment will be conditional upon its proper utilization, including the implementation of training and organizational reform to be suggested by the chief of the United States military assistance advisory group." (*Ibid.*, 751H.5-MSP/3-1455)

<sup>4</sup>Dated March 14, not printed. (*Ibid.*)

<sup>5</sup>Telegram 3226, March 16, responded to a request from the Embassy (telegram 757 from Phnom Penh) for guidance on divulging the text of the March 12 note to the French High Commissioner in Phnom Penh. The Department instructed the Embassy as follows:

"No objection disclosure text note to French High Commissioner. However stress note not to be made public and purpose not prejudice question training mission which still subject French-U.S.-Cambodian agreement. Leave timing disclosure to you but inform Department and Paris when made so that French Foreign Office and French Embassy can be informed." (*Ibid.*)

Roux stressed point that France no longer insisting that chief French military mission be adviser to King as indicated reference telegram and importance they now attach to separateness respective roles French and US military commanders with King serving as formal channel for American suggestions to French commander. We reserved US position and said we would convey our views on French working draft as soon possible.

Achilles

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198. Letter From the Acting Secretary of Defense (Anderson) to the Secretary of State<sup>1</sup>

*Washington, April 6, 1955.*

DEAR MR. SECRETARY: I refer to my letter to you dated 16 March 1955,<sup>2</sup> and the following messages received from Department of Defense and Department of State field representatives.

- a. From USARMA, Phnom Penh (OARMA 28-55, 20 March 1955<sup>3</sup>)
- b. From USARMA, Phnom Penh (OARMA PC 27-55, 18 March 1955<sup>4</sup>)
- c. Embtel Paris 3990, 18 March 1955<sup>5</sup>
- d. Embtel Phnom Penh 785, 21 March 1955<sup>6</sup>

In my letter of 16 March emphasis was placed on the increasing concern of the Department of Defense regarding the recent events which have taken place in Cambodia and specifically the attitude that the French seem to be taking toward the organization and training of Cambodian forces. Further, the information contained in the four reference messages would appear to imply that French interests in Cambodia will not effectively assist in the development of loyal and efficient forces, as desired by the United States.

United States objectives in Cambodia are to provide, in addition to political and economic stability, those military forces which are re-

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<sup>1</sup>Source: Department of State, Central Files, 751H.5/4-655. Top Secret.

<sup>2</sup>Document 195.

<sup>3</sup>Document 196.

<sup>4</sup>Not found.

<sup>5</sup>Telegram 3990 contained the preliminary views of the French Foreign Ministry on the Cambodian training responsibilities. (Department of State, Central Files, 751H.5/3-1855)

<sup>6</sup>In telegram 785, March 21, the Embassy in Phnom Penh suggested that OARMA 28-55 "be required reading in the Department before Franco-US discussions on Cambodia commence next month." (*Ibid.*, 751H.5-MSP/3-2155)

quired to maintain the internal security of Cambodia and which will also provide a limited capability for its defense. Based on these objectives and the information contained in the reference messages, it is considered that the factors outlined below should be the basis for the development of these military forces.

a. United States weapons, matériel and equipment are designed to take the maximum and most efficient advantage of U.S. organizational concepts which are flexible enough to fit the situation in any given area of the world. Therefore, it would appear logical that in the accomplishment of the U.S. objective of producing efficient Cambodian forces, U.S. organizational concepts should be used in the development of these forces thus taking maximum advantage of U.S. weapons, matériel and equipment, and tactical doctrine.

b. The French have demonstrated by their efforts in Indochina, prior to the cease-fire agreement, their marked inability to conceive, plan for, organize, train and fight a force composed of indigenous personnel. The same deficiency is apparent in relation to their current efforts in Cambodia. Therefore, an appropriate solution to the adequate development of Cambodian forces might be the employment of U.S. organizational and training methods and procedures supervised by U.S. personnel.

Based on the factors outlined above, it is recommended that you reconsider the Department of Defense proposal for the eventual withdrawal of the French training mission to Cambodia and that a secret memorandum to that effect be signed with Cambodia at the time the bilateral for the establishment of the MAAG is concluded.

It is further recommended that the French be informed at the forthcoming bilateral discussions on Indochina of U.S. intentions to make every effort to assume, in conjunction with the Cambodians, control of the organization and training of the Cambodian armed forces.

I have requested Assistant Secretary Hensel to discuss this matter with your staff in order to arrive at a solution to this problem.

Sincerely yours,

**R. Anderson**



## 199. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, April 29, 1955—6 p.m.*

984. Country team appreciates opportunity afforded Department circular telegrams 559<sup>2</sup> and 560<sup>3</sup> to comment on excellent OCB paper on means to provide internal security in countries vulnerable to Communist subversion. So far as possible format suggested in final three numbered paragraphs Department circular telegram 559 will be followed forthwith:

### *I. State of development of threat of subversion.*

Cambodia at moment is probably that country of Southeast Asia least vulnerable to immediate Communist subversion. Population of Cambodia is homogeneous and welded together by amalgam of loyalty to royal house and Buddhist church. Previous Communist subversion has been of foreign origin and easily identifiable as such as witness Viet Minh invasion during closing phase of Indochina war. Indigenous Communists are limited to intellectuals largely in capital city and to students returning from France where Communists have made skillful and successful play to capture their imaginations and loyalty. Even Indian chairman of ICC has estimated local Khmer-Is-sarak adherents (nationalists, bandits, but not necessarily Communists) as not more than 1,500 in population of 4.5 million.

Fact that Cambodia fortunately at moment is not subject imminent Communist subversion does not, however, mean that in fairly near future various forces of insurrectional activity and external infiltration may not be encountered. These elements are both of domestic origin and of foreign derivation. On domestic side there are "rallied"

<sup>1</sup>Source: Department of State, Central Files, 751H.5/4-2955. Top Secret.

<sup>2</sup>In circular telegram 559, March 23, the Department instructed recipient Chiefs of Mission "to have the country team, including representatives from FOA, MAAG (or service attachés), . . . prepare a report on the possibilities and requirements for U.S. assistance in increasing the effectiveness of police-type forces to deal with communist subversion and, in those countries where communist subversion has reached the stage of actual or potential large-scale insurrection, increasing the effectiveness of the regular armed forces to deal with communist subversion and insurrection." (*Ibid.*, 700.5/3-2355). This information was to enable the OCB to formulate a concept for U.S. assistance in the development of forces adequate to provide internal security in countries vulnerable to Communist subversion. Eventually this information was for the use of the NSC. (NSC Action No. 1290-d; *Foreign Relations, 1952-1954*, vol. II, Part 1, p. 844, footnote 10)

<sup>3</sup>In circular telegram 560, March 23, the Department further explained that this attempt to combat Communist subversion grew out of Eisenhower's personal interest and country team assessments would weigh heavily in NSC deliberation; therefore the assessments should be prepared by the best officers of the mission, should include points of disagreement as well as agreement, and should be submitted on schedule. (Department of State, Central Files, 700.5/3-2355)

bands of recent rebels, such as those of Son Ngoc Thanh, Puth Chhay and Prince Chantaraingsei, who, although they have been formally amnestied by royal government in actuality remain in state of quasi-outlawry not yet forgiven by Palace or Central Government and not yet loyal to authorities in Phnom Penh. To meet these current sources of armed disaffection, we believe remedy proposed by General Tioulong<sup>4</sup> is the adequate one. Tioulong would break up present feudal armed bands owing loyalty to such chieftains as Puth Chhay and Prince Chantaraingsei. Regular units of ARK would be used to occupy those remote forested or mountainous areas, such as the Cardamom Range, or mountains on Vietnamese frontier in province of Kratie, to forestall infiltration of these spaces by Viet Minh or Communist guerrillas. If this plan is carried out, present armed bands of local feudal leaders will be absorbed into national army and kept under control by army discipline.

Greater danger to Cambodia lies along its frontier with Vietnam. Cambodian Government has already on repeated occasions invited attention of US Government constant depredations by Hoa Hao and Cao Dai private armies against Cambodian populace along border with Cochin China. Our prediction is that as conditions of public order in South Vietnam deteriorate, these depredations by sectarian forces will increase, and at that time Viet Minh Communists will channel operations which began as simple marauding forays and give them political color and strategic guidance. This will then pose threat to Cambodia of guerrilla warfare of foreign origin and eventual Communist domination.

## *II. Adequacy of indigenous countermeasures.*

Under leadership of Prince Sihanouk there increased recognition bordering on over-exaggeration of threat to royal house allegedly embodied by Son Ngoc Thanh and his followers. There is less awareness on part of Central Government of potential threat of private armies of Puth Chhay and Chantaraingsei since these leaders have officially rallied to Sihanouk and he is tempted to feel their personal loyalty to him is assured. Sihanouk and royal family likewise, by their open breach with democratic party and public accusation that this party is dominated by crypto-Communists, have recognized threat to regime from this source which, as in case of Son Ngoc Thanh, is undoubtedly over-played. Many members of democratic party are solid supporters of monarchy and are moderate men who only seek reconciliation with Sihanouk and Padqos. However, Sihanouk seeks to entrench his popular following by creating an opposition as a stalking horse. In so doing he may . . . fail to recognize

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<sup>4</sup>General Nhiek Tioulong of the Royal Khmer Army.

greater danger of Communist subversion taking over and making use of indigenous foci of political infection.

As for capability of indigenous forces to meet subversion, excellent and comprehensive Engle-Page report, whose recommendations were summarized in Embassy telegram 853,<sup>5</sup> stresses in conclusion neither national police nor home guard is at present equipped, trained or capable of recognizing Communist subversion or of dealing with it. National army which, following dismissal of its energetic and able chief, Tioulong, has disintegrated as disciplined military force, is likewise at present time incapable of dealing with well organized Communist subversion or guerrilla warfare. . . . In consequence, it is an exercise in a vacuum to outline police-type preventive activities suggested in paragraph I (1) as these facilities do not exist in Cambodia. However, local observers concur that thus far Communist agents, personalities, and groups are few in number and as yet ineffective in Cambodia. Therefore, there is an opportunity, by improving Cambodian security forces, to meet threat of internal and external subversion before it materializes.

Problem boils down to implementation of Engle-Page report in providing national police and home guard with proper equipment and training. We concur in kindred nature is [*sic*] strategic threat to new Cambodian port on gulf of Kompong Som which lies in fact that great island of Phu Quoc points like a dagger at line of communications along coastal road from Kampot to new port. Phu Quoc through historical aberration of French is Vietnamese although it lies in Cambodian territorial waters, and during recent war was never completely removed from Viet Minh control. If Phu Quoc were fortified, forces there could interdict access by sea or coastal road to new port and such fortification would undoubtedly be coordinated by Viet Minh with guerrilla activity to stop access to Phnom Penh by use of Mekong flowing through Cochin China. Phu Quoc, therefore, assumes relationship to new Cambodian port similar to Quemoy and Matsu in respect to Amoy and Foochow. Antidote might be agreement with Vietnam for demilitarization of this island with French (or SEATO) guarantee.

Engle-Page estimate that small, hand-picked US training mission could within three or four years produce a national police and home guard organization which could prevent internal subversion in Cambodia unless such subversion were overwhelmingly supported from external sources. We likewise feel with advent of American MAAG,

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<sup>5</sup>Byron Engle, Chief of the Police Administration Division of FOA, and Lewis Page prepared a police study report on the internal security services in Laos and Cambodia. Telegram 853, April 1, summarized the conclusions and recommendations relating to Cambodia. (Department of State, Central Files, 851H.501/4-155)

and presupposing some degree of cooperation from French military mission which does not now exist, it will be possible to make small and efficient Cambodian army [which] could fulfill task of guarding Cambodia's land frontier and seacoasts against external infiltration. In this case we would warn against repeating mistake we made in Vietnam of giving Cambodian armed forces too much heavy equipment. Cambodian troops should be taught to walk to work and not to ride in trucks. They should likewise be trained in field weapons effective against guerrilla infiltration and not in weapons familiar to classic European battlefield. Their amphibious capacity should be materially increased since much of Cambodia is inundated half the year and their capacity to control coast line and means of river access should be multiplied many fold. It is probable that excellent Cambodian parachute battalion should be given on-the-spot drop capacity in order to reach quickly remote areas open to infiltration from Laos or Vietnam. Furthermore, ARK should be given both air support and air transport capabilities. We visualize light aircraft (L-20s) for former and C-47s for latter.

We do not believe home guard and national police forces should be placed under Ministry of Defense as tendency of Cambodian army is to pick off best elements from police cadre, skim cream of weapons and equipment, and leave home guard with cast-off remnants. At same time, we do not believe police should be built up as counter weight to army as King Sihanouk once suggested to me. Both have clearly defined responsibilities: Police and home guard to prevent internal subversion and to spot external infiltration which has broken through frontier screen; and army and naval forces to protect land and sea frontiers against foreign subversive and guerrilla elements.

### *III. Local US programs of assistance.*

Local US programs of assistance are yet in formation stage. We have still to complete arduous and long drawn-out negotiation for MAAG bilateral and economic aid agreement. Concrete proposals have been submitted to USIA for USIS participation with other US agencies in program of indoctrination both of home guard, police, and army. This has not yet been approved by USIA Washington. Engle-Page report cites specific steps which can be taken to improve internal security forces but approval of this report awaits Washington decision. If interested agencies in Washington approve recommendations made by country team, we have reasonable confidence Cambodia can be maintained secure from both internal indigenous subversion and external Communist infiltration.

We see nowhere in foregoing picture any possibility of SEATO forces being able to assist Cambodia in meeting these types of sub-

version other than possible demilitarization of Phu Quoc. Until our experts develop political bomb which can be used as antidote to political threat, we regretfully conclude use of SEATO strategic forces would be unavailing in this theatre. This does not mean, however, that there is not a good prospect of holding Cambodia immune from Communist penetration if relatively simple measures already recommended are accepted by Washington, adequately staffed and financed, and carried into effect by unremitting diplomatic effort in the field.

McClintock

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**200. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State<sup>1</sup>**

*Washington, May 3, 1955.*

SUBJECT

MAAG Training Formula, Cambodia

Despite the President's approval of the compromise training formula, the Department of Defense continues to urge that MAAG have full authority for all training and advisory functions and that we obtain written commitments from Cambodia to this effect and to the phase-out of the French Military Mission.

France has raised objections to the compromise formula and has attempted to obtain U.S. adherence in writing to a set of "Principles" which would require MAAG recommendations be worked out in agreement with the French while the French would retain responsibility for direct instruction of the Cambodian Army. Such principles would in effect make a U.S. MAAG impotent.

The Cambodians continue to be vague as to their desires. They speak of "American equipment, American instruction; for French equipment, French instruction." During your discussions of the formula with the Prime Minister, he said it might facilitate solution of the problem caused by the French who desired to retain a military mission, which Cambodia found acceptable, if acceptable to U.S. Further reaction from Cambodia has not been forthcoming and it appears Cambodia will accept any solution which is satisfactory to the U.S. and France and does not impinge on her own sovereignty.

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/5-355. Secret. Drafted by Purnell and cleared by Young. A note on the source text indicates that the Secretary of State saw this memorandum.

*Recommendations:*

In view of Cambodia's noncommittal attitude, French objections to any U.S. training, and the Defense Department's uncompromising attitude, it is recommended that we defer further discussion of the training formula and MAAG's ultimate functions until after the MDA Agreement is signed<sup>2</sup> and the Chief MAAG has had a chance to make on-the-spot surveys and recommendations.

Officers in Defense, however, will not concur in this position and insist that we use this opportunity to obtain French concurrence to the following:

1. Adoption of U.S. organizations and training concepts is necessary to make most efficient use of U.S. material and equipment;
2. U.S. training mission is necessary to insure adequate implementation of U.S. organizational and training concepts;
3. French assistance is desirable in the initial stages of a U.S. training program;
4. The U.S. does not desire to act through a third country in implementing its aid program for Cambodia.

It will therefore be necessary to seek Defense concurrence at a high level or override Defense objections.

I suggest that you or the Under Secretary discuss this matter with Secretary Wilson before you depart for Paris.

*Discussion:*

The French gave Embassy Paris an informal memorandum dated March 24, 1954, outlining French thinking on the training problem:

[Here follows text of the French memorandum as transmitted in Document 197.]

The U.S. has not officially commented on these "Principles". When Mr. Young was in Paris on March 23, he did informally object to several aspects of this memorandum and proposed some changes which the French rejected.

Embassy Phnom Penh and PSA believe that the U.S. should not attempt to enter into a written agreement with France on this subject as it could only limit our field of action. An attempt, however, was made to clear a message which would have informed the French of our broad thinking on the relative functions of MAAG and the French Military Mission. Defense would not clear this message because it envisaged the possibility of the French continuing current training and service functions and anticipated the possibility of U.S.

<sup>2</sup>See Document 202.

unit training. Defense argues that unless MAAG can have control of all training schools it does not desire unit training.<sup>3</sup>

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<sup>3</sup>Attached but not printed is a position paper for side talks with the French at the NATO Conference entitled, "MAAG Training Formula". Bilateral and trilateral side talks with the French and British at the NATO Ministerial meeting in Paris, May 9-11, were limited to Vietnam and in particular the Diem government and the sect crisis in Saigon. For documentation on the discussions, see vol. 1, pp. 372 ff.

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201. **Memorandum of a Telephone Conversation Between the Secretary of State and the Counselor of the Department of State (MacArthur), Washington, May 5, 1955, 5:16 p.m.**<sup>1</sup>

TELEPHONE CALL TO MR. MACARTHUR

The Sec. said he was not very clear how the Cambodian business was left. M was not either. The boys had a letter for the Sec. to send to Wilson or get cleared—and M. thought the recommendation was the Sec. would take the line there with the French that the Sec. had made a proposal to them. They had had some objection or placed interpretations on it we did not feel we could accept but feel it should be looked at. And as soon as the agreement is signed we would send Gen. Dedan(?) [*Lodoen*] out and he would look around and give us his thoughts and we would then sit down with him. The Sec. said they are not willing to send him out, are they? M. thinks they are after the MAAG agreement is signed. Davis and others have been needling Wilson to take the position that the offer you made, based on the President's approval, should not have been made and that you should start off on the position the French should get out and turn it over to us. It is absurd and does not make sense. We tell the French when the MAAG agreement is signed, we send him out to look around and let us know. The Sec. asked M. to put that down in a memo to take to the WH tomorrow. M. said he would do so.<sup>2</sup>

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<sup>1</sup>Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Phyllis D. Bernau.

<sup>2</sup>No copy of this memorandum has been found.

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**202. Editorial Note**

On May 16, Ambassador McClintock and Cambodian Prime Minister Leng Ngeth signed a bilateral agreement on military assistance on behalf of their respective countries. For text, see TIAS 3240 or 6 UST 995. Documentation on the extensive and largely technical negotiations for the agreement is in Department of State, Central File 751H.5-MSP.

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**203. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>**

*Phnom Penh, June 13, 1955—11 a.m.*

1195. At "informal" meeting of delegation chiefs of ICC June 11, Indian chairman and Polish representative determined by two-to-one majority that US-Cambodian MDA agreement is in conflict with Geneva Agreement on four counts (specified further below). Polish representative unsupported in his claim that it also conflicts on two additional counts. Canadian Commissioner who disagreed with finding on all counts was overruled and discussion turned to question of what ICC should do.

Three alternatives were suggested:

- (a) Protest against agreement to Cambodian Government\* and formal report to Geneva powers that it contravenes their accord;
- (b) Request for formal amendment of MDA agreement eliminating or interpreting the objectionable passages;
- (c) Request for written statement from Cambodian and US Government interpreting those passages.

Polish Commissioner would accept only first two alternatives while Indian chairman seemed to favor second or third. Canadian, who had been overruled on substance, did not express himself on procedure. Next meetings will take up each count separately to determine in detail in what way it contravenes Geneva and what would have to be done to make it right. Then formal meeting will decide steps which ICC should take.

. . . . .

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<sup>1</sup>Source; Department of State, Central Files, 751H.5-MSP/6-1355. Secret; Priority. Repeated to New Delhi, Paris, Saigon, and Vientiane.



All three Commissioners agreed at June 11 meeting that Cambodia has right to solicit aid from any foreign country. Moreover, they agreed that ICC "cannot object to Cambodia's affiliation with any bloc, be it Communist, neutral or free world if it is only expressed as a policy. But if an affiliation with any bloc implies a military alliance contrary to terms of Geneva Agreement, we must object." . . .

The four incriminated passages in MDA agreement and ICC interpretation of them are as follows:

(1) Inclusion of phrase "subject to requirements and limitations of any US legislation" in second paragraph of agreement.<sup>2</sup> This, in view of Commission majority, binds Cambodia to US legislation and particularly the Mutual Security Act. (*Comment*: Sentence refers to what US, not to what Cambodia will do. There is no mention of Mutual Security Act.)

(2) Reference to "contribution to defensive strength of the free world" in footnote to second paragraph.<sup>3</sup> In view of Commission majority, this puts Cambodia firmly in a bloc and can be taken to imply a military alliance with that bloc.

*Comment*: Footnote quotes language of 1951 agreement whose continued validity is merely confirmed. It implies no commitment to any specific "bloc" although it may express a policy. Paragraph to which footnote belongs is itself by way of preamble and does not involve commitments.

(3) Paragraph 9, which commits Cambodia to furnish US and other countries "assistance to increase capacity for individual or collective defense or to facilitate their effective participation in collective security system contemplated in the UN Charter" goes beyond role assigned to Cambodia by Geneva.

*Comment*: This paragraph says Cambodia will furnish "by mutual agreement" such equipment, materials, services or other assistance "as may be mutually agreed upon" and is consequently not a firm obligation placed upon Cambodia. If Commission holds that it implies possible importation into Cambodia of equipment or supplies in excess of her own defensive requirements, it has authority and facilities to check such excessive importation and to prevent it if it should be attempted.

(4) Stipulation in paragraph 2, Annex A that Cambodia is to exempt from customs duties "equipment and materials in transit for other countries receiving military aid from US" implies commitment that Cambodia must authorize such transit in peace or war and thus beyond role assigned Cambodia under Geneva.

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<sup>2</sup>In this paragraph the U.S. Government agreed, under certain conditions, "to furnish direct military assistance to the Kingdom of Cambodia, including the assignment of personnel charged by mutual agreement with performing any other advisory and non-combatant services, for the purpose of implementing the Cambodian defense program." (6 UST 996-997)

<sup>3</sup>This paragraph in the footnote reads as follows:

"(c) make, consistent with its political and economic stability, the full contribution permitted by its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world;"

*Comment:* Language referring to customs cannot be reasonably construed as obligation to permit transit; although Cambodia is free to authorize such transit if it desires.

Points on which Polish member was overruled were (a) that paragraph 7 and Annex B<sup>4</sup> allow Cambodia to be used as place to store arms in excess of its needs and thus as supply base (b) that paragraphs 1 and 2 and paragraph 1 Annex A give MAAG "control over Cambodian Army."<sup>5</sup>

June 11 meeting dealt only with item (2) above. At this rate, commission will take another week before it comes to definite conclusion, which should give us time to make representations with GOI. Since we have no official knowledge of ICC proceedings, reference in any démarche at New Delhi can only be made to indications which we have received from Cambodian Government regarding certain misgivings concerning MDA agreement voiced by commission and which we wish to assuage. Believe Department should authorize such a démarche and hope Embassy New Delhi has meanwhile received copy of despatch 431<sup>6</sup> giving text MDA agreement.

**McClintock**

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<sup>4</sup>Paragraph 7 obligated Cambodia to return equipment no longer needed to the United States following procedures envisaged in Annex B. These procedures in Annex B included resumption of title by the United States of equipment for transfer to third countries.

<sup>5</sup>Paragraph 1 stated that MAAG personnel would operate as part of the Embassy. Paragraph 1 of Annex A dealt with standard diplomatic immunities for U.S. MAAG personnel in Cambodia and reciprocity to Cambodian personnel performing analogous duties in Washington.

<sup>6</sup>Dated May 18, not printed. (Department of State, Central Files, 751H.5-MSP/5-1855)

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## 204. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, June 17, 1955—1 p.m.*

1228. Full text of Prince Sihanouk's open letter to Cambodian Government is at considerable variance with summary prepared from radio monitor service as reported Embtel 1221.<sup>2</sup> Complete translation is embodied in my next telegram.<sup>3</sup>

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<sup>1</sup>Source: Department of State, Central Files, 751H.00/6-1755. Secret; Priority. Repeated to New Delhi, Ottawa, London, Paris, Saigon, Vientiane, and Bangkok.

<sup>2</sup>Dated June 16, not printed. (*Ibid.*, 751H.00/6-1655)

<sup>3</sup>Telegram 1229 from Phnom Penh, June 17, not printed. (*Ibid.*, 751H.00/6-1755)

This morning I called upon Royal High Councillors Sam Sary and Khim Tit, knowing that former was undoubtedly author of Sihanouk's open letter. I said since US was co-signatory of agreement May 16 we of course wished to know what Prince Sihanouk had in mind in discussing this accord in his open letter and in demanding that International Control Commission make a finding upon it as being within purview of Geneva agreement or a violation of that pact.

Sam Sary and Khim Tit said real purpose of Sihanouk's statement was to under cut political opposition in country which had been using stick of our MDA agreement to beat horse of forthcoming elections. They said opposition had even gone to extreme of seeking to subvert troops by claiming that Royal Government had "sold" Cambodia to Americans. Unless some dramatic measure were taken to end this issue, Sihanouk felt MDA agreement would become a major dispute in elections. He likewise felt International Commission should be made to fish or cut bait.

Sam Sary, who had undoubtedly masterminded this operation, said key paragraph of Sihanouk's open letter is embodied in following challenge:

"If International Commission judges that Royal Government exceeds these limits (of Geneva Accord) it should officially notify this to Royal Government. If Royal Government refuses to follow recommendations of International Commission, duty of latter is to react officially against such refusal in one way or another."

According to involute reasoning of Sam Sary this challenge to commission cannot be met by ICC because Cambodians are confident Canadian member will not vote for a finding that our agreement of May 16 violates Geneva Accord. Since he says by Geneva undertaking ICC must reach decision on all "important" matters by unanimity, Sam Sary reasons that commission will not be able to make a finding against Cambodian Government but will be limited to reporting its own disagreement back to Geneva powers.

*Comment:* Sam Sary has outsmarted himself on this point. Article XXI of Geneva agreement<sup>4</sup> is specific on cases which require a unanimous decision by ICC and these do not cover present issue. Article XX would seem to govern commission's voting procedure and Canadian Commissioner has already indicated to us that he fears being outvoted by Poles and Indians.

I told Crown Councillors I had no intention of seeing members of ICC at this juncture and had instructed all members of my official family to refrain from contact with Commission as we wished to be

<sup>4</sup>For text of the Agreement on the Cessation of Hostilities in Cambodia, July 20, 1954, see *Foreign Relations, 1952-1954*, vol. xvi, p. 1531.

sedulous not to influence decisions of Commission. However, I was fairly sure from my previous knowledge of reasoning of Commission Chairman Parthasarathi that he would not at first seek a unanimous decision that our MDA agreement violated Geneva, but would seek a unanimous decision to query Cambodian, and possibly US Governments, on certain moot points. This type of unanimous vote, I thought, Indian chairman might in fact achieve, and in consequence it behooved Cambodian Government to be prepared to defend agreement of May 16 as not being a violation of Geneva.

Councillors concurred in this reasoning and said I could assure my government there was no thought on part of Cambodian Government to go back on agreement of May 16. They said they had debated that issue in their own minds before signing MDA accord and were firmly determined to live up to provisions of May 16 exchange of notes. As for refutation of possible charges by ICC, they had already prepared extensive brief in reply to an "informal" letter from Nehru to Prince Sihanouk in which Indian Prime Minister expressed his doubts as to propriety of Cambodian Government having signed agreement of May 16. I asked Councillors for copy of text of Sihanouk's reply, but they said they would have to submit this question to their master as it was a personal letter transmitted to Nehru through Indian Minister in Phnom Penh. They thought, however, Sihanouk would not object to their giving me a summary of his reply. Furthermore, they said that if commission should demand a statement from RKG, they would wish to consult with me in advance of making a response.

Khim Tit and Sam Sary said if in ultimate result May 16 accord were called into question by ICC and a finding were made that it violated Geneva agreement, they would most certainly present issue to Cambodian people, apparently by some sort of plebiscite or referendum, the result of which would be an overwhelming popular demand that Cambodia receive US aid according to terms of agreement of May 16. In that event, said Sam Sary, "the will of the people will be overriding".

As indicated above, I intended to leave members of commission severely alone for time being. However, since commissioners are not free agents but are acting in accordance with government instructions, Department may wish at their respective capitals to indicate US attitude.

McClintock

**205. Telegram From the Department of State to the Embassy in Cambodia<sup>1</sup>**

*Washington, June 20, 1955—4:48 p.m.*

701. Your 1231 repeated New Delhi 66 and Ottawa 4.<sup>2</sup> During informal conversation with Department officer June 14 Krishna Menon<sup>3</sup> tartly took US to task for MDA Agreement Cambodia. Intensely criticized us for promoting such agreements all over the world which heighten international tensions and for violating Geneva Agreements. When Department officer denied such violation, Menon immediately cited practically verbatim enumerated points 1, 2 and 4 contained your 1195 repeated New Delhi 60.<sup>4</sup> When Department officer stated US was answering repeated Cambodian requests for military assistance, Menon replied US did not have to accept natural desire of "undemocratic regime" get arms free.

*Comment:* Menon thoroughly familiar Indian-Polish objections and intensely hostile to agreement.

**Hoover**

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<sup>1</sup>Source: Department of State, Central Files, 751G.00/6-1755. Secret. Drafted by Young and cleared by SOA. Repeated to New Delhi, Ottawa, and to Sebald who was attending the tenth anniversary ceremonies of the founding of the United Nations at San Francisco.

<sup>2</sup>In telegram 1231, June 17, the Embassy reported briefly on a conversation between the Third Secretary of the Indian Embassy in Phnom Penh and a U.S. official. The Indian official suggested what he personally considered would be an acceptable statement to the ICC by Cambodia in reference to disagreements over the military assistance bilateral agreement between Cambodia and the United States. (*Ibid.*)

<sup>3</sup>Head of the Indian Delegation to the U.N. General Assembly.

<sup>4</sup>Document 203.

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**206. Letter From the Ambassador in Cambodia (McClintock) to the Director of the Office of Philippine and Southeast Asian Affairs (Young)<sup>1</sup>**

*Phnom Penh, June 21, 1955.*

DEAR KEN: Your welcome letter of June 6<sup>2</sup> arrived at an apposite time since we are now in the initial phase of getting our negotiated aid agreements mounted in Cambodia.

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<sup>1</sup>Source: Department of State, PSA Files: Lot 58 D 207, SEA, Cambodian Correspondence, Nov. 1954-Dec. 1955. Secret; Official-Informal.

<sup>2</sup>Not printed. (*Ibid.*)

As for MAAG, of course we regret General Lodoen's inability to report as soon as had been expected,<sup>3</sup> but I concur with you and Felix Stump that it would be well to wait for his arrival. I had sent my telegram from Hong Kong largely based upon Herz' estimate of the situation which was valid, I think, in light of the information he then had at hand. However, with Colonel Moore, who is an excellent officer, as interim Chief, I do not feel we need worry until General Lodoen turns up. Meanwhile, Colonel Moore and I are in agreement that the July 15 deadline is impossible to meet if a sound survey is to be prepared, and Moore has already flagged this to the attention of CINCPAC.

I am making an extra copy of this letter which you may pass along to Livvy Merchant and George West on the French Desk since, as was to be expected, our French friends under cover are doing their utmost to sabotage our effort here. A case in point came to my attention this morning when I found that our tiny initial MAAG survey group had their airplane and interpreter taken away from them because they had made an end-use check and were given most insulting treatment this morning at the Cambodian War College by Colonel Leroy, who is the head of that school. However, these are problems which were anticipated, and I have no doubt we shall find the appropriate solution.

I intend to make local soundings as to the French attitude on Secretary Dulles' formula which was presented on February 28. You will recall from your attendance at our meeting with the Cambodian Prime Minister that he expressed interest but not unequivocal assent; and in our after midnight conversation the same or the following day in Saigon between the Secretary, Ambassador Bonnet and General Ely, the French evinced strong disagreement with the notion that the formula could work.<sup>4</sup> Since then from neither the Department nor Paris have I received any indication of the official French view on the training proposition of the Secretary. Meanwhile, emissaries from CINCPAC on the survey mission confirm my understanding that Defense will not touch the training issue with even an eleven foot pole.

This is as it should be, since no training of the Cambodian armed forces can be effective unless the Cambodians desire it. I am convinced that once our MAAG is in operation, they will manifest such a desire, and, in consequence, my consistent advocacy that we regard Cambodian sovereignty as the key to this problem will, I trust, find its justification.

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<sup>3</sup>General Lodoen was hospitalized and unable to reach Phnom Penh until August 1955, according to Young's letter of June 6.

<sup>4</sup>See Document 192.

May I say that the first elements of MAAG are splendid officers who have handled themselves with tact and intelligence. I am back-stopping them to the limit because we have an interim of lost months to make up.

With reference to the police training program, undoubtedly your letter of June 6 was written before you had seen the results of my negotiations initially with Penn Nouth and later with Tep Phan which produced a "firm request" for an FOA project of \$640,000 to get this on the road. I hope that you and Ray Moyer and Clint Morrison in FOA, plus certain other friends, can see that this goes apace in Washington.

Likewise, your letter was written too soon for you to have profited by Martin Herz' brilliant long despatch (No. 445 of June 7<sup>5</sup>) on the political situation here. I am sure that you will agree that with so small a staff we have had to direct most of our energies to the recent negotiations and to telegraphic traffic. However, I think Martin has done an outstanding job in a very short time in getting a firm grasp on an extremely involved and delicate political situation.

As for the British desire to install the Indians in Cambodia, this comes, as you must realize, from Eden's IOUs given at Geneva. The Indians themselves are doing their best—or worst—to queer this deal because of the metaphysical attitude they adopt toward our aid agreements. I regret this because Parthasarathi is one of the most able and well-balanced young Indians I know, and his recent sorrowful soul-searching convinces me that in his own mind he is not convinced that his Government is right in raising objections to our MDA agreement. However, from the way the Indians are playing the game, and particularly so long as they leave their ubiquitous Third Secretary Mitra to be a fly in every ointment, their ability to influence Cambodian policy is steadily lessening. As I said before, I regret this because in the broad sweep of diplomacy in Southeast Asia I still firmly believe we should pit Indian influence against Chinese Communist expansion.

On the most recent flap, namely, the challenge to the Commission by Prince Sihanouk to stand up and be counted on our MDA exchange of notes, for tactical reasons I chose to remain aloof from the commission and found, as I expected, that the Indian and Canadian came to me. I hope this thing is going to be buttoned up satisfactorily with the compromise that the Cambodians (with whom I have counseled) will make a conciliatory statement which will not be objectionable to us. Just to prove the aphorism that "My strength is as the strength of ten because my heart is pure", I am spending a long week-end in Bangkok to underscore likewise that we are not

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<sup>5</sup>Not printed. (Department of State, Central Files, 751H.00/6-755)

coaching the sovereign Cambodians nor exerting undue influence on the neutral International Commission.

If Walter Robertson has a moment to read part of these lines, I would not mind if you bucked a copy up to him.<sup>6</sup>

With warm regards, plus

Cheers,

**Rob McClintock**

P.S. See the next sheet for an extraordinary protocol problem.<sup>7</sup>

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<sup>6</sup>According to a covering note, July 12, Robertson read this letter and the attached memorandum.

<sup>7</sup>On the question of diplomatic dress at the coronation of the King and Queen of Cambodia, not printed.

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**207. Telegram From the Embassy in Cambodia to the  
Department of State<sup>1</sup>**

*Phnom Penh, June 23, 1955—4 p.m.*

1269. It seems to us that Menon's intemperate statements about Cambodian MDA agreement (Deptel 701 repeated New Delhi 2061, Ottawa 360, San Francisco 9<sup>2</sup>) could be usefully exploited in diplomatic dealings with GOI on this question; for it is becoming clearer and clearer, from informal statements made by Indians themselves, that they oppose MDA agreement because they do not want us to give military aid to Cambodia and not because of any conflict with Geneva agreement.

. . . . .

I have already (Embtel 1259<sup>3</sup>) discussed with Indian chairman discrepancy between the US views and India's strict duty to interpret Geneva according to the text. However, it might be helpful if in any communication to GOI on this subject attention could be called to informal statements made by Menon which indicate that India is opposed to American military assistance to Cambodia, per se; and if it could be pointed out that such an attitude, if it really exists on the

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<sup>1</sup>Source: Department of State, Central Files, 751G.00/6-2355. Secret. Repeated to New Delhi, Ottawa, and the delegation at San Francisco.

<sup>2</sup>Document 205.

<sup>3</sup>Dated June 22, not printed. (Department of State, Central Files, 751G.00/6-2255)



part of GOI, would be in serious contradiction to Geneva agreement, for that agreement clearly contemplated that Cambodia could receive foreign military assistance for effective defense of its territory.

McClintock

**208. Memorandum of a Conversation, Department of State,  
Washington, June 29, 1955<sup>1</sup>**

SUBJECT

MDAP Agreement with Cambodia

PARTICIPANTS

U Nu, Prime Minister of Burma<sup>2</sup>  
 U Thant, Secretary to U Nu  
 James Barrington, Ambassador of Burma  
 The Secretary  
 FE—Walter S. Robertson  
 FE—William J. Sebald

The Secretary said that he was somewhat concerned at the apparent misunderstandings which had arisen by reason of our negotiation and signature of the MDAP agreement with Cambodia. He understood that India had felt that the conclusion of the agreement was contrary to the remarks which he, the Secretary, had made to U Nu during his visit in Rangoon<sup>3</sup> and which U Nu had passed on to Nehru.<sup>4</sup> He felt that the agreement was in no way inconsistent with his suggestion that U Nu examine into the possibility of India sending a training mission to Cambodia, and still considers it desirable that India undertake some responsibility for Cambodia and Laos.

The Secretary said that the chief purpose of the agreement entered into was to ensure compliance with our statutes and regulations and to enable us to take advantage of the presence in Viet-Nam of large stocks of military equipment which we felt should be delivered

<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/6-2955. Secret. Drafted by Sebald and approved by Robertson and Dulles.

<sup>2</sup>U Nu visited Washington, June 29-July 3. For documentation on the visit, see vol. xxii, pp. 13 ff.

<sup>3</sup>Dulles was in Rangoon, February 26-27. No mention of discussion on Cambodia is contained in Dulles 16, February 27, Dulles' report to the President, printed *ibid.*, p. 3. Neither is there any report on such discussions in another summary of the Dulles-U Nu meeting, Secto 41, February 27, not printed. (Department of State, Central Files, 110.11-DU/2-2755)

<sup>4</sup>U Nu reported on his discussions with Nehru on this question in a letter to Dulles, May 3, not printed. (*Ibid.*, Presidential Correspondence: Lot 66 D 204, Dulles-U Nu Correspondence)

to the Cambodians without delay. The question of who should train the Cambodians or how this should be done is not a part of the agreement. If the Cambodians are supplied with equipment, it would seem logical that the agreement would have made it easier for the Indians to undertake the training. It was his understanding that the Indians had made it clear that they do not have the financial resources to furnish military "hardware" or other equipment to Cambodia but that they would be able to send a training mission of approximately 200 officers and men. As the situation now stands, no agreement has been reached as to who should do the training of the Cambodian army. The Secretary mentioned the inability of the French to agree with our proposal that we undertake this training, feeling that the United States is thereby attempting to displace French influence and culture in Cambodia. Ambassador Barrington asked whether the Indians, if they were to send a mission, would have the same problem. The Secretary thought they would, as the French are rather persistent in holding on to the training program.

Mr. Sebald said that we understood from Mr. Menon that the Indians were under the impression that the United States had proceeded with the negotiation and conclusion of the agreement "behind the backs" of all concerned. This was not true, as the Indian Minister of the Indian Embassy in Washington had been kept informed on a periodic basis both during the time of negotiation and when the agreement was ready for signature. Mr. Robertson pointed out that the Embassy at Phnom Penh had also kept the Indian Ambassador to Cambodia and the Chairman of the ICC informed in like manner. It was therefore contrary to fact to say that the Indians had not been kept informed—we did not, of course, know whether the Indian officials concerned had reported back to their Government, but we could, of course, only work through the Indian Government's representatives. The Secretary said Mr. Menon had not raised this matter with him, but had mentioned it to Mr. Young along the lines indicated.

U Nu said that he had no direct interest in this affair. His only connection with the problem arose out of the Secretary's request made in Rangoon that he sound out Nehru on the question of an Indian training mission to Cambodia. He said that in consequence of the Secretary's request, he had discussed the problem at length with Nehru and Chou En-lai in New Delhi. The letter which he had sent to the Secretary from Rangoon was the result of the joint drafting efforts of Nehru, Chou En-lai and himself. He pointed out that Chou had no objection to the Indians taking over training in Cambodia, on the premise that the Chinese Government can trust the Indians and know that they would not be operating against the CPR. On the other hand, U Nu was convinced that if the Americans undertook

the training program it would be considered a threat to the CPR. In consequence the Chinese Communists would undoubtedly send in agents to cause difficulties in Cambodia. He felt therefore, in the interests of lessening tension in the area, that it would be preferable for the Indians to undertake the training. It was his understanding that Eden would discuss this problem with Nehru when the latter visits London next month.

Ambassador Barrington raised the question whether it would be necessary for the United States to have a military mission in Cambodia to carry on end-use checks (as suggested by Mr. Sebald). He felt that if the Indians should send a training mission, the presence of two missions would cause difficulties. The Secretary said he was not sure whether we could delegate end-use checks to someone else, but said we would look into the matter with our legal advisers.

It was agreed that this problem would be further discussed during the meeting to be held on Friday afternoon.<sup>5</sup>

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<sup>5</sup>See the memorandum of conversation *infra*.

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## 209. Memorandum of a Conversation, Department of State, Washington, July 1, 1955<sup>1</sup>

### SUBJECT

1. MDAP Agreement with Cambodia.
2. Lessening of Tension in the Taiwan Area.

### PARTICIPANTS

U Nu, Prime Minister of Burma  
U Thant, Secretary to U Nu  
James Barrington, Ambassador of Burma  
The Secretary  
FE—Walter S. Robertson  
FE—William J. Sebald

Prime Minister U Nu referred to a telegram from Chou En-lai to Nehru, which had been repeated to him, on the subject of the MDAP agreement with Cambodia. Three objections were raised by Chou En-lai: (a) a statement incorporated by reference in the exchange of notes that Cambodia has agreed to make, "consistent with its political and economic stability, the full contribution permitted by

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/7-155. Secret. Drafted by Sebald.

its manpower, resources, facilities, and general economic condition to the development and maintenance of its own defensive strength and the defensive strength of the free world"; (b) the provisions of paragraph 9 which provide in effect that Cambodia will by mutual agreement furnish to the Government of the United States or any other governments equipment, etc., as may be mutually agreed upon to increase their capacity for individual or collective defense, etc.; and (c) the provision providing for sending military equipment and materials to other countries in transit through Cambodia free of duty.

The Secretary referred to the language of the charter of the United Nations and specifically to article 51, pointing out that the language used in the MDAP agreement was almost identical with that of the charter. He said that the agreement had been carefully examined and in our opinion does not in any way violate the Geneva agreement. We have been scrupulous in conforming with the armistice provisions in Viet-Nam, Laos and Cambodia and the agreement does not in any way represent a departure from this policy. The Secretary pointed out that the objections raised by Chou are more political than legal.

Some general discussion followed in response to U Nu's question whether the ICC has given a report on its findings concerning the MDAP agreement. Mr. Robertson explained the present situation, pointing out that Canada strongly supports a finding that the agreement does not violate the Geneva accords. India, on the other hand, is somewhat doubtful and Poland, as might be expected, supports the Communist thesis.

[Here follows discussion on item 2, "Lessening of Tension in the Taiwan Area."]

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## 210. Telegram From the Department of State to the Embassy in the United Kingdom<sup>1</sup>

*Washington, July 2, 1955—7:41 p.m.*

38. London 5634 repeated Phnom Penh 11 New Delhi 144 Paris 754 Ottawa 37.<sup>2</sup> Request you approach Macmillan explain following

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<sup>1</sup>Source: Department of State, Central Files, 751G.5-MSP/6-2855. Secret. Drafted by Purnell and cleared by PSA, FE, SOA, and BNA. Repeated to Phnom Penh, Ottawa, New Delhi, and Paris.

<sup>2</sup>In telegram 5634, June 28, the Embassy in London endorsed the idea of approaching Macmillan and Nehru on the problem of the MDA agreement with Cambodia and asked for guidance on approaching Macmillan. (*Ibid.*)

U.S. position MDA Agreement Cambodia and urge problem be discussed with Nehru.

1. In connection repeated Cambodian requests for U.S. military assistance, MDA Agreement negotiated May 16 which will provide legal basis for U.S. aid to Cambodian military establishment.

2. Cambodia in no economic position support even modest security forces and no country other than U.S. willing provide financial and material aid required. We informally discussed this problem with the Indians months before signing the Agreement and received no comments either adverse or constructive.

3. Agreement has no relation to problem who is to train Cambodian Army and is not incompatible with eventual possibility Indian assistance this field if Cambodia so wishes.

4. Indian legal objections agreement as reflected in ICC can be answered by Deptel 681 to Phnom Penh, New Delhi 2018,<sup>3</sup> pouched London Ottawa Paris Vientiane.

5. U.S. has no intention establish military bases in Cambodia.

6. Agreement does not involve Cambodian participation Manila Pact.

7. U.S. not encouraging development large Cambodian Army but rather reduction size with increased efficiency.

8. You may mention to Macmillan Indian criticism MDA Agreement coming on heel criticism Prince Sihanouk's reform programs plus lobbying in favor Crown's arch enemy Son Ngoc Thanh will make it difficult for Cambodia respond to Indian guidance or offers assistance.

Dulles

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<sup>3</sup>In telegram 681, June 17, the Department set forth its legal opinion on the passages of the MDA Agreement with Cambodia which were challenged by the ICC. (*Ibid.*, 751H.5-MSP/6-1355)

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**211. Letter From the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Ambassador in Cambodia (McClintock)<sup>1</sup>**

*Washington, July 5, 1955.*

DEAR ROB: We have certainly had a go-around over your MAAG agreement during the past ten months. I recall that when you left

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<sup>1</sup>Source: Department of State, PSA Files: Lot 58 D 207, SEA, Cambodian Correspondence, Nov. 1954-Dec. 1955. Secret; Official-Informal.

Washington last September, one of your last words was to get the MAAG agreement pouched out to Cambodia in a hurry so that we could get it negotiated and signed by the King. When we were in Phnom Penh in March, we assumed somewhat lightly that we might be through with the negotiations and have a MAAG established there by early April. And it is still with us.

I have been frankly surprised at the suddenness and bitterness of the Indian reaction, since I have tried to keep the Indian Embassy here informed and since you have been doing the same thing in Phnom Penh. My conclusion is that Nehru and Menon either were not informed or have ignored the information coming to them through these channels. It seems to me three things have set off the Indians:

(a) The idea of an Indian training mission has been toyed with in various quarters—the Secretary, Eden, Nehru and U Nu. At Bandung, Nehru, U Nu, Prince Sihanouk and Chou En-lai discussed the possibility of an Indian training mission. Apparently an understanding was reached that an Indian training group would be more satisfactory in terms of Cambodian “neutrality” than an American training mission. Sihanouk apparently agreed or did not object so Nehru and U Nu, and presumably Chou En-lai were surprised when they learned in the press three weeks later of the signing of the MAAG agreement. They assume that the agreement precludes an Indian training mission and that we deliberately concluded the agreement for that purpose. I have been getting intimations from the British that the Indians think we rushed the timing of the signature in Phnom Penh for that reason. Of course at that time we hadn’t a clue about the Bandung talks. The Prince returned to Cambodia, considered the agreement, and endorsed it. As far as I know he never mentioned the Bandung talks to you. The problem now is to explain to the Indians that there is no theoretical conflict between the agreement and the Indian assistance for Cambodia in any form.

(b) The Chinese Communists have probably put a great deal of pressure on Nehru either bluntly or subtly to oppose the MAAG agreement and US assistance to Cambodia. At Geneva, Chou En-lai tried to close us out of Cambodia without success. Now he is back at it again. An Indian definition of “making and reducing tension” is that when the Chinese Communists object to something that we do, then we must undo whatever that is to reduce their tensions.

(c) The Indians and the Burmese, and perhaps others, have assumed that the MAAG agreement automatically means US money, equipment and instructors in toto to the exclusion of the Indians or anyone else. This is not necessarily so. Whether or not this can be cleared up, it is certainly our intention to try and I believe the Secretary will go [*has gone?*] into the situation with U Nu.<sup>2</sup> The latter may raise it himself.

<sup>2</sup>Apparent reference to discussions with U Nu in Washington; for reports, see Documents 208 and 209.

In any event I hope that the MAAG fellows will comport themselves with full discretion and common sense in Cambodia. I told Colonel Moore that an unobtrusive mission would be far more effective both with the Cambodians as well as with others there. I suggested that Col. Moore and his people make contact with the Indian and Canadian military insofar as you thought it was advisable. I am somewhat disturbed that CINCPAC has given MAAG Cambodia a 12 July deadline for submitting a report. If they need more time to do a better job, I hope you will see to it that they get it.

I am enclosing some recent briefing papers on the MAAG problem that we have prepared for the Secretary.<sup>3</sup> Also I am enclosing an informal paper we have given to U Nu.<sup>4</sup>

With best wishes,

Sincerely,

Kenneth T. Young, Jr.<sup>5</sup>

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<sup>3</sup>Apparent reference to UNU D/5, June 27, "U.S. Military Aid Agreement with Cambodia", not printed. (Department of State, FE Files: Lot 56 D 679, Briefing Papers—U Nu Meeting)

<sup>4</sup>A copy is attached to a letter from Young to Arthur R. Ringwalt, First Secretary of the Embassy in London, July 6, not printed. (*Ibid.*, PSA Files: Lot 58 D 207, London Correspondence, 1949-1955)

<sup>5</sup>Printed from a copy that bears this typed signature.

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## 212. Telegram From the Department of State to the Embassy in India<sup>1</sup>

*Washington, July 8, 1955—7:12 p.m.*

48. New Delhi 30 repeated London 3 Phnom Penh 4 Ottawa 3;<sup>2</sup> Phnom Penh 19 repeated London 3 Ottawa 2 New Delhi 3 Paris 4.<sup>3</sup> We concur general thinking helpful New Delhi 30.

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/7-655. Secret; Priority. Drafted by Byrne; cleared with PSA, SOA, and L/MSA (in draft); and approved by Robertson. Repeated to Phnom Penh, Ottawa, Paris, and London.

<sup>2</sup>In telegram 30, July 6, the Embassy in New Delhi reported that India was likely to support an ICC decision that the language of the U.S.-Cambodian military assistance agreement of May 16 could be interpreted as in contravention of the Geneva agreement on Cambodia. The Embassy's opinion was that Nehru was not likely to be impressed with U.S. legal explanations to the contrary. (*Ibid.*)

<sup>3</sup>Telegram 19, July 6, contained the text of a letter from ICC Chairman Parthasarathi, not dated but presumed to be July 5, to the Cambodian Foreign Minister. The letter was a summation of the charges before the ICC and the defense offered by the Cambodian Government. (*Ibid.*)

Agree Nehru not likely be impressed by U.S. legal interpretations even if his opposition to agreement based only language. Brief statement intent, based primarily political arguments rather than strictly legal rebuttal, already given Indian Embassy for Krishna Menon. It explained 1) pact does not call for military bases and we do not intend establish such bases; 2) does not involve Cambodian participation SEACDT; 3) agreement supplement to 1950 and 1951 mutual defense pacts undertaken at Cambodian request to underline new direct relationship two countries; 4) transit provision does not commit Cambodia permit transit equipment destined other countries but merely to grant tax exemption if such transit permitted; 5) contribution defensive strength free world conformed principles UN Charter and does not involve military alliance. Copies memo being pouched.<sup>4</sup>

We are rather hopeful Eden-Macmillan talks with Nehru, covering points listed Deptel 38 to London repeated Phom Penh 10 Ottawa 6 New Delhi 12 Paris 31,<sup>5</sup> will do much bring Nehru to recognition U.S. intent in MDA Agreement does not violate Geneva. If British do not turn trick, we agree it would be helpful you see Nehru, using arguments paragraph 6 New Delhi 30<sup>6</sup> if objections based language only or of paragraph 9<sup>7</sup> if opposition is to fundamental U.S. concept collective security.

Suggest, however, you not approach Nehru until specific instruction received. We wish wait before taking direct action until 1) receipt London's reports British conversations with Nehru, and 2) initial ICC reaction prospective Cambodian reply to ICC letter requesting confirmation Cambodian position (Phnom Penh 19). We assume Cambodian reply will not end matter, but that problem will be referred with ICC Chairman recommendation to Nehru.

With respect U.S. explanation of intent to ICC, we fully agree with Embassy Phnom Penh that ICC entirely out of bounds in believing it can hold us directly accountable or in expecting direct communication from us. Phnom Penh reports indicate Indians tacitly accept contention only spokesman for MDA Agreement is Cambodia.

U.S. note to Cambodia for incorporation letter to ICC if Cambodia desires is of course entirely proper. We are sending to Phnom

<sup>4</sup>Not found in Department of State files.

<sup>5</sup>Document 210.

<sup>6</sup>Paragraph 6 of telegram 30 from New Delhi reads in part as follows: "If purposes of US are thoroughly explained to Nehru, it will give GOI opportunity to say to ICC, 'the wording is capable of different interpretations, but the US and Cambodia have explained their purposes clearly. How can their statement be refused?' Nehru has been accepting 'declarations of intent' of Soviets, Chinese Communists, etc. in order to 'reduce tensions', to 'morally contain', and it would be difficult to do less with US."

<sup>7</sup>Paragraph 9 argued for a frank exposition to Nehru of U.S. policy, especially toward collective security.



Penh detailed Legal Adviser statement<sup>8</sup> our interpretation language to which ICC objects for possible Cambodian use. We shall prepare separate statement of intent addressed Cambodian Government for similar use if proves advisable.

Dulles

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<sup>8</sup>According to telegram 50 to Phnom Penh, the Department decided that the Legal Adviser's statement could not be validly summarized and was too lengthy to submit by telegram except in an emergency. (Department of State, Central Files, 751H.5-MSP/7-1555)

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### 213. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, July 15, 1955—3 p.m.*

57. I have seen Indian Chairman and Canadian Commissioner ICC this morning separately. Commission is now in final phase of reaching decision on MDA agreement and instructions have been requested from Delhi and Ottawa. Most significant Polish Commissioner says he has already received *carte blanche* to vote "as Nehru directs". I interpret this to mean that either in Warsaw or Moscow Nehru persuaded Communist side that he should carry laboring oar in this matter and persuaded Communist high command that his ultimate decision would be favorable to them.

Indian Chairman told me he was pleased with Cambodian reply<sup>2</sup> and that he thought ICC could reach a determination quickly. He said that although on legal side there were valid reasons to feel that MDA agreement violated Geneva, on practical side it must be realized that MAAG was already established, that Cambodia needs help and that there was no other available source of such aid than United

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<sup>1</sup>Source: Department of State, Central Files, 751G.00/7-1555. Secret; Niact. Sent also niact to New Delhi, priority to London and Ottawa, and repeated to Paris, Saigon, and Vientiane.

<sup>2</sup>The reference is unclear and could refer to either statements made at a May 30 meeting between Cambodian officials and the ICC or a letter from Leng Ngeth of July 13 to the ICC. On May 30, members of the Cambodian Foreign Ministry met with the ICC and reiterated Cambodia's non-aligned stance. (Great Britain, *Third Interim Report of the ICC in Cambodia*, No. 3 (1955), Cmd. 9579, p. 10) On July 13, Leng Ngeth sent a letter to the ICC acknowledging receipt of its July 5 letter and confirming the position of Cambodia as stated on May 30 and in the ICC letter of July 5. Text of the July 5 letter is contained in telegram 19 from Phnom Penh; see footnote 3, *supra*. Text of the Cambodian letter of July 13 is contained in telegram 50 from Phnom Penh, July 13, not printed. (Department of State, Central Files, 751H.5-MSP/7-1355)

States. He said that he hoped to get his instructions in time to terminate this case by Sunday July 17.

In meeting yesterday . . . Indian Chairman submitted two draft resolutions, one which he said formulated his understandings of Canadian position, and the other position of Indian and possibly Polish Commissioner. Canadian Commissioner objected to both drafts but found that Indian and Pole were insistent on adopting second resolution as drafted by Parthasarathi. After much argument General Snow managed to improve phraseology of this resolution to some extent but as will be seen from its text (cf. Phnom Penh's 35, Delhi 16, London 15, Ottawa 14, Paris 19) it is not entirely satisfactory in its concluding paragraph.<sup>3</sup> On whole, however, resolution is surprisingly conciliatory and should settle this affair if both Cambodians and Communists hold their fire.

I told General Snow that since everything depended on Nehru I would immediately submit text of resolution to Department, which could determine whether or not it was worth while to make last minute approach to Nehru to see if he would be dissuaded from insisting on final paragraph. I likewise pointed out to General Snow that much would depend on whether ICC resolution was published or whether it was merely a private official response from commission to Cambodian Government. It might be possible for him to argue (and this likewise could be told Nehru) that offending paragraph could still stand if this was a secret document but should be deleted if publication was intended. There is some risk that it may incite Prince Sihanouk or other members of Cambodian Government to pursue a dangerous debate further and it might likewise be used as a peg for Communist propaganda on which to hang further charges that MDA agreement violated Geneva. On the whole, however, if satisfactory solution has been found and, as I suggested to General Snow, even if present text is published next week Geneva headlines will push this news to back pages of all save Cambodian press.

**McClintock**

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<sup>3</sup>The concluding paragraph of this draft resolution reads in part as follows: "in view assurances given by Cambodian Government, Commission hopes that in practice the receiving of aid under new military aid agreement will be in conformity with terms of Geneva Accord." (Telegram 58 from Phnom Penh, July 15; *ibid.*, 751G.00/7-1555)

214. Telegram From the Department of State to the Embassy in India<sup>1</sup>

*Washington, July 15, 1955—7:49 p.m.*

116. Deptel 48 to New Delhi repeated Phnom Penh 24 Ottawa 13 Paris 19 London 129;<sup>2</sup> Phnom Penh 57 repeated New Delhi 15 London 14 Ottawa 13 Paris 18;<sup>3</sup> Phnom Penh 58 repeated New Delhi 16 London 15 Ottawa 14 Paris 19.<sup>4</sup> We believe it would be most helpful you now see Nehru on Cambodia MDA Agreement. Available information Eden-Nehru talks indicates Nehru attitude still mystery, but it fairly clear British did not convert him. Indian draft resolution in reply Cambodian confirmation position on Agreement (Phnom Penh 58) is hopeful, but 1) we have no assurance resolution will be acceptable New Delhi, and 2) we believe final paragraph if published would have opposite effect from presumptive Indian intent, i.e. settlement MDA Agreement issue.

Request therefore you see Nehru soonest. Suggest you tell him you have seen Indian draft resolution and assume its transmittal to Cambodian Government will mean end of affair. You might add final paragraph not helpful, sounding like altercation in which ICC, though in reluctant agreement Cambodian Government, seemed determined have last word. If correspondence private, effect would be minimized, but if published Communists would interpret resolution as opportunity reopen entire discussion.

Should Nehru demonstrate he does not agree ICC draft resolution and is not satisfied Cambodian "clarification", you might explain our intent regarding Agreement, using points listed Deptel 38 to London repeated Phnom Penh 10 Ottawa 6 New Delhi 12 Paris 31,<sup>5</sup> Deptel 48 to New Delhi, and your 30 repeated London 3 Phnom Penh 4 Ottawa 3.<sup>6</sup>

FYI: We consider ICC draft resolution as now stands acceptable, provided it not published, though not fully satisfactory. We are inclined believe, however, Nehru may not easily give concurrence but might more readily do so following your direct approach.

**Hoover**

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/7-1555. Secret; Niact. Drafted by Byrne, cleared by PSA and SOA, and approved by Robertson. Repeated to Phnom Penh, Ottawa, Paris, and London.

<sup>2</sup>Document 212.

<sup>3</sup>*Supra.*

<sup>4</sup>See footnote 3, *supra.*

<sup>5</sup>Document 210.

<sup>6</sup>Telegram 48 to New Delhi is printed as Document 212; regarding telegram 30 from New Delhi, see footnotes 2, 6, and 7 thereto.

## 215. Telegram From the Embassy in India to the Department of State<sup>1</sup>

*New Delhi, July 17, 1955—8 p.m.*

103. Reference Department telegram Niact 116 repeated information Phnom Penh 52 Ottawa 23 Paris 219 London 261.<sup>2</sup> I saw Nehru same day reference telegram received and discussed with him Indochina situation as well as Chou En-lai's message reported Embassy telegram 102 July 17.<sup>3</sup> Prime Minister initiated discussions by mentioning Laos saying reports fighting greatly exaggerated. Nehru thought current military and political meetings under auspices ICC best course at present in endeavor persuade parties reach agreement. Such discussions he felt more helpful than statements by ICC. Prime Minister noted according his information however members ICC were sitting at political meetings "really as observers and only as observers" for they could not understand either French or Cambodian language.

I then raised subject pending ICC resolution re MDA Cambodia. Nehru made no comment except that statement by USA would be helpful to ICC. I said US Government had information that ICC was considering a resolution finding that MDA was not adverse to Geneva yet that this statement might include an expression of continuing doubt about points in agreement. I noted such statement would leave MDA open to controversy and election campaign propaganda purposes. Further I said that such language by ICC would imply "we had heard your statements and don't wholly believe you". Nehru made no comment but suggested I talk to Dutt when I had news from US Government regarding statement.

My analysis follows:

1. Dutt's statement to me July 15 (Embassy telegram 98 repeated London 14 Paris 10 Phnom Penh 7 Ottawa 5 Saigon 4<sup>4</sup>) correctly reflected Nehru's views.

<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/7-1755. Secret; Priority. Sent priority to Geneva and repeated to Phnom Penh, Ottawa, Paris, London, and Vientiane.

<sup>2</sup>*Supra.*

<sup>3</sup>Telegram 102, repeated to Geneva for Dulles, dealt with talks between the United States and the People's Republic of China. (Department of State, Central Files, 793.00/7-1755)

<sup>4</sup>In telegram 98 from New Delhi, July 15, the Embassy reported that Dutt characterized the Cambodian letter of July 13 to the ICC as "fully acceptable to the Government of India but the question would still be raised that it was unilateral, and the Government of India hoped the United States would take opportunity to make statement confirming Cambodian position." (*Ibid.*, 751H.5-MSP/7-1555)

2. If US Government is prepared make some statement<sup>5</sup> through Cambodia as considered in Department telegram 48 repeated Phnom Penh 24 Ottawa 13 Paris 79 London 129,<sup>6</sup> I could take stronger position with Dutt and with Nehru urging deletion paragraph 7 and certainly its non-publication.

3. If Department does not desire to make such statement I can of course still urge Dutt not include paragraph 7, but do not think I have much leverage as I have already expressed US views to Nehru.

4. While continued suggestions by Government of India of their desire for US statement indicated final instructions have not gone to Indian Chairman ICC I believe such instructions imminent.

5. It is not clear whether Department has decided to make statement for use by Cambodia before ICC.

If decision referred to immediately above has been made, please inform New Delhi immediately as Nehru, Dutt and Jha continue ask if I have heard from Department. Indeed I cannot bring matter to head with Government of India re deleting paragraph 7 nor non-publication of ICC proposed resolution without having both Department's decision and text of its statement if latter is to be issued.

If Department has decided to issue statement, Embassy's view is that Government of India would be satisfied by concise statement that purpose of MDA is for defense Cambodia only and is in complete accord with Geneva and that US Government is in agreement with Cambodian Government on points of interpretation.

**Cooper**

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<sup>5</sup>The Department and the Embassy in Phnom Penh considered submitting a statement through Cambodia to the ICC. The text of one was informally given to the ICC Chairman, but since the ICC passed a resolution retaining Article 7 (see footnote 3, Document 213) on July 23, the Department decided that the statement was unnecessary. (Telegrams 61 to Phnom Penh, July 18; 80 from Phnom Penh, July 21; 82 to Phnom Penh, July 22; 95 from Phnom Penh, July 23; 84 and 87 to Phnom Penh, July 23 and 24; Department of State, Central Files, 751H.5-MSP/7-1755 to 751H.5-MSP/7-2455, inclusive)

<sup>6</sup>Document 212.

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## 216. Editorial Note

On July 23, the International Commission for Supervision and Control (ICC) in Cambodia unanimously adopted the following resolution:

"1. 23 May 1955 Royal Government of Cambodia informed International Commission for Supervision and Control that it had on 16 May 1955 concluded agreement with US for direct military aid for

that country. Commission very carefully examined new agreement to determine its compatibility or otherwise with Geneva Agreement.

"2. Objections are raised in Commission that certain clauses of military aid agreement, as specified later in our letter of July 5, were not strictly in conformity with Geneva Agreement. Commission therefore asked Royal Government of Cambodia for certain clarifications. Implications of these clauses were also discussed between Royal Government and International Commission May 30 when Prime Minister of Cambodia gave his government's interpretation and understanding of military aid agreement. [Text of Cambodian statement before ICC, May 30, in Great Britain, *Third Interim Report of the ICC in Cambodia*, April 1–July 28, 1955, No. 3 (1955), Cmd. 9579, page 10.]

"3. June 17 Commission received request from Royal Government of Cambodia to examine provisions of new military aid agreement vis-à-vis Geneva Agreement. [Text in telegram 1229 from Phnom Penh, June 17; Department of State, Central Files, 751H.00/6–1755.] June 21 the International Commission received protest from Democratic Republic Vietnam stating that new agreement violated provisions of Geneva Agreement relating to Cambodia. [Text of DRV protest in telegram 88 from Phnom Penh, July 22; *ibid.*, 751H.5–MSP/7–2255.]

"4. With view to having formal record of the Cambodian Government's understanding of military aid agreement, Commission addressed Royal Government July 5th embodying his understanding in their letter of that date. July 13th Royal Government confirmed that its understanding and position were exactly as stated in Commission's letter of July 5th.

"5. International Commission welcomes clarifications given by Royal Government and its assurance that it will scrupulously and always respect the terms of the Geneva Agreement. It takes note of the assurance of the Royal Government that it will follow a policy of neutrality.

"6. International Commission is confident that Royal Government will honour all assurances it has given and will give full cooperation to International Commission supervising implementation of military aid agreement in terms of Article 7 and Article 13 (c) of Geneva Agreement.

"7. Objections are still expressed in Commission that some of clauses of new agreement go beyond limitations imposed by Geneva Agreement. However, in view assurances given by Cambodian Government, Commission is confident that in practice the receiving of aid under new military aid agreement will be in conformity with terms of Geneva Accord."

Text of the ICC resolution was transmitted in telegram 58 from Phnom Penh, July 15 and modified by telegram 90 from Phnom Penh, July 23. (*Ibid.*, 751G.00/7–1555 and 751H.5–MSP/7–2355, respectively)

## 217. National Intelligence Estimate<sup>1</sup>

NIE 63.2-55

Washington, August 16, 1955.

### PROBABLE DEVELOPMENTS IN CAMBODIA TO JULY 1956<sup>2</sup>

#### The Problem

To analyze the present strengths and weaknesses of Cambodia, and to estimate probable future developments and trends to July 1956.

#### Conclusions

1. Cambodia's principal current problem is the conflict between the young ex-King, Norodom Sihanouk, and the majority of the country's intelligentsia over the issue of royal absolutism versus constitutional monarchy. Although Sihanouk is a patriot and appears deeply concerned with the welfare of his people, he apparently believes that the Cambodians are not prepared to govern themselves. (Paras. 8-9)

2. Sihanouk, by virtue of his popularity and influence over the government, will probably continue to be the dominant figure in Cambodia over at least the next year. In the elections for a national assembly, scheduled for September 1955, he will probably be able to influence or intimidate a sufficient number of voters to insure victory for his supporters and thus secure the constitutional changes necessary to assure royal direction of national affairs. Such a development would probably result in a period of temporary stability. However, the basic political division would remain and the opposition would

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<sup>1</sup>Source: Department of State, INR-NIE Files. Secret. National Intelligence Estimates (NIEs) were high-level interdepartmental reports presenting appraisals of foreign policy problems. NIEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental working groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of Cabinet level, and the National Security Council. The Department of State provided most of the political and some economic sections of NIEs.

<sup>2</sup>According to a note on the cover sheet, the following intelligence organizations participated in the preparation of this estimate: the CIA, the intelligence organizations of the Departments of State, the Army, the Air Force, and the Joint Staff. All members of the Intelligence Advisory Committee concurred in the presentation of this estimate with the exception of the representatives of the Atomic Energy Commission and the Federal Bureau of Investigation, both of whom abstained on the grounds the subject was outside their jurisdiction. Also according to a footnote to the text of the report, this NIE superseded portions of NIE 63-7-54 on Cambodia, November 23, 1954, *Foreign Relations, 1952-1954*, vol. XIII, Part 2, p. 2286.

retain some resources for obstructing government programs. (Paras. 20-22)

3. In the unlikely event the Democratic Party wins the election, prospects for instability would increase. In that case, Sihanouk would probably at some time attempt to regain power, perhaps involving the use of force as a last resort. (Para. 23)

4. Regardless of the outcome of the election, Cambodia will probably continue to seek economic and military assistance from the West, while attempting to foster better relations with Asian countries, particularly the neutralist bloc. Because of extreme sensitivity concerning independence and sovereignty, Cambodia will almost certainly be unwilling to cooperate in regional security programs unless its security is under immediate Communist threat.

5. The Cambodian economy is underdeveloped and reveals no signs of significant growth. However, economic conditions in the past have generally been regarded as satisfactory and, assuming continued foreign assistance, will probably not threaten political stability in 1955-1956. The ineptness with which the government is handling its rice problem, particularly arrangements for foreign assistance, could result in serious local shortages during the coming year. (Paras. 33, 36)

6. Although the Cambodian army suffers from poor leadership and low morale, in conjunction with the police it will probably have the capability to continue to maintain the present degree of internal order. However, if some of the rallied bandit leaders revert to dissident guerrilla warfare with forces of about their former size, the army and the police combined would probably not have the capability to suppress the dissidents and would probably not be able to maintain security in much of the countryside. (Para. 32)

7. Communists in Cambodia do not pose a significant threat to internal security or stability, nor will they during the limited period of this estimate. Over the longer run, however, Communist influence among the educated elite may increase if they are denied broader participation in the responsibilities and rewards of government. In addition, the Communists will probably seek to exploit and subvert the Chinese and Vietnamese minorities who are active in the country's commercial affairs. If the Viet Minh extends its power to the borders of Cambodia, the Communist capability to infiltrate, to subvert, and to develop guerrilla forces would be greatly increased. (Para. 26)



## Discussion

*I. Introduction*

8. Cambodia enjoys a degree of homogeneity unusual among the countries of Southeast Asia. It is united by a common language, a common sense of national history, reverence for the throne, and adherence to Buddhism, the state religion. Communist power does not pose an immediate threat to Cambodia's frontiers. The principal internal problem at the present time is the political turmoil created by the conflict between the young ex-King, Norodom Sihanouk and the majority of the country's intelligentsia over the issue of royal absolutism versus constitutional monarchy. This contest apparently is of little concern to the bulk of the 4,500,000 Cambodians.

*II. Government and politics**Background*

9. In 1947, despite Cambodia's rudimentary political development and undefined position within the French Union, King Norodom Sihanouk promulgated a liberal constitution providing for a prime minister and cabinet responsible to a popularly elected national assembly. In the years following, Sihanouk—a highly sensitive and intelligent young man with an inordinate sense of pride coupled with national devotion—became increasingly dissatisfied with parliamentary government. This became particularly apparent after the elections of 1951. Although the Democratic Party won a substantial majority, the Assembly continued to be disrupted by factionalism and the cabinet made little progress toward gaining Cambodian independence. Finally in mid-1952 Sihanouk dissolved the Assembly. He explained that a parliamentary government, handicapped by inexperience and factionalism, was unable to achieve national independence and peace. Sihanouk's success in achieving independence late in 1953 and in gaining confirmation in the Geneva Agreements of Cambodia's independent status increased his personal stature and popular support.

10. After Geneva, with independence fully achieved, the rivalry for political power and positions among the elite of the country was greatly intensified. Anti-French feelings no longer united Cambodia's political leaders and their followers in a common cause. Sihanouk apparently believed that this situation made it more necessary than ever that the country should be ruled by the Crown and not by democratic processes. He was supported by those who believed that their political fortunes depended upon the continuation of monarchical rule. On the other hand, the opposition leaders favored adherence to the 1947 constitution because they were convinced their po-

litical future depended on a reduction in the King's power. Civil servants formed the most important element within the opposition, although a few of these constitutionalists were members of the royal family.

11. Early in 1955, Sihanouk apparently decided to secure his position of absolute authority by revising the constitution. However, once his proposals and his plan to make them effective by decree were known, they drew heavy criticism from most of the diplomatic representatives in Cambodia and from the Democratic Party. Sihanouk was apparently disturbed by this adverse reaction to "reforms" he believed would be beneficial to his country and by reports that the February referendum which had indicated he had overwhelming popular support from his people had been rigged by his followers. He unexpectedly abdicated in favor of his parents on 2 March 1955. His avowed purpose was to secure popular approval for his policies in the national elections, now scheduled for September 1955.

#### *Government*

12. King Suramarit and Queen Kossamak are the present rulers of Cambodia. The elderly King has limited political experience . . . . The Queen, though intelligent and forceful, has aroused widespread antagonism in Cambodian political circles in the past through her intrigues and backstage political maneuvers. The palace coterie, left over from Sihanouk's reign, is inept and corrupt.

13. Recent Cambodian governments have apparently conducted routine business in a reasonably competent manner. However, they have done little to suppress widespread corruption within the government, to extend security to remote areas, to stimulate economic activity, or to revitalize the armed forces. They have been able to coast along primarily because of the absence of any basic social or economic discontent among the population, and because of the apparent passivity and the amiable temperament of the people.

14. The present cabinet of Prime Minister Leng Ngeth, appointed by Sihanouk in January 1955 and reconfirmed by the new monarchs, is essentially an interim government to serve until the election of a new national assembly in September 1955. The cabinet has recently been reorganized following the resignation, on Sihanouk's orders, of all men who are taking an active part in his political campaign. Its current members are largely technicians and men who have closely supported the prince in the past but who apparently are not to stand for office in the forthcoming elections.

15. Despite his abdication, Sihanouk remains the country's dominant personality. He continues to influence the government through his parents and through the Royal High Councilors. Penn Nouth and Sam Sary are the most influential in the latter group because of the

high prestige and considerable political power which they have gained as members of former cabinets.

*Politics and the Elections*

16. In preparation for national elections, Sihanouk has launched a new political movement, Sangkum Reastr Niyum (SRN), variously termed the "Socialist People's Community" or the "Popular People's Rally." The movement is devoted to obtaining enough votes in the next National Assembly to pass Sihanouk's constitutional reform program. The SRN's platform calls for the abolition of all political parties and for the direct election of village representatives. While there would still be a national assembly composed of members to be elected by these village representatives, with the power to enact legislation, the SRN proposal would in fact place absolute power in the Crown. The cabinet would be responsible to the Crown, and the Crown would have veto power over all legislation.

17. Although virtually no one desires to eliminate the monarchy, the majority of intellectuals oppose Sihanouk's program. They favor a constitutional monarchy with political power in the hands of an elected assembly. Prior to the creation of the SRN, the Democratic Party had been the only political group with an established, cohesive organization. It held a large majority of the seats in the National Assembly elected in 1951. Reorganized in January 1955, Democratic Party leadership is still in a state of flux. There is a directing committee which is at least temporarily dominated by the left wing or "progressives" of the party. Most "progressives" belong to the younger group, primarily students or ex-students returned from France who are radical on domestic issues and neutralist in their foreign policy. The bulk of the moderate right wing or "conservatives" are civil servants who in the past have constituted the major support and strength of the Democratic Party.

18. The most important individual opposed to Sihanouk and his movement is Son Ngoc Thanh, former Cambodian prime minister and national leader. In March 1952, he and a few close followers fled to the hills as guerrillas to wage their own fight for national independence from the French. Since that time, however, Thanh's popularity among Cambodian intellectuals and his hold over his followers have apparently greatly decreased—as a result both of Sihanouk's personal success in gaining independence from the French and of Thanh's own inactivity and negativism. During this period of dissidence, Thanh's complicity with the Communists was alleged, but it has never been proven. He has accepted amnesty from the throne but has remained in hiding for fear of assassination by the ex-King . . . . Thanh apparently does not intend to enter actively into the forthcoming national elections but he will probably exert considerable influence through the Democratic Party. His principal lieuten-

ant, Ea Sichau, who has been described by some sources as a Marxist, is now a member of the Democratic Party's directing committee.

19. A principal election issue for both the SRN and the Democratic Party will be allegations of corruption in the present cabinet. In an effort to disassociate itself from the present government, the SRN has already ordered its active members in the cabinet to resign.

20. The SRN, led by Sihanouk, has a number of advantages over its opposition. The ex-King has great personal popularity. He has the loyalty of the bulk of the Army, in particular its officer cadre, and can probably rely on the support of the national police. In addition, the SRN has great financial resources, a long headstart in campaigning, use of the communication media of the government, and the power to intimidate members of the Democratic Party who are civil servants.

21. The outcome of the elections will depend in large measure on the extent to which Sihanouk uses these very considerable resources to intimidate the opposition and to influence the vote; . . . . Sihanouk's freedom of action may be somewhat restricted by a regard for possible adverse reaction from foreign countries. The presence of the ICC, which is charged by the Geneva Agreements with observation of the election process, may work in favor of the Democratic Party. However, we believe Sihanouk will probably use whatever means he believes necessary to win a majority in the elections. Should the SRN fail to win the three-fourths majority necessary to amend the constitution, Sihanouk might still be able after elections to persuade or coerce a sufficient number of deputies to achieve his goal.

22. The outlook for political stability in Cambodia following the elections will depend in large measure upon Sihanouk's attitude and reaction to events. If Sihanouk's supporters win a majority sufficiently large to permit enactment of his constitutional "reforms", there will probably be a period of temporary stability. The present rulers may abdicate in Sihanouk's favor or the prince might be content to exercise power indirectly until the death of one or both parents permitted his return to the throne. Basic political divisions would remain unresolved, however. The opposition would retain some resources for obstructing government programs, and Democratic leaders would in time almost certainly test out the range of action permissible under then-existing measures of repression. In the aftermath of a Democratic defeat, the "progressive" wing might secure control of the party, and it is possible that leaders of the Democratic Party would turn to Son Ngoc Thanh in order to capitalize on his prestige among the populace and his surviving influence among the Buddhist priests and the military. At the same time, Communist elements would find increased opportunities for serious penetration of the

left-wing group, possibly leading to the further withdrawal of moderate elements from the Democratic Party.

23. If the royalists should fail to secure a majority sufficient to enact Sihanouk's "reforms" or if, as seems less likely, the Democrats and their allies should win the election, the prospects for instability would increase. Sihanouk would probably, at some time, attempt to regain power. . . . Within the Democratic Party, however, the previously dominant moderate elements would probably regain control as a result of an election victory, and Son Ngoc Thanh's immediate return to power would be less likely.

### *III. Internal Security*

#### *Cambodian Communists*

24. There has been little discernible Communist activity in Cambodia since Geneva. The "Khmer Resistance Committee" which conducted guerrilla operations under Viet Minh leadership during the Indochinese war, has not been reported active since 1954. Nevertheless we believe that a small Communist cadre and party apparatus exist in Cambodia but that Cambodian Communists have little capability by themselves to disrupt internal security.

25. The Communists in Cambodia for the next year or two will probably concentrate on political rather than guerrilla action. They will probably seek to infiltrate and subvert, particularly groups led by former bandit chiefs now in uneasy alliance with the government, and to intensify political disunity within the Cambodian elite. A likely target for infiltration is the Democratic Party, and some of the newly elected members of its directing committee are suspect. Communist or Communist-sponsored candidates are entered in at least 35 election districts, concentrated chiefly in areas formerly occupied by guerrilla groups or where bandit activity currently makes for poor conditions of internal security. Though Communist influence within Cambodia will probably remain slight during the next year, the Communists can be expected to exert their limited influence to encourage Cambodian neutrality and to improve their own organizational capabilities.

26. Over the longer term, the Communists may be able to increase their strength by attracting returning students and other intellectuals, especially if the throne continues to frustrate the adoption of democratic processes. In addition, they will probably seek to exploit and subvert the Chinese and Vietnamese minorities who are active in the country's commercial affairs. If the Viet Minh extended its power to the borders of Cambodia, the Communist capability to infiltrate, to subvert, to sabotage, and to develop guerrilla forces would be greatly increased.

*Other Dissident Elements*

27. Although a number of bandit groups were active in 1953 and 1954, most have rallied to the Crown and have become suppletives in the Cambodian Army. However, the leaders, who apparently retain the loyalties of their men, remain a potentially disruptive influence to the countryside and on several occasions they have threatened to return to their former dissidence. There are still an estimated 2,000 bandits active in Cambodia, but they do not present a direct threat to political stability because of their apparent lack of interest in political matters.

*Cambodian Military and Security Forces*

28. The Cambodian Army has a total strength of 37,000 including 5,000 National Guard and 9,000 auxiliary forces. Because of a serious deficiency in trained leadership there have been numerous incidents of indiscipline, corruption, desertion, and poor morale. The army is capable of carrying out operations up to battalion size against guerrilla-type forces, but would be unable by itself to defend Cambodia from external aggression. In conjunction with Cambodian security forces, the army probably has the capability to deal with the threat to internal order posed by existing bandit groups. The Cambodian Air Force with only a few trainer type aircraft has no combat capability. The Cambodian Navy of some 300 men and a few river patrol vessels is employed primarily in patrolling the inland waterways.

29. The Cambodian armed forces are dependent on external support for training and military equipment. As provided for in an agreement signed in 1954, a French military advisory and training mission, consisting of 125 officers and 375 noncommissioned officers, was retained in Cambodia. In addition, under the agreement of 16 May 1955, the US will provide direct military assistance to Cambodia and a small Military Assistance Advisory Group. The current neutralist temper of Cambodia may preclude expansion of foreign training missions.

30. In the past, Cambodian army morale and efficiency have varied with the vigor and ability of the Minister of Defense and the Chief of Staff. Unfortunately, the few Cambodians who are qualified for these posts do not enjoy the confidence of Sihanouk and the tenure of capable leaders in top military positions has normally been brief. Unless the situation changes and the general level of officer leadership in the army is raised, there will be little improvement in the effectiveness, morale, and discipline of the army.

31. The internal security forces without the aid of the army are probably not capable of maintaining public safety or of effectively combatting Communist infiltration and subversion. Professional Cambodian internal security forces totalling 14,600 are made up of 2,400 national and municipal police and 12,200 provincial guards and

auxiliaries. In addition there are 13,300 "forces vives" who are unpaid, poorly trained volunteer police.

32. During the period of this estimate, the Cambodian Army in conjunction with the police will probably have the capability to continue to maintain the present degree of internal order. However, if some of the rallied bandit leaders revert to dissident guerrilla warfare with forces of about their former size, the army and the police combined would probably not have the capability to suppress the dissidents and would probably not be able to maintain security in much of the countryside.

#### *IV. Economic Conditions*

33. Although the Cambodian economy is underdeveloped and reveals no signs of significant growth, economic conditions in the past have generally been regarded as satisfactory. Rice, Cambodia's chief asset, is produced on small farms which, because of the primitive methods used, have a low rate of productivity. However, there is little pressure on land resources, per capita rice consumption is high compared to other Southeast Asian countries, and there are usually about 200,000 metric tons of rice available for export. With its rice surplus and some 18,000 metric tons of rubber available for export, Cambodia has been able to maintain a relatively high level of textile, petroleum, and other imports (roughly \$60,000,000 annually) and to finance the small civil budget of about \$35,000,000 through customs receipts.

34.. However, the drought last winter and spring caused a sharp drop in rice production, and there now exists a food deficit, the extent of which is unknown. Largely as a result of sharply reduced earnings from rice, foreign trade has declined, causing serious losses in government revenues. The budget deficit in 1955, which is to be offset by US assistance, is estimated at \$10,000,000.

35. Cambodia's economic difficulties have been aggravated by its unsatisfactory economic relations with neighboring countries. Trade among the former Associated States has been subject to tariffs. South Vietnam has been slow in transferring \$30,000,000 which is the Cambodian share of customs receipts collected at the port of Saigon prior to dissolution of the customs union. Recent conclusion of a draft agreement on commercial and financial relations between Cambodia and South Vietnam is one of the most concrete signs of improvement in Cambodian economic relations with its neighbors. Inauguration of rail service with Thailand in April 1955 affords Cambodia an alternate transit route in the event that relations with South Vietnam do not work out satisfactorily, even though trade with Thailand remains limited pending agreements on customs duties, payments mechanisms, and other issues.

36. Assuming continued foreign assistance, economic conditions will probably not threaten political stability in 1955-1956. Available foreign exchange resources can be expected to be sufficient to meet consumer goods import needs, even if rice earnings remain at a low level. The ineptness with which the government is handling its rice problem, particularly arrangements for foreign assistance, could result in serious local shortages during the coming year. Foreign assistance, provided almost entirely by the US, totals about \$45,000,000. There is little prospect for a substantial improvement in Cambodia's economic capabilities during the period of this estimate.

#### *V. External Relations*

37. Although the Cambodian government is basically anti-Communist and appears anxious to maintain close relations with the Western Powers, particularly the US, it has recently favored a "neutralist" foreign policy. This trend probably develops from its desire to heighten its prestige and international standing, to secure the political backing of other non-Communist Asian countries, and to encourage the Chinese Communists to respect Cambodian independence. It also appears to reflect the great concern of Sihanouk not to impair Cambodia's recently won independence by too close association with any foreign power.

38. Regardless of the outcome of the election, Cambodia will probably continue to seek economic and military assistance from the West while attempting to foster better relations with Asian countries, particularly the neutralist bloc. Because of extreme sensitivity concerning independence and sovereignty, Cambodia will almost certainly be unwilling to cooperate in regional security programs unless its security is under immediate Communist threat.

39. *The French Position in Cambodia.* Although recognizing the complete independence of Cambodia, France continues to regard the country as "associated" with the French Union. Cambodia, however, has been silent about its position in the French Union, and its political ties with France are ill-defined and tenuous. The only symbol of Cambodian adherence to the French Union is the presence at Phnom Penh and Paris of French and Cambodian High Commissioners. Unlike Laos and South Vietnam, Cambodia has made no effort to reach an accord with France. Nor does it send representatives to the Assembly of the French Union at Paris.

40. At the present time, the French are seeking to preserve some measure of their cultural, economic, and military influence in Cambodia. They probably hope these efforts at best will cause Cambodia to renew its political ties with the French Union, and at a minimum will provide some check on the relative growth of US influence in Cambodia.



41. French economic aspirations are reflected in the eagerness with which they assumed responsibility for the construction of a \$10,000,000 deep-water port at Kompong Som (a project of the highest priority from the Cambodian viewpoint), in the establishment of private French banking interests in Cambodia, and in their recently announced plans to establish small French industrial establishments in Phnom Penh. Other French economic assistance to Cambodia, totalling approximately \$8,000,000, is to be allocated for education, public administration, and public works. For their part, the Cambodians suspect that the French are primarily interested in preserving their economic interests in the area and express fears that the French will not fulfill their commitments to build the port and carry out other proposed projects.

42. Although the US now provides the principal financial and material support for the Cambodian armed forces, the Cambodian Army is still largely dependent for training assistance on the French Military Mission. This dependence is likely to continue during the period of this estimate.

43. The French are deeply suspicious of US intentions in Cambodia, as they are in Laos and South Vietnam, and are inclined to believe that the US is utilizing its vastly superior economic and material resources to supplant French influence in the area. These suspicions have been intensified by US insistence on extending its economic and military assistance directly to Cambodia, and by what the French interpret as general US reluctance to coordinate its economic and military assistance policies with those of France. Although the French have ultimately accepted an increasing US role, they have done so only reluctantly and on occasion to the accompaniment of attempts to discredit US actions, including pronouncements through the semi-official French Information Service radio station, France-Asie, at Saigon.

44. *Relations with South Vietnam and Laos.* Despite the close relationships with Laos and South Vietnam that have existed during the past 75 years under French control, Cambodia has made no effort to establish formal diplomatic relations with its Indochinese neighbors. Cambodia's attitude toward Vietnam is conditioned by racial antipathy, fears of potential Vietnamese expansion, and long-standing, but poorly substantiated, claims to territory in South Vietnam. Cambodia so far has ignored Laos.

45. *Indian Relations with Cambodia.* Since Nehru's visit to Cambodia in December 1954, India has displayed an increased interest in Cambodia. Nehru has alluded to the cultural affinity between the two countries and has encouraged Cambodia to adopt a position of neutrality, but he has thus far not committed India to other than general diplomatic support. In recognition of Cambodia's independence, India

in May 1955 established a legation in Phnom Penh. The Cambodian government, for its part, has welcomed friendly relations with India but has shown annoyance at Indian sympathy for Son Ngoc Thanh and at the excessive interest taken by the Indian ICC chairman in the election preparations and in the NDAP agreement. Although the possibility of Indian guidance and assistance in the training of the Cambodian Army has been discussed, such a project has not materialized.

46. *UK Relations with Cambodia.* Since Geneva, the UK has taken an increasing interest in Cambodia. As one of the Geneva co-chairmen, Britain has sought to insure strict adherence to the terms of the agreements. Apparently believing that Far East tension can best be reduced by increased Indian involvement in that area as a deterrent to Communist pressure, the UK has encouraged a closer Cambodian-Indian relationship.

47. *Thai Relations with Cambodia.* In its relations with Cambodia, the principal concern of Thailand had been to preserve and strengthen a non-Communist government as protection against the threat of further Communist expansion from Vietnam. The Thai government supported the efforts of King Sihanouk to secure independence from France, and is currently moving to develop closer economic and political relations with the present government. At the same time, Thai leaders, notably General Phao and several politicians with family or business connections in Cambodia, have maintained contact with Cambodian leaders outside the government. It is probable that Thai officials, uncertain of future political developments in Cambodia, wish to maintain contact with all Cambodian groups that could possibly gain power.

[Here follows a map of Indochina, not reproduced.]

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## 218. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, September 12, 1955—noon.*

319. Cambodia, Monday after elections, is country less united than election results would indicate.<sup>2</sup> Campaign has been, for this

<sup>1</sup>Source: Department of State, Central Files, 751H.00/9-1255. Confidential; Priority. Repeated to Saigon, Vientiane, London, Paris, Bangkok, and New Delhi.

<sup>2</sup>Sihanouk's Sangkum Reastr Niyum (People's Socialist Community or People's Popular Rally) won all seats in the National Assembly elections of September 11 overwhelming the opposition Democrats.

country, of unprecedented bitterness and violence, and although polling has been secret, campaign has been less than free. Sihanouk would quite probably have won elections even if there had been scrupulous fair play, but as it is many people have voted for him because it was made amply clear that it was dangerous to do otherwise. Democrats, particularly because of their important representation in the intelligentsia, the sympathy they enjoy from important elements of Buddhist clergy and widespread support they have in lower ranks of administration, continue to be an important minority element. Perhaps 90 percent of Cambodia's school teachers are Democrats. Split between country's elite and government is therefore one factor of weakness in otherwise favorable situation.

In terms of foreign policy, most important change is likely to be in methods and activities rather than basic objectives. Sihanouk has controlled the government up to now, his increasingly militant anti-communism has been reflected in government actions and pronouncements. But whereas Leng Ngeth government has been timid, inept and paralyzed by fear of criticism from above, new government is likely to be assertive, pointing to mandate from the people, and inclined to toughness. This is good as far as attitude toward Cambodian defense is concerned, but it can also be bad in terms of working relationship with US and other friendly countries. . . .

While internal unity is less than electoral figures would indicate, most of factors in picture continue to be favorable. Among them following may be recalled:

(a) Almost universal acceptance of monarchy and allegiance to throne. Campaign allegations by Prince that Democrats oppose monarchy as such were wild exaggeration. While it is true that Republican sentiment among some elements of Democratic leadership increased during campaign, seeing that all of royal apparatus was pitted against them, overwhelming majority of Democrats are still loyal to Crown. Anti-Royalist propaganda was rare during campaign not only because it was forbidden but also because it was unprofitable.

(b) Buddhist religion. "Affair of the bonzes" (Embtel 283<sup>3</sup>) must not be allowed to obscure fact that most of Buddhist clergy is non-political, that the two Buddhist sects are firmly tied to Crown, that overwhelming mass of population do not only go to pagoda but profoundly believe in Buddhist religion, and that that religion is by its nature unsympathetic to communism. In addition, even while Buddhist clergy remains aloof from politics, it favors modernization of country, appears to have friendly attitude toward American aid, wel-

<sup>3</sup>In telegram 283, September 6, the Embassy reported that it believed Sihanouk had made a serious political blunder in his relations with the Mohanikay Buddhist order. Sihanouk issued a public denial in response to a whispering campaign that he was going to replace the Chief Bonze of the order, giving substance, in the Embassy's view, to the belief that the order was dissatisfied with Sihanouk. (Department of State, Central Files, 751H.00/9-655)

comes English-teaching projects and seeks closer contacts with other Southeast Asian Buddhist countries. In all these respects, and in others as well, Buddhist bonzes will cooperate fully with government.

(c) National consciousness is another factor making for unity. Important feature of campaign was controversy over who deserves greatest credit for national independence. All contending parties, including Communists, campaigned on strongly nationalist platforms. Cambodian neutrality, to which all parties are devoted in differing degrees, is in fact principally a manifestation of nationalism.

(d) Absence of important social conflicts. There is no land problem as in some other Southeast Asian countries, nearly all peasants owning the land they cultivate. Cambodia is not overpopulated. In normal times, it is rice surplus area. Although standard of living is very low, there is little grinding poverty. Class structure does not lend itself to Marxist exploitation. Issues between left and right are constitutional, not social. Extreme left has tried to outbid the moderate left in nationalism and appeals for civil liberties, but it has found few "capitalist contradictions" to exploit. Communists tried to win seats by demagoguery and terror. They have been defeated by same weapons, but also by absence of aroused downtrodden people in Cambodia.

Contrasted with these favorable factors, the unfavorable one of split between government and elite is no less discouraging and no less important; for in the long run, it can debilitate the moral fiber of a nation. It would be eminently desirable for elite to be gradually reconciled to Sihanouk's victory rather than exasperated and thus perhaps driven into arms of Commies, who have already made some inroads into that element. If Democrats are forced to go underground, for instance, many of their young elements, who inevitably will play more important role in future, could become a dangerous fifth column in Cambodia. Unfortunately, there is no indication so far that Sihanouk and his advisers are thinking in terms of generosity and moderation vis-à-vis opposition. They are still embittered by electoral campaign and inclined to believe their own propaganda which lumped all Democrats with Communists. If this becomes policy, it will be factor deleterious to national unity, particularly in the long run.

**McClintock**

## 219. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, September 13, 1955—3 p.m.*

325. On first day following 100 percent sweep by Prince Sihanouk's "Sangkum" of yesterday's (11th) National elections, in addition to considerations advanced Embtel 319,<sup>2</sup> I have had conversations with Prime Minister Leng Ngeth, with Senior Royal Councillor Penn Nouth (who is de facto Prime Minister of this Kingdom), and with Prince Sirik Matak, Minister National Defense. Following salient points emerge:

1. Prince Sihanouk and his entourage, although elated by complete sweep of Parliamentary seats, have sober second thoughts as to measure of responsibility which they will now bear. Penn Nouth told me that opposition parties will carefully store up any evidence which might be used later on to confound Sihanouk and his Sangkum. When I asked what leadership, other than Prime Minister, yet to be appointed, would direct new Parliament, he said Prince Sihanouk and Royal Councillors were carefully studying list of elected delegates with this much in mind.

2. Penn Nouth said it was probable that opposition parties, although badly splintered, would go underground and some danger existed they might become more available to Communist influence. This, however, he was presently inclined to discount as he interpreted victory of Sangkum as reaffirmation by Cambodian people of their profound hatred of Commies.

3. Penn Nouth said Democratic Party had made two fundamental mistakes. First was to permit themselves to be taken over by young intelligentsia recently returned from France who were largely pro-Commie in sympathy, but had made error getting out of touch with the Cambodian peasant who was fundamentally attached to church and throne. Second great mistake of Democratic Party was to attack royal family, which enraged simple and loyal peasants with results which were now obvious.

From other elements in these conversations I gained impression that Sangkum Government which will be formed within next fortnight will be more resolutely anti-Commie and thus by indirection more pro-US than might have been supposed a short while ago. Promising line for VOA and other media to take would be to interpret Sangkum victory as triumph over Commies in SEA with Sihanouk as a champion in this good fight.

There is yet no indication who will be called by King to form new Government.

**McClintock**

<sup>1</sup>Source: Department of State, Central Files, 751H.00/9-1355. Confidential. Repeated to London, Paris, Saigon, Vientiane, and Bangkok.

<sup>2</sup>*Supra.*

## 220. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, September 26, 1955—9 p.m.*

400. Department pass DOD and CINCPAC. As indicated Embassy telegram 388,<sup>2</sup> we were misinformed by Prime Minister as to imminence of discussion by party caucus of question of US military aid to Cambodia. In consequence, US reply to letter of Defense Minister Sirik Matak which was summarized in Embassy telegram 377<sup>3</sup> is now not so urgent as it had seemed. However, since Prince Sihanouk has indicated question will be ventilated in party congress within next month, US would be well-advised, in my judgment, to make compromise on FARK force basis which will forestall possibility that . . . Monseigneur might reject US military aid on ground that it is insufficient to assist Cambodia in attaining a safe posture of national defense.

Problem, in essence, is political one. Cambodian Government is faced with dilemma, as indicated in Embassy despatch 70,<sup>4</sup> of having men under arms who, if promptly demobilized to meet JCS force basis figure, might either become bandits roving on population or recruits for Viet Minh guerilla bands. Likewise, there is the usual Oriental "face" and reluctance to accept a reduction in National Army which is principal ornament of Royal House and Royal Government. Furthermore, Cambodian authorities are sincerely convinced that with extensive frontiers adjoining Laos and Vietnam, they require large land force to guard against eventual Viet Minh penetration.

It follows from this premise that we cannot be too arbitrary or too insistent upon immutability of JCS figure, irrespective of otherwise valid military considerations which contribute to establishment of the figure. We should accordingly like leeway in order negotiate a force basis somewhere between 30,000 figure established by JCS and 45,000 desired by FARK. A compromise can, in my opinion, be worked out. I would take one figure which is common to both FARK and MAAG estimates except in its framework of time. Sirik Matak, in his letter of September 15, cited TO and E of 41,000 men. MAAG,

<sup>1</sup>Source: Department of State, Central Files, 751H.00/9-2655. Secret.

<sup>2</sup>Dated September 23, not printed. (*Ibid.*, 751H.00/9-2355)

<sup>3</sup>According to telegram 377, September 15, the Cambodian Defense Minister submitted in a letter of the same date a force level proposal of 38,000 and a table of organization of 41,277 in response to the Embassy and MAAG recommendation that the Cambodian army be reduced to 31,000. (*Ibid.*, 751H.5-MSP/9-255) Discussion on the recommended level of 31,000 and how it could be reached is in telegram PC 67-55 from the U.S. Army Attaché to the Department of the Army, August 15 and telegram 251 from Phnom Penh, August 25, neither printed. (*Ibid.*, FE-SEA Files: Lot 58 D 266, Army-Navy Messages, 1955, and Central Files, 751H.5-MSP/8-2555, respectively)

<sup>4</sup>Dated September 19, not printed. (*Ibid.*, 751H.5-MSP/9-1955)

in its proposal for a five-year development of FARK likewise comes out at 41,000, but in 1960 and not in 1955. Main problem is how to reconcile these figures in a time sequence, and so far as political situation is concerned, to find a solution for 7,000 suppletif troops who otherwise might go over the hill or defect to Viet Minh if they are immediately demobilized.

My recommendation is that we be authorized by JCS to negotiate agreement with FARK which would provide for MAAG logistical support of force basis of 31,000 effectives, but with an agreement to consent to higher troop basis to include 7,000 suppletif troops for next calendar year. This would imply readiness on our part to pay these suppletifs at present rate which is \$1 million a year, above current outlay for regular troop pay and rations. In return for this concession, I would expect Cambodians to agree to limit recruitment for regular FARK troop basis of 31,000 to suppletif forces. MAAG estimates that annual attrition rate is in neighborhood of 1,000. Thus, in theory, if each year suppletif forces would contribute this amount to regular army establishment we could in seven years eliminate suppletifs entirely and not increase total of FARK of 31,000. This arithmetic, however, ignores political factors and we should be satisfied, I think, if we could reach basis of 35,000 men as of January 1, 1958.

In consequence, it is requested that JCS authorize Embassy and MAAG to negotiate along these terms. Thus, US would indicate its readiness to support logistically a troop basis of 31,000 effectives, but in terms of troop pay and allowances a force reaching 35,000 men by January 1, 1958, it being understood that during this transitional period we would continue to support in reduced pay and rations 7,000 suppletifs who would be in process of gradual absorption into FARK or demobilization of the less fit. MAAG would in return require acceptance by FARK of its five-year plan with clear understanding that cost of any force above 35,000 maximum would have to be defrayed by Cambodian budget. Ultimately, if MAAG five-year plan is adopted, FARK would number 41,000 men in 1960.

MAAG concurs and requests this message be submitted to JCS for approval.<sup>5</sup>

McClintock

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<sup>5</sup>The Commander in Chief, Pacific, also concurred. (Telegram 356, 010019Z to Chief of Naval Operations, October 1; JCS Records, CCS/092 Asia (6-25-48) (2))

221. Letter From the Acting Assistant Secretary of Defense for International Security affairs (McGuire) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>

*Washington, November 16, 1955.*

DEAR MR. ROBERTSON: On 29 August 1955 the Assistant Secretary of Defense (ISA) requested the Joint Chiefs of Staff to reexamine the MDA Program and Guidance for Cambodia during FY 1956 and FY 1957, in light of the MDAP Survey Report on Cambodia.<sup>2</sup>

Subsequent to that date, the Office of the Assistant Secretary of State for Far Eastern Affairs informally requested the Department of Defense to consider, along with the MAAG-Cambodia Survey Report, the views reiterated by the U.S. Ambassador, Cambodia, in his cable No. 400 dated 26 September 1955 to the Secretary of State.<sup>3</sup>

Attached for your information are the views and recommendations of the Joint Chiefs of Staff on the subject, which are concurred in by the Department of Defense.

In view of the DOD position, I strongly recommend that every effort be made by the Department of State to have the present French training mission withdrawn at an early date, in order that the U.S. may assume sole control over all the training of the Cambodian Armed Forces. In the meantime, the Department of Defense will commence development of plans for the augmentation of MAAG-Cambodia with necessary training personnel which can be put into effect as soon as the Department of State determines that it is politically feasible for the U.S. to assume sole control over all the training of the Cambodian Armed Forces.

Sincerely yours,

**E. Perkins McGuire**

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/11-1655. Top Secret.

<sup>2</sup>A copy of the U.S. MAAG Cambodia Survey Report, July 20, is in Washington National Records Center, OASD/ISA Files, FRC 60 B 1025, 334 MAAG Cambodia. The conclusions and recommendations may be summarized as follows: The political situation in Cambodia was relatively stable and a flexible and mobile armed force was required for Cambodia's defense and internal security. The command structure, organization and training of FARK was poor, but the individual Cambodian soldier was an asset, "alert, tough and courageous." The report noted that the U.S.-recommended force level for FARK of 31,000 was not immediately possible, but suggested a series of reductions over the next 5 years to reach that level. The report recommended that FARK be organized on a regimental level (each regiment 2,100 men), that there be 4 regional commands, and that training and support functions be improved. In order to achieve these goals, the report recommended an increase in the size of the MAAG Mission in Cambodia.

<sup>3</sup>*Supra.*



[Enclosure]

**Memorandum From the Joint Chiefs of Staff to the  
Secretary of Defense (Wilson)<sup>4</sup>**

*Washington, October 19, 1955.*

SUBJECT

MDAP Survey Report on Cambodia

1. This memorandum is in response to a memorandum by the Assistant Secretary of Defense (ISA), dated 29 August 1955, subject as above, in which the Joint Chiefs of Staff were requested to re-examine MDA Programming Guidance for FY 1956 and FY 1957, in light of the subject report.

2. The Joint Chiefs of Staff incorporated the Cambodian force levels in recommended MDA Programming Guidance for FY 1956 and FY 1957 on the basis of decision by your office as to those force levels and on the basis of related actions establishing a U.S. military assistance advisory group and providing MDA for Cambodia without the prerequisite of ultimate withdrawal of the French training mission. The Joint Chiefs of Staff had previously recommended the phased withdrawal of the French mission and U.S. assumption of control over all training.

3. The Joint Chiefs of Staff consider that the MDAP Survey Report properly assesses the potential Cambodian capabilities in relation to their military force requirements. The forces recommended in the report could be properly developed with full U.S. control of training. However, the French have retained control of training, making it clear that there is no present intention of withdrawing. Further, the French mission has been ineffective and consequently the training of Cambodian forces has been unsatisfactory. Unless remedial actions are taken and proper training is given at all echelons, it is doubtful that the Cambodian armed forces could accomplish their internal security mission. These forces when properly trained could make a contribution to the collective free world defense of Southeast Asia. Accordingly, the Joint Chiefs of Staff consider that the U.S. should continue to press for phased withdrawal and ultimate elimination of the French military mission, with the U.S. assuming sole control over all training of Cambodian armed forces.

4. With the reservations stated above, the Joint Chiefs of Staff consider that the organization and the 30,170 level of forces shown for 1955-56 in Annex "C" of the MDAP Survey Report are appropriate for the Cambodian armed forces. It is noted, however, that the

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<sup>4</sup>Top Secret.

American Ambassador to Cambodia has "negotiated a force basis agreement" with the Cambodian Ministry of National Defense, in which agreement was made for planning purposes to a force level of 31,000. The discrepancy is relatively minor and the United States seems virtually obligated to honor the commitment made by the Ambassador. Accordingly, with the basic reservations previously expressed, the Joint Chiefs of Staff interpose no major objection to the 31,000 force level.

5. The Joint Chiefs of Staff have also considered the 26 September message (Phnom Penh 400) from the American Ambassador, Cambodia, to the Secretary of State, in which the Ambassador indicates that the Cambodian Government will not be satisfied with the agreed 31,000 regular force level. He requested authority to furnish pay and allowance support for 7,000 suppletifs (non-regulars) for the next calendar year, decreasing such support as the suppletifs are assimilated into the regular forces. The Ambassador noted that the implications involved in the support of suppletifs are primarily political in nature in that a withdrawal of support might result in these individuals becoming bandits or recruits for Viet Minh guerrilla bands. This problem therefore appears to be one of provision of economic relief for political purposes rather than increasing the military potential of Cambodia. Since Military Assistance and Direct Force Support funds should not be diverted for economic relief, these funds should not be used to support Cambodian suppletifs. Under existing circumstances, it is illogical from a military point of view to agree to support expansion of Cambodian armed forces above the 31,000 level or the 1955-56 organization proposed in the Survey Report.

6. The Joint Chiefs of Staff recommend that:

a. No further revision of FY 1956 and FY 1957 Programming Guidance, except as indicated in paragraph 4 above, be made until the effectiveness of U.S. aid has been demonstrated and satisfactory provision has been made regarding the phased withdrawal of the French mission and U.S. assumption of control over all training.

b. MDA Programming Guidance for FY 1956 and FY 1957 be revised in accordance with the views stated herein.

c. The U.S. continue to press for phased withdrawal and ultimate elimination of the French military mission, with the U.S. assuming sole control over all training of Cambodian armed forces.

For the Joint Chiefs of Staff:

**Arthur Radford**<sup>5</sup>

*Chairman*

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<sup>5</sup>Printed from a copy that bears this typed signature.

**222. Editorial Note**

On November 16, the Operations Coordinating Board approved a paper entitled "Analysis of the Internal Security Situation in Cambodia and Recommended Action." The major conclusion of the paper was that the primary threat to Cambodia lay in its long unprotected border with South Vietnam. If South Vietnam fell to communism, Cambodia would be endangered. The paper also contained an assessment of the threat of bandits and dissidents, such as Son Ngoc Than, as potential targets for "Communist exploitation", and of the "left wing" of the Democratic Party—described as mostly Cambodian students of "high social status" newly returned from Paris. In this "left wing" of the Democrats a potential for Communist control in Cambodia by legal political means was seen as a long-range threat. The paper contained a list of recommendations for improvements in efficiency in the police and security forces, in the armed forces, and in the process of alerting Cambodian officials to the perceived threat of Communist subversion. (Department of State, OCB Files: Lot 62 D 430, Cambodia)

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**223. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Assistant Secretary of Defense for International Security Affairs (Gray)<sup>1</sup>**

*Washington, December 15, 1955.*

DEAR GORDON: After receipt of your letter I-15610/5, November 16, 1955,<sup>2</sup> the Department of State sent a cable to our Embassy in Phnom Penh<sup>3</sup> pointing out the views of the Department of Defense as contained in your letter that the French training mission in Cambodia is unsatisfactory and that the United States should continue to press for a phased withdrawal and ultimate elimination of the French military mission in Cambodia so that the United States could assume sole control over all training of Cambodian Armed Forces. In this cable, it was further pointed out that the Department of Defense will commence development of plans for the augmentation of MAAG in Cambodia with the necessary training personnel so that the United

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<sup>1</sup>Source: Department of State, Central Files, 751H.5/12-1555. Secret. Drafted by Price and cleared with PSA, WE, and U/MSA.

<sup>2</sup>Document 221.

<sup>3</sup>Telegram 564 to Phnom Penh, November 28, not printed. (Department of State, Central Files, 751H.5-MSP/12-1555)

States could assume sole control over all training of Cambodian Armed Forces as soon as it was determined politically feasible to do so.

In this telegram the Department of State inquired as to the feasibility of the United States assuming sole responsibility for training Cambodian forces and requested the Embassy to consider other possibilities for training.

In reply,<sup>4</sup> the Ambassador and other members of the Country Team concurred in the Department of Defense estimate as to the ineffectiveness of the French training in Cambodia. The Ambassador stated, however, that it would not be possible at this time to approach the Cambodian Government to negotiate assumption by the United States of sole responsibility for training the Cambodian forces. The Ambassador believes, however, that after more contact with United States weapons and MAAG administration, the Cambodian Armed Forces themselves will ultimately come to request United States training, at first on a piecemeal basis and eventually sole responsibility. The Ambassador suggests that it might be possible to begin negotiations next Spring for the establishment of a United States MAAG training mission in Cambodia. The Ambassador therefore welcomes the readiness on the part of the Department of Defense to commence development of plans for augmentation of the MAAG in Cambodia and suggests that part of the training should include courses in French.

I suggest that we maintain constant surveillance of this problem in the coming months so that we can commence effective training of the Cambodian forces at the earliest possible date.

Sincerely yours,

Walter S. Robertson<sup>5</sup>

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<sup>4</sup>Telegram 663 from Phnom Penh, November 29, not printed. (*Ibid.*, 751H.00/11-2955)

<sup>5</sup>Printed from a copy that bears this typed signature.

224. Letter From the Ambassador in Cambodia (McClintock) to the Director of the Office of Philippine and Southeast Asian Affairs (Young)<sup>1</sup>

*Phnom Penh, December 29, 1955.*

DEAR KEN: YOUR welcome letter of December 16<sup>2</sup> arrived in good season as I received it just before Admiral Radford spent the night in Phnom Penh. In particular, the paragraph filling me in on the present feeling in Washington on the training problem was most helpful.

It is no secret to you, of course, that Admiral Radford like others in the Pentagon is anxious for us to have complete responsibility for training FARK if we are to receive the best returns from our investment in MDA assistance. I have always myself held this view. However, Admiral Radford added an interesting point which is that, so far as possible, we use adjacent training facilities, particularly in Thailand where large American investment has been made, as this will yield an additional increment in improving regional cooperation in Southeast Asia. Perhaps instinctively, our MAAG had already set the ball in motion in this direction by arranging for Cambodian General Staff officers to visit Thai military installations and see how U.S. training is being applied.

We will have to go slowly in this matter because of French sensitivity and because of the invariable Cambodian desire to get the sharpest bargain from their would-be friends. I shall not be prepared to formulate recommendations as to how to phase the French out and the Americans in until I have seen what the situation is following Sihanouk's travels early next year, as well as the visits of his able Defense Minister Lon Nol to the Philippines, India and the United States. In the meantime, it would certainly be helpful if the Department could re-think its position so that by next Spring if I still think that U.S. training responsibility here is a feasible proposition, my present instructions which are presumably to plug for the Secretary's formula can be modified. These will be difficult negotiations in any case but not, I believe, impossible.

All of us here are deeply appreciative of the kind of backstopping we are receiving from PSA and are exceedingly happy with the tender care given us not only by your good self, but likewise by Eric Kocher and Hoyt Price.

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<sup>1</sup>Source: Department of State, PSA Files: Lot 58 D 207, Cambodian Correspondence, Nov. 1954-Dec. 1955. Secret; Official-Informal.

<sup>2</sup>Not found in Department of State files.

With best wishes to all of you for the New Year, plus

Cheers,

Rob

P.S. Since this was dictated, the Sangkum Congress on December 30 unanimously approved Prince Sihanouk's policy of accepting U.S. military assistance. You will already have received our telegram No.<sup>3</sup> with the report of Sihanouk's highly significant remarks on training. This shows that my talk with him on the utility of American technical training and specifically the desirability of bringing in a tank training team has gone home. Likewise, I think it very significant that the Prince told the Sangkum gathering that, in effect, the French training mission was here only because Cambodian officers have no other foreign language than French. I think if we can on our side develop MAAG personnel who speak French and on their side Cambodian officers who speak English, the task of trading a French for an American training mission will be much facilitated.

. . . . .

This is about the longest P.S. of the outgoing year, but I did think you would be interested in this addendum.<sup>4</sup>

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<sup>3</sup>There is a blank in the source text at this point. Apparent reference to a portion of a conversation reported in telegram 734 from Phnom Penh, December 16. Sihanouk had been impressed with the training procedures at Okinawa during his recent visit there. Ambassador McClintock "added that I thought it would be exceedingly helpful to FARK if small training team of about 6 officers were invited to come to Cambodia on TDY to train FARK in use of armored weapons. Sihanouk thought this an excellent idea. I am asking MAAG to follow up immediately." (Department of State, Central Files, 751H.11/12-1555)

<sup>4</sup>A note apparently in Robertson's hand at this point reads "very much so."

**225. Memorandum of a Conversation Between the Cambodian Ambassador (Nong Kimny) and the Assistant Secretary of State for Far Eastern Affairs (Robertson), Department of State, Washington, February 10, 1956<sup>1</sup>**

**SUBJECT**

Sihanouk's Visit to Peking and Cambodian Recognition of Communist China<sup>2</sup>

On Friday, February 10, Ambassador Nong Kimny called on Assistant Secretary Robertson to give the answer of the Cambodian Government to inquiries regarding Sihanouk's visit to Peking and Cambodian recognition of Communist China. Nong Kimny stated there was no question of Cambodian recognition of Communist China. Both the visit to Peking and the non-recognition of either side in China or Viet-Nam were in accord with the Cambodian policy of neutrality.

Mr. Robertson stated that speaking as a friend of Cambodia and based on his long association with Nong Kimny he sincerely regretted that Cambodia had embraced a policy of neutrality. He pointed out that such action, if not supporting Communism, at least gave the impression of such support and assisted a regime which was dedicated to the suppression of individual liberties and the institution of a system of enslavement of the individual. He recalled that the Cambodia delegation at Geneva was most outspoken against the proposed settlement which would give the Communists an advantage in Indochina. He asked why Cambodia was taking such a position of neutrality in contrast to that of the Philippine Islands and Thailand, two other small countries in Southeast Asia. He wondered if Indian influence was one factor since he seemed to detect a change following Sihanouk's visit with Nehru last year.

Nong Kimny stated that Cambodia was not in the same position as either the Philippines or Thailand. The Philippines are separated from Communist China by water and do not have a long history of colonialism of the same type that had existed in Cambodia. Thailand has been receiving U.S. aid longer than has Cambodia. Nong Kimny added that he hoped Thailand lived up to the U.S. expectations of her.

<sup>1</sup>Source: Department of State, Central Files, 751H.11/2-1056. Secret. Drafted by Price on February 15 and, according to a note on the source text, approved by Robertson.

<sup>2</sup>Sihanouk visited China February 13-21 and met with Chou En-lai and Mao Tse-tung. On February 18, Sihanouk signed with Chou En-lai a Sino-Cambodian joint communiqué affirming friendship between two countries and agreeing to maintain and promote contracts and relations especially in the economic and cultural sphere. A report on the trip is in telegram 1629 from Hong Kong, February 21, not printed. (*Ibid.*, 751H.13/2-2156)

Nong Kimny denied the predominance of Indian influence, stating that Sihanouk made up his own mind. Nong Kimny stated that big powers such as the U.S., the United Kingdom, and France could not remain neutral as could small powers such as Cambodia. He stated that India was a big country but not yet a big power. He recalled that the Cambodian delegation at Geneva had not followed the line that Krishna Menon tried to settle and that Cambodia is now accepting U.S. military aid despite Nehru's displeasure. Mr. Robertson observed that U.S. aid has no purpose other than to assist non-Communist countries, who requested it, in maintaining their national independence. Nong Kimny recognized that U.S. aid is in response to Cambodia's request and that Cambodia is very grateful for such aid.

Nong Kimny stated that Cambodian neutrality is a matter of state. Cambodia recognizes the evil of Communism. If Cambodia states that she is prepared to fight to defend her independence against outside interference, Cambodia recognizes that a threat comes only from Communism.

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**226. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>**

*Phnom Penh, March 10, 1956—5 p.m.*

1227. Department pass Defense; Defense pass CINCPAC DEPTAR CNO. This is joint Embassy MAAG message. We have had number conversations on FARK training problem with Nong Kimny who is aware need for MAAG training and discreetly working in that direction. He said Sihanouk is aware American training is best answer development Cambodian armed forces but "present political climate" not right and we must be patient. Nong Kimny seemed think eagerness for training mission would be self-deflating and time working in our favor.

Among reasons why MAAG training mission not feasible now he cited unwritten agreement between Chou En-lai and Cambodians and French at Geneva that no American trainers would be permitted in Cambodia. (We had heard of Eden assurances to Chou that UK would make effort keep United States out of Cambodia, but this is first time we have heard it claimed French and Cambodians gave similar and even more specific assurances Chou. Seems more likely

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/3-1056. Secret.



Geneva obligations may have been reinterpreted by Chou during Sihanouk's recent visit Peking and Sihanouk now more reluctant than before bring United States into training picture while Geneva agreement in force.) Nong Kimny felt presence ICC in Cambodia is temporary deterrent to United States training. Implication was after departure ICC Sihanouk would take new look at situation.

MAAG representative pointed out to Nong Kimny if United States is to be patient in this regard, it would be helpful if Cambodia on its part would take all possible steps create climate for patience, by greater cooperation in purely technical training fields to protect United States investment and by educating maximum number key officers in command and staff courses under United States influence outside Cambodia. It was pointed out this would indicate Cambodians sincere desire to prepare for eventual United States training. Nong Kimny agreed and said he would speak Sihanouk along these lines. (It remains to be seen if this initiative with the Prince bears fruit.)

Above conversation must be viewed in light recent events in our undulating relations with Cambodians. Sihanouk seems temporarily contrite for overstepping bounds good judgment in criticizing United States during recent weeks. Nong Kimny's statements may have been merely further effort placate United States and provide insurance against possible cut-off military aid mentioned in United States news accounts. Nevertheless we believe his statements sincere and we see possibility slight headway, with his help, in direction eventual MAAG training.

Godley

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227. **Telegram From the Commander in Chief, Pacific (Stump) to the Chief of the Military Assistance Group, Cambodia (Lodoen)**<sup>1</sup>

*Honolulu, March 22, 1956—8:54 a.m.*

212254Z. (Navy Message) Current press reports Norodom Sihanouk is now promoting pro-Communist policies, has accused US of plot to "ensnare" him in SEATO Pact, is complaining US has given Philippines heavy farm machinery and hospitals whereas all Cambodia got was "fancy automobiles and refrigerators", appears in pic-

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/3-2156. Secret. Also sent to the Department of State, which is the source text.

tures in friendly attitudes with Chinese Communist leaders and apes their title of Comrade. See *Time* of 19 March.

Is this a true representation of Sihanouk's position toward US aid and is it a factual report of his actions? If so, I consider this antagonistic attitude will threaten damage to entire US assistance program, particularly Southeast Asia.

Just today US Congress Committee starts hearings on entire aid program. Indignation of Congress may cut deeply into funds essential to military and economic strength of free nations to resist Communist aggression.

Considering these factors would appreciate estimate of possible courses of action US might adopt to counter this unfavorable reaction to US aims and programs. What are your personal comments and recommendations to include the desirability of a CINCPAC recommendation to Washington for reduction in US assistance to Cambodia?

228. **Telegram From the Chief of the Military Assistance Group, Cambodia (Lodoen), to the Commander in Chief, Pacific (Stump)**<sup>1</sup>

*Phnom Penh, March 24, 1956—noon.*

302. (Army Message) Reference your 212554Z.<sup>2</sup>

1. Do not believe recommendation for reduction in United States assistance would serve best interests United States in Cambodia or SEA.

2. *Time* Magazine article is essentially accurate from factual standpoint but is decidedly slanted by judicious quotes out of context for verbose Sihanouk. Only error is Sihanouk used French word "Companion", not "Comrade". Implication that he is turning pro-Communist is not correct conclusion to draw from his action and impetuous public statements of recent weeks. He has publicly stated and all his advisers have repeated that he has adopted certain outward trappings of Communists such as bicycles for Ministers not as sign he believes Communists' doctrine but rather strengthen monarchy here and remove from Communists any possible propaganda targets. Believe more accurate conclusion would be that in age-old Cambodian game of playing against each other all countries with in-

<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/3-2456. Secret; Priority. Also sent to the Department of State, which is the source text.

<sup>2</sup>*Supra.*

terest in Cambodia, in effort to increase Cambodia's take, Sihanouk overplayed game and misjudged American reaction. Actually, through prompt and strong Embassy reaction, coupled with that of United States press, he was well aware his misjudgment several days before *Time* Magazine article here appeared. He is now publicly and privately contrite for his anti-American statements and we may be able turn his mistake our advantage in obtaining better cooperation in developing military potential of which Cambodia is capable.

3. Look upon his Peking trip as nothing more than desire advertise his naive neutralist policy and chance play the aforementioned game. Most unfortunate result trip will be additional and unnecessary internal problem in Cambodia, namely reaction to his trip of opportunistic but powerful Chinese population who until now have been ostensibly pro-Formosa or nonpolitical. This, however, appears be controllable problem. Despite Sihanouk's naiveté regarding the merits neutralism and world-wide aims international Communism, he is well-aware disastrous result if he permits Communism gain foothold in his country. He does not hesitate proclaim publicly, even in Peking, that Communism is not for Cambodia.

4. In summary, Cambodia is still politically solid, solidly anti-Communist, and potential strong spot in SEA. On balance, I do not feel we should take any precipitate action because of few ill-considered words and actions on part Prince during this period when he was testing United States reaction. Particularly I am convinced that if the administration, as distinct from the legislature were to reduce military aid to Cambodia at this particular time it would be welcome ammunition for the Communists and neutralists (such as Indians here) to bolster their current theme United States uses aid only as weapon pressure small nations and would cite this action as punishment for Cambodia not joining SEATO. I see some benefit, however, in using Sihanouk's recent mistakes keep him mildly frightened until he displays more active cooperation with our military mission. My recommendation, therefore, is that he be made aware through diplomatic channels that United States military and civil authorities are taking long hard look at Cambodian aid for next year and will be influenced henceforth not only by his words but also the active attitude of cooperation he and his government display toward fulfillment of USMAAG's mission in Cambodia.

229. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, March 30, 1956—5 p.m.*

1269. Prince Sihanouk is repeating another cycle in his tempestuous governance of Cambodia but this time in descending spiral. Resignation reported Embassy telegram 1267<sup>2</sup> is for time being definitive and he is going off to Siem Reap as he used to in years past . . . . However, times are changing even in Cambodia and forces are coming to light which may eventually challenge Sihanouk's formerly supreme dominance this Kingdom.

Statement in Prince's communiqué of resignation that his foreign policy "is basis of difficulties which are presently encountered by Kingdom, difficulties caused by certain countries," is reference current low stage relations with Vietnam and Thailand. Sihanouk received Ambassador Tioulong at noon yesterday immediately after issuance communiqué and said he was resigning because he was fed up with Cambodian people. It was they who had forced him to policy of neutrality which was annoying Americans, but he could not "bend knee" before US because his people were so insistent on neutralist policy. He had sacrificed everything for his people but was rewarded by their ingratitude in even refusing pay taxes. He was fed up and would take long vacation to absent himself from such ungrateful followers.

. . . It is Prince himself who encouraged his mob to mouth words of neutralism, and it has been Prince who has, with eager fanning of winds here, spread smoke-screen that Cambodia's present difficulties with its neighbors were instigated by US because of displeasure over his policy neutralism. Now, however, he tells his Ambassadors in private that he would like be closer US but is prevented by his ungrateful yet insistent public. . . .

Fact that after Cambodian Government had agreed on March 9 to unblock counterpart credits for FARK, but as indicated Embassy telegram 1262<sup>3</sup> yesterday had gone back on decision is intimately related Prince's resignation and to an intense struggle for power now going on in Palace and restricted political circle. As Department will recall, decision unblock counterpart funds for FARK was expressly ratified by Sihanouk. It is, therefore, astounding find that despite Prince's directive Governor National Bank Son Sann has thus far suc-

<sup>1</sup>Source: Department of State, Central Files, 751H.00/3-3056. Secret; Priority. Repeated to Saigon, Bangkok, and Vientiane.

<sup>2</sup>Dated March 30, not printed. (*Ibid.*, 751H.11/3-3056)

<sup>3</sup>Dated March 29, not printed. (*Ibid.*, 751H.5-MSP/3-2956)

ceeded in flouting master's will. This first time in my experience of Cambodian affairs that Sihanouk's word has not been absolute.

Evidence reaches us from such disparate sources as Nong Kimny, Tioulong and member Royal Family that behind Son Sann, whose position motivated from purely financial considerations, stands Penn Nouth and that his influence has been exerted against Sihanouk for internal political reasons. One explanation offered is that Penn Nouth is using Son Sann in attempt undermine Sihanouk not only in eyes nation, but likewise in estimate King and Queen. I have made it very clear that if Cambodian politicians and Court Camarilla seek use US military and economic aid as political football they will find that football made of stone and somebody is going break his foot on it.

Sihanouk yesterday plainly intimated Tioulong that whoever is appointed Prime Ministership may expect interim office since he confidently believes his beloved crowd will call him back to power. It possible, however, that he may take this opportunity absent himself on pretext undertaking his new duties as Ambassador to UN. He is tired of his recent exertions, torn between conflicting policies, frightened at storm he has unleashed both here and in his relations with other countries. Believe, as discussed more fully in Embassy telegram 1267, he has deliberately based his present resignation on issue foreign policy and in radio speech to nation this morning strongly implied that he was stepping down because his presence as Prime Minister would embarrass RKG in connection continuance US aid.

It is difficult conjecture what step Their Majesties will take in appointing new government. In order make it absolutely certain that King and Queen know facts US aid and our constant policy toward Cambodia, I have requested immediate audience and asked that Nong Kimny serve as my interpreter.<sup>4</sup>

McClintock

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<sup>4</sup>See Document 232.

230. Telegram From the Embassy in Cambodia to the  
Department of State<sup>1</sup>

*Phnom Penh, March 30, 1956—6 p.m.*

1270. Reference Embassy telegram 1269.<sup>2</sup> Following is text of Admiral Stump's message 280208Z:

"Exclusive for Brigadier General Lodoen from Admiral Stump.

Request you show my 212254Z<sup>3</sup> and your 251741Z<sup>4</sup> to Ambassador McClintock with this message.

I think it is about time for the US to make some reaction other than turning the other cheek when neutralists and others spit in our face. Aid to neutralist countries and anti-American countries make our Allies wonder what is the best policy to get more aid; i.e., to follow the policies of Nehru or Nasser,<sup>5</sup> or to follow the policies of the US. Cambodia would seem to me to be a very good place to have a little reaction showing that we give aid entirely for the benefit of the US and the free world and not because of partiality to friends.

Available foreign aid money is not sufficient to do the job we need to do. Therefore, we cannot afford to throw any of it down the rat hole but should place it where it will do the most good to strengthen the democratic world. I think we should endeavor to do all we can to strengthen Cambodia if strengthening that country will strengthen the democratic world and we ought to place the money where it will do more good if Cambodia is not going to be on the side of the democratic world and against the Chinese and Russian Communists.

My feeling is that Congress is sick and tired of overloading the American taxpayer to provide aid for the pussyfooters and I personally certainly share those sentiments. For your and Ambassador McClintock's exclusive information, in my personal conversations with Secretaries Dulles and Robertson, I believe them to be at least sympathetic with my sentiments.

Inasmuch as I do not want to risk cutting off our noses to spite our faces, I personally would hesitate to advise contrary to opinion of Country Team particularly where such a team is of the quality of the one headed by Ambassador McClintock which works for US and not Cambodia."

**McClintock**

<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/3-3056. Secret.

<sup>2</sup>*Supra.*

<sup>3</sup>Document 227.

<sup>4</sup>Reference is presumably to Document 228.

<sup>5</sup>Gamal Abdul Nasser, President of Egypt.

**231. Telegram From the Embassy in Cambodia to the Commander in Chief, Pacific (Stump)<sup>1</sup>**

*Phnom Penh, March 30, 1956—3 p.m.*

17. Personal for Admiral Stump from McClintock. I have taken liberty of repeating your message 280280Z to Department<sup>2</sup> as I know with what respect your views are held in Washington.

I fully share feeling exasperation which you so graphically express at recent antics Prince Sihanouk who until recently was "Mister Cambodia" . . . . It is tempting make example of him, particularly when neighboring countries of SEA ask why we continue aid such country as Cambodia when stauncher friends who have taken risks in international scene for mutual cause in defense free world receive relatively less aid than Cambodia.

There are however, certain considerations which convince me that if we hold steadfast and continue our present policies we will be acting in true strategic interests US. My policy in Cambodia since day I arrived here has been simple and concise. It is assist Cambodia remain independent. Our objective is deny this area of Mekong Basin to Communist penetration.

Despite antics and shrill impromptu speeches Sihanouk, Cambodia is still without Communist taint. Its simple peasants are devoted to monarchy, and no one in royal family, including Prince Sihanouk, doubts that royal house would last one day after Communists took over. Therefore all leaders of this country and their followers are basically anti-Communist.

If we should divert our aid other clients, average Cambodian peasant would be very little worse off than he is now. The reason Cambodians went serenely through Japanese occupation and eight subsequent years war was that bulk population lives on so low level that it did not even notice absence goods and services which would seem essential to more sophisticated society. In consequence, so far as bulk of nation is concerned we can stop economic aid tomorrow and amounts rice and fish placed in stomachs of Cambodian peasants will remain same. However sudden "let's show them" stoppage of aid would have sweeping political repercussions both here and in Asia generally which might do us much more harm than good. For example, Chou En-lai and Mikoyan<sup>3</sup> would be delighted if our aid programs stopped entirely.

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<sup>1</sup>Source: Department of State, Central Files, 751H.11/3-3056. Secret. Repeated to the Department as telegram 1268, which is the source text.

<sup>2</sup>Transmitted in telegram 1270 from Phnom Penh, *supra*.

<sup>3</sup>Anastas Ivanovich Mikoyan, Deputy Premier of the Soviet Union and member of the Presidium of the Communist Party of the Soviet Union, was currently touring South and East Asia.

Moreover, if we should stop military assistance we would find army of 35,000 vigorous and not highly principled young men with guns in their hands suddenly placed out of job. This army would then become objective either of local bandit chiefs vying for power, or more probably Viet Minh who have had long experience over variety clandestine lines communication in supplying arms and other logistical support various regions in Cambodia. I am convinced that, if we withdraw military aid this country, we would be handing Cambodian strategic area to Communists in short order. This would then confront us in SEA with important central portion Mekong Basin, controlling land routes between Thailand and South Vietnam and between South Vietnam and Laos in enemy hands. This, I submit, is not to our over-all strategic interest. It should likewise be borne in mind that although Cambodia is neutralist country, it is only neutralist nation on earth which has USMAAG and which is bound to US by MDAP agreement. This might be classified as political paradox or minor miracle, but I assure you anything is possible in Cambodia, including possibility retaining this country on side free world.

It seems to us that basic issue is not whether Cambodia is neutralist or more positively in Western bloc, but whether Cambodia can be denied to Communism. I am less concerned about Cambodia joining SEATO than that it maintain armed neutrality against Communist aggression with American aid.

It is possible, and even probable, in view Prince Sihanouk's recent pronouncements and consequent reactions thereto in American press, that our Congress will wish take second look at our aid programs in Cambodia and that total our aid next year will not be as large as it is now. Washington has already anticipated this trend by appointing well-qualified study group to visit Cambodia next month for purpose re-examining our aid programs, both military and economic. In consequence, it is not for me to offer recommendations concerning these programs until this study group has commenced its survey.

However, I have no doubt at all, and in this country team concurs, that by wise management of both our economic and military assistance programs Cambodia can be effectively assisted remain independent and denied to Communism, which after all, is our ultimate policy goal in this country.

McClintock



### 232. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, April 3, 1956—3 p.m.*

1289. Department pass CINCPAC 18, DOD, DEPTAR. As indicated Embtel 1269<sup>2</sup> I had an audience yesterday morning (2nd) with King and Queen. Young was present during interview which lasted two and one-half hours.<sup>3</sup>

I explained to Their Majesties there were some serious misconceptions with regard to application United States aid in Cambodia at present time. Under rubric of "Khmer mythology" could be placed spate of rumors United States was intending curtail or stop aid Cambodia because of its supposed vexation with Cambodian policy neutrality. In similar category were rumors US was pushing Cambodian neighbors to measures economic and psychological warfare against this kingdom because its neutralist policy. United States had neither remonstrated with Cambodia over its international policy nor had it urged Cambodians join SEATO alliance. We had made no threat of withdrawing aid. The one policy United States consistently followed with respect Cambodia was attempt help this kingdom retain its sovereign independence through program military and economic assistance.

I told King and Queen we were in paradoxical situation where Cambodian Government itself had decided accept counterpart riel for use its armed forces but suddenly, at insistence Governor National Bank had now decided not use such counterpart. Therefore, while public rumor had it United States was curtailing aid Cambodia, in actual fact it was Cambodian Government itself and its national bank which was refusing that aid.

Queen, who did all the talking for royal couple, said she clearly understood this point and there was no doubt in anyone's mind in palace that United States was not seeking apply economic sanctions against Cambodia because of policy neutralism. But on technical question use counterpart funds Governor National Bank still insisted if he waited one or two more months American attitude would relent and Cambodia could look to receiving direct dollar grants. Unfortunately, attitude Governor National Bank had become known to opposition democratic party and issue had therefore been injected into domestic political scene.

<sup>1</sup>Source: Department of State, Central Files, 611.51H/4-356. Secret. Repeated to Saigon and Bangkok.

<sup>2</sup>Document 229.

<sup>3</sup>After attending the SEATO Council Meeting in Karachi, March 6-8, Young visited the countries of Southeast Asia including Cambodia, Vietnam, Laos, Thailand, and Burma.

I told Their Majesties that on one point I could relieve their minds easily by saying we would not depart from principle paying local currency requirements both armed forces and economic aid programs from counterpart funds. In consequence, Governor National Bank could wait indefinitely before getting direct dollar grants. However, if by chance Governor had any valid economic arguments which would justify future granting dollar aid and not counterpart he could present these arguments to expert survey team which would come Cambodia in next few weeks. Queen said Sihanouk's resignation had been due "press campaign" in American newspapers. Prince had finally come conclusion his presence as head government was damaging to Cambodia because he stood in way better relations with United States. He apparently felt convinced articles appearing in *Time* magazine *New York Times* and *Christian Science Monitor* reflected official opinion our government. Prince had been particularly impressed by press stories that he was running dictatorship and he felt only way he could clinch refutation this "unjustified" accusation was by stepping down from office. I asked King and Queen to convey personal message from me to Sihanouk by saying no one was more disappointed than I at his decision resign Prime Ministership. I requested Their Majesties likewise inform Prince he should not construe journalists' reports his own statements as official United States opinion and so far as my government was concerned it had never expressed any view at all about Sihanouk's policies. I said I hoped Prince would return office Prime Ministership when time suited him.

Queen finally said when new government is formed she would instruct that government take up Son Sann's intransigence over release counterpart, with clear inference after decent period face-saving for Governor National Bank way would be made clear for unblocking counterpart pay for FARK's expenses. At same time she made plea our system import programs through PL procedure be simplified and made more flexible and less time-consuming. She said her Ministers informed her that under our present system no one seems know from one month to six months how much is in counterpart pipeline at any given time or whether there will be sufficient counterpart cover military as well as economic aid expenditures.

On question improving relations between Cambodia and its neighbors as will be indicated in separate telegrams,<sup>4</sup> Queen indicated her readiness accept United States mediation in dispute with Vietnam and said "I will gladly receive Marshal Phibul and discuss our past and present differences."

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<sup>4</sup>Apparent reference to telegrams 1307 and 1312 from Phnom Penh, both April 5, neither printed. (Department of State, Central Files, 651H.92/4-556 and 651H.51H/4-556, respectively)

Queen on many occasions during this lengthy audience repeated gratitude felt by Cambodian Government and people for United States aid and constant desire royal family maintain and improve friendship which Cambodia held for United States. She requested sympathetic understanding Cambodian policy neutrality which was imposed on Cambodian Government because large majority Cambodians wanted that kind policy. With considerable ingenuity if not ingenuousness she advanced that by remaining neutral Cambodia prevented itself from becoming divided nation and thus required less American aid than other divided nations such as Vietnam.

Since this was occasion for royal letting down of hair I took opportunity to request King and Queen lift present ceiling imposed on MAAG personnel.<sup>5</sup> I said it was injurious Cambodian interests fix rigid limitation on number MAAG officers and men when they were required for jobs needing additional personnel such tasks as preparing requisitions for spare parts or determining from technical point view requirements three branches Khmer Armed Forces. I recommended there be no ceiling at all, but that FARK itself by its requests to MAAG for logistical and other services should indicate after consultation with MAAG what number personnel was required for jobs on hand. If we needed fewer people for tasks which MAAG were given by FARK we would certainly be happy send surplus personnel home, but if we needed more people we should not have labor under rigid ceiling. Queen said she accepted this proposition and would give instructions new government when it is formed.

Young and I gained definite impression after face-saving period counterpart funds will be released and new government will be instructed cooperate closely with forthcoming United States survey team. Our impression was Queen is determined make every effort improve relations with neighbors and above all redress recent unfavorable impression which her son's antics might have caused in United States. At same time she defended Prince Sihanouk and there was no hint of dissension between royal couple and Monseigneur. It was evident however that no matter who forms next government Queen is firmly set on policy retaining friendship and material assistance of United States.

**McClintock**

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<sup>5</sup>The ceiling on U.S. MAAG personnel in Cambodia was set at 31.

233. **Memorandum From the Director of the Office of Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)**<sup>1</sup>

*Washington, April 14, 1956.*

SUBJECT

The Cambodian Problem

There is attached for your approval a telegram to Ambassador McClintock<sup>2</sup> which contains some levers I hope Nong Kimny and Khim Tit, the Cambodian Prime Minister, can use to settle the misunderstandings over U.S. aid procedures and dispel the wildly distorted allegations of U.S. pressures on Cambodia. These instructions are a companion piece to the proposed letter from the Secretary to Nong Kimny<sup>3</sup> stating that our policy in Cambodia is designed only to help maintain Cambodian independence.

Following my visit to Phnom Penh, I have been thinking a lot about what courses of action the U.S. should adopt toward Cambodia. I conclude that we should continue our present policy. I was impressed by the number of Americans and Asians in Southeast Asia who advocated a policy of firmness, patience, and restraint. U Nu urged me to suggest that we not cut off aid to Cambodia and bide our time with the Prince . . . . The Thais, though they have been as much as if not more exasperated by the Prince than we have, also seemed to feel that for them as well as for us the policy of firm restraint would be the best in the long run. The principal American officers in Phnom Penh feel that if we play our hand right we will put an end to this present nonsense and stabilize U.S.-Cambodian relationships. General Lodoen felt very strongly that we should not write off Cambodia and disagreed with Admiral Stump's views. In Saigon Reinhardt and those who have dealt with the Cambodians likewise suggested that we try to calm the troubled waters through diplomacy.

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/4-1456. Secret. As of April 1, PSA was abolished and replaced by the Office of Southeast Asian Affairs (SEA was headed by Young and was responsible for Burma, Cambodia, Laos, Malaya, Thailand, and Vietnam) and the Office of Southwest Pacific Affairs (SPA was headed by Bell and was responsible for Australia, New Zealand, Indonesia, the Philippines, and the Pacific Islands).

<sup>2</sup>Reference is to a draft of telegram 1051 to Phnom Penh, April 14, sent at 4:06 p.m., not found attached. In the telegram as sent, the Department addressed the dispute between the United States and Cambodia over aid. The Ambassador was authorized to release funds for USOM-approved portions of the Cambodian general budget and at the same time urge the Cambodian National Bank to unblock counterpart funds for Cambodia's military expenditures. (*Ibid.*, 611.51H/4-1256)

<sup>3</sup>The text was transmitted in Document 235.

The Prince is going through a difficult period for us similar to those he has previously traversed with his own people as well as the French. Judging by those who have dealt with the Cambodian picture for a number of years there is nothing new in this situation. We must also make some allowance for the fact that certain Indian and French elements are undoubtedly goading the Prince to extreme statements. Another important factor is that the Prince is not now officially in the government whereas many government elements are friendly to the U.S. These include the King and Queen, many top Government officials, provincial governors and local administrators, and the security forces. There is evidence of some recent dissatisfaction with Sihanouk on the part of some Cambodians.

Therefore, I would recommend to you and the Secretary the following courses of action:

- 1) First, we should try by diplomatic means and publicity to work out understanding with the Queen and the Cambodian Government regarding problems affecting U.S.-Cambodian relationships. The attached telegram and the Secretary's letter would implement such a course of action in the first instance. Before taking any more drastic steps, we should try to strengthen the hand of Nong Kimny, the Prime Minister, and the Queen and give Sihanouk a face-saving retreat. In following this line as the first step we will of course be making clear to the Cambodians that the charges against the U.S. are totally false and must cease.

- 2) If the first course of action fails to produce satisfactory results in the next two or three weeks and if Sihanouk agitates the party congress next week against us to the extent that the present Government is changed, then we should instruct McClintock to make an official and strongly worded *démarche* to the Queen and the King to obtain an expression of Cambodian policy toward the U.S. and toward U.S. aid. Such a *démarche* would also seek to elicit a clear statement as to who in fact sets Cambodian policy toward the U.S. If the Queen's response continues to emphasize friendship and cooperation with the U.S., then we should continue to seek ways in which our two governments can work together on concrete lines.

- 3) However, if the Queen's response is weak or if the Prince continues his malicious diatribes against the U.S., then I suggest we recall McClintock for consultations and request ICA not to initiate any new programs. I would not at that stage cut off military aid to the security forces. Tapering off non-military assistance might have the effect of bringing the Cambodians around to a more cooperative frame of mind. If it did not, then we would be faced with a very significant decision as to whether to terminate aid to Cambodia.

I would also stress the factor of Asian opinion in this whole matter. There is more at stake for the U.S. than just our relations with the Cambodians. What we do there is being carefully watched in Asian capitals. If we can improve the situation, it will enhance our reputation and standing in Southeast Asia. If we act suddenly and

drastically because of the Prince's provocations and without going through an attempt to set the matter right, the U.S. will be criticized in Asia. If we did decide to end aid to Cambodia, I would strongly urge that we first explain to certain Asian governments, such as the Thai, the Burmese, and the Indians, that we had tried a series of steps to settle these problems amicably, but were reluctantly taking this ultimate action because we had no alternative in view of the antagonistic Cambodian attitude. I continue to believe we retain the initiative at the present time and can through careful diplomatic handling retrieve the situation. The friendliness of certain key elements such as the Queen and Cambodia's basically anti-Communist attitude indicate that the Prince may be obliged to retire from the public scene while less impulsive leaders calm the atmosphere. On the other hand, we cannot discount the possibility that the Prince, using next week's Sangkum Congress as a vehicle, will lead his people in a righteous crusade against the U.S. and adopt a neutralist stance of the anti-American and pro-Communist variety.

I therefore urge that we take advantage of the next few days by despatching the Secretary's letter and the attached telegram to help forestall the latter trend.

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**234. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State<sup>1</sup>**

*Washington, undated.*

**SUBJECT**

Public Statement of U.S. Policy Toward Cambodia

*Background*

In recent weeks irresponsible articles have appeared in the Cambodian and Indian press charging the U.S. with attempting to coerce Cambodia into joining SEATO by 1) threatening to curtail or terminate American aid; and 2) pushing Viet-Nam and Thailand into economic warfare against Cambodia.

The precise origin of the scurrilous campaign is obscure, but there is good evidence that the Indian Chargé in Phnom Penh has been exceedingly active in spreading anti-American and anti-SEATO

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<sup>1</sup>Source: Department of State, Central Files, 611.51H/4-1056. Secret. Drafted by Byrne on April 10 and cleared by SEA, FE, SOA, G, and P. A note on the source text indicates that the Secretary saw this memorandum on April 17.

rumors, which found a receptive audience in . . . Crown Prince Sihanouk . . . and in neutralist India.

Whatever the origin, the campaign has resulted in 1) several strong attacks on the U.S. in the Indian press, reprinted in Cambodia and Laos at the instigation of the Indian diplomatic representatives in these countries; 2) a public statement by Nehru on April 2<sup>2</sup> of support for Sihanouk's firm resistance against pressures from Thailand and Viet-Nam and against aligning Cambodia with any power group; 3) a reported message from Crown Prince Sihanouk to the Indian Chargé in Phnom Penh stating that Sihanouk is deeply grateful for the Indian understanding of his position; and 4) a . . . speech on April 6 by Sihanouk<sup>3</sup> which apparently parroted the Viet Minh line of American support for "dictator Diem" allegedly to enable him to "oppress the Vietnamese and prevent unification".

To help remedy this situation we have made our position of noninterference clear to the King and Queen of Cambodia and have authorized an informal exposition to the Indian Ministry of External Affairs. I strongly concur in Ambassador McClintock's recommendation, however, that it is time we issued a high-level *public* statement (Phnom Penh 1319, April 6, Tab A<sup>4</sup>); this should be done immediately in order to forestall Sihanouk's probable exploitation of the anti-American attacks at the national congress of his party scheduled for mid-April.

Such a public statement cannot be expected to have a permanently helpful effect on Sihanouk's basic prejudices, but it would 1) clear the record and expose the falsity of the wildly distorted allegations on our activity in Cambodia; and 2) give Sihanouk a face-saving method of resuming normal and comparatively calm relations with the U.S. by permitting him to state his acceptance of our bona fides.

I believe a suitable vehicle for the declaration would be a letter from you to Nong Kimny, Ambassador to Washington and newly appointed Foreign Minister of Cambodia, which we would publish after delivery.

#### *Recommendation*

That you sign the attached telegram<sup>5</sup> (Tab B) containing a message from you to Nong Kimny to be delivered by Ambassador McClintock.

<sup>2</sup>A summary of Nehru's statement in a press conference on April 2 is in telegram 2170 from New Delhi, April 3, not printed. (*Ibid.*, 751H.00/4-356)

<sup>3</sup>A summary of Sihanouk's speech of April 6 is in telegram 1339 from Phnom Penh, April 10, not printed. (*Ibid.*, 951H.40/4-1056)

<sup>4</sup>Not printed and not attached. (*Ibid.*, 611.51H/4-1056)

<sup>5</sup>*Infra.*

**235. Telegram From the Department of State to the Embassy in Cambodia<sup>1</sup>**

*Washington, April 17, 1956—7:39 p.m.*

1064. Phnom Penh's 1319 repeated New Delhi 167 London 99 Paris 152 Ottawa 96 Vientiane 100 Saigon Bangkok Unnumbered.<sup>2</sup> We agree advisability issuing statement U.S. policy re Cambodia prior Sangkum Congress. Though statement may not change fundamental prejudices Sihanouk, it should at least clear record, cut ground from under current wildly distorted press campaign, and give Sihanouk face-saving way to resume normal and comparatively calm relations with U.S.

Unless you see objection please transmit following letter, revision of draft proposed reference telegram, from Secretary to Nong Kimny:<sup>3</sup>

"Dear Mr. Foreign Minister:

I am disturbed to learn that recent statements from various quarters have given increasing publicity to allegations that the United States has been attempting to coerce Cambodia into the SEATO alliance under the penalty of withholding economic aid, and that the United States has obliged the independent and friendly nations of Viet-Nam and Thailand to impose measures of economic warfare upon Cambodia for the same alleged end.

I regret that these allegations have been made since they are utterly false and could harm the friendly relations existing between our two countries.

The American Ambassador on April 2 officially advised Their Majesties the King and Queen of Cambodia that the United States at no time had made any official public observation on Cambodian foreign policy.<sup>4</sup> United States policy in Cambodia is based on a simple precept: That is, the United States through its military and economic aid programs seeks to assist the Cambodian Government in its endeavor to maintain the sovereign independence of the Kingdom. This assistance is extended only at the wish of the Royal Cambodian Government, which officially requested military aid on May 20, 1954 and military and economic aid on September 1, 1954.

Although the United States believes that the free nations can most effectively meet the threat of Communist aggression through collective defense, nevertheless United States policy recognizes that certain countries, though determined to defend themselves against aggression or subversion of their independence, have preferred not to join regional security arrangements. That choice we respect. The

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<sup>1</sup>Source: Department of State, Central Files, 611.51H/4-1756. Secret; Niact. Drafted by Byrne; cleared by SEA, FE, SOA, G, and P; and approved and signed by Dulles. Repeated to New Delhi, Vientiane, Saigon, Bangkok, London, Paris, and Ottawa.

<sup>2</sup>See footnote 4, *supra*.

<sup>3</sup>Dulles wrote in the opening phrase to this paragraph: "Unless you see objection please".

<sup>4</sup>See Document 232.



United States does not seek ties of mutual defense with any country unless that country believes that this application of the principle of collective security will better assure its independence.

Recognition of the position of these countries in no way prevents the maintenance of close and cordial relations with them. In giving economic and military assistance to friendly countries to improve their capacity to defend themselves against aggression or subversion, the United States is guided primarily by consideration of its own national interests. It considers it to be in its national interest to help in the economic and social advancement of all free nations.

I trust that this letter will dispose of the false allegations concerning our policy, which, I venture to repeat, aims only at assisting free nations to preserve their liberty and independence.

May I take this occasion to extend warm personal greetings and best wishes for success in the new mission to which you have been called."

In delivering letter recommend you orally state U.S. intends publish as soon as Department apprised of delivery message.

Wire niact after letter handed Nong Kimny in order permit Department and USIA publicize immediately.<sup>5</sup>

Dulles

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<sup>5</sup>The Embassy did so in telegram 1404 from Phnom Penh, April 19. (Department of State, Central Files, 611.51H/4-1956) The letter was released on April 19; for text, see Department of State *Bulletin*, April 30, 1956, pp. 727-728.

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**236. Letter From the Ambassador in Cambodia (McClintock) to the Director of the Office of Southeast Asian Affairs (Young)<sup>1</sup>**

*Phnom Penh, May 2, 1956.*

DEAR KEN: As indicated in my telegram 1473,<sup>2</sup> we are in general agreement with the thoughtful memorandum which you submitted to Walter Robertson on April 14<sup>3</sup> outlining a series of courses of action which might be taken in seeking to redress our position in Cambodia.

I remain convinced that our policy toward Cambodia can be achieved by diplomacy. I have never varied in the belief that the U.S. must, and can, deny the lower basin of the Mekong occupied by

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<sup>1</sup>Source: Department of State, FE-SEA Cambodia Files: Lot 59 D 630, Cambodian Correspondence, 1956-1957. Secret; Official-Informal.

<sup>2</sup>Dated May 1, not printed. (*Ibid.*, Central Files, 110.4-PSA/5-156)

<sup>3</sup>Document 233.

Cambodia to Communist penetration. Likewise, my enunciation of our policy to achieve this end has never varied: namely to assist Cambodia by a judicious economic and military aid program to maintain its independence. It deserves to be emphasized that this policy is accepted by all recent and likely future Cambodian governments and by Prince Sihanouk himself.

On one other point I have also, thus far, been consistent. This has been to advocate strong support of Prince Sihanouk on the ground that he has been the one man controlling Cambodia and is himself anti-Communist as far as his own country is concerned. . . .

. . . . .

It is quite true that Prince Sihanouk has an almost universal popular appeal in Cambodia. However, this is very much like the reflection of the sunlight on water and depends to a great deal on the support of the thin veneer of the elite. One does not have to go very far out of Phnom Penh to see what the Cambodian people are made of. They are cheerful, easily impressed . . . people, whose only loyalties are to the Royal Family and to its local representation, the Mekum or village headman, and to the Buddhist church. Although they come out in multitudes to approve the Prince when he storms through their villages . . . , they do not really understand what he says in matters of high policy and approve simply because it is a centuries-old tradition to approve what the King says.

. . . . .

Summarizing, then, we have gone through the first course of action set out in your paper, and this has been successful. There is no need at present to embark upon the second course, at least not unless the Prince pipes up again to deprive us of the gains we have made recently. If that happens, I believe the second course you outlined should be resorted to immediately—preferably before the visit here of Chou En-lai in June and not afterward. If the efforts of the present government to improve relations with the U.S. are again sabotaged by the Prince, we should move quickly to obtain from the King and Queen an expression of Cambodian policy toward the U.S. and toward U.S. aid.

As regards the third course of action, while I would be happy to be recalled to Washington for consultation I think I should warn you that this would not necessarily be interpreted here as a demonstration of American firmness. It might more likely be interpreted as a disavowal of my person, and this impression could only be effaced if we were really prepared to get tough toward Cambodia. I am glad to

note that even if we were to taper off economic aid in this contingency, you are not recommending a reduction of military aid. In this regard, I have already expressed my views to Admiral Stump (cf. Embtel 1268, March 30<sup>4</sup>).

. . . . .

Cheers,

Rob

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<sup>4</sup>Printed as Document 231.

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**237. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>**

*Phnom Penh, May 11, 1956—3 p.m.*

1509. We have read with great care Ambassador Bishop's thought-provoking analysis as set out in Bangkok 3158 to Department.<sup>2</sup> Our colleagues in Bangkok recommend "massive inoculation" of militant anti-Communist spirit in free countries of Asia in order to counter neutralism and to revitalize SEATO. We also have submitted an essay on Asiatic neutralism in despatch 365 May 3.<sup>3</sup>

I do not question validity of conclusions as far as Thailand is concerned but believe attempt at such inoculation would not achieve desired results in Cambodia where just about only thing that might drive country closer to Communists is belief that West is opposed to neutrality policy.

Ambassador Bishop seems to equate all neutralism in Asia being automatically pro-Communist since his telegram never refers to neutral countries without adjective "pro-Communist". I believe, at

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<sup>1</sup>Source: Department of State, Central Files, 751H.00/5-1156. Secret. Repeated to London, Paris, Karachi, New Delhi, Manila, Taipei, Rangoon, Djakarta, Bangkok, Saigon, Wellington, Canberra, Hong Kong, Singapore, and Vientiane.

<sup>2</sup>In telegram 3158 from Bangkok, May 4, Bishop assessed the problem of what he perceived as "pro-communist neutralism" and, using Thailand as an example, argued that the countries of Southeast Asia could maintain their independence and integrity only if they received a "massive inoculation" of militant anti-communist spirit." (*Ibid.*, 611.90/5-456)

<sup>3</sup>In despatch 365 from Phnom Penh, McClintock observed that Cambodia was moving away from a "silent and implied reliance on SEATO" toward a policy of balancing East and West, in accordance with the traditional Cambodian policy of playing powerful forces against each other. (*Ibid.*, 751H.00/5-1156)

least so far as Cambodia is concerned, such an appellation is not justified by facts.

Except in loose sense that neutrality policy is more favorable to Communists than formal alignment with West, Cambodia's foreign policy is not pro-Communist. Cambodians are monarchists and there is no monarchy compatible with Communism. Cambodian Government shares none of Communist foreign policy objectives except that it is pleased to see its neutralism accepted and lauded by Communist countries and distressed at what it considers opposition to its neutrality policy by Western countries. Secretary's statesmanlike letter to Cambodian Foreign Minister of April 17 has done much to redress this latter feeling and has shown that United States understands position of so-called neutral countries even though we continue to believe collective security arrangements are a more certain instrument against Communist aggression.

As far as Communist threat inside Cambodia is concerned, Department's intelligence report 7197 on Communist subversion in South Vietnam, Cambodia and Laos<sup>4</sup> comes to conclusion that "in Cambodia Communist strength is virtually non-existent although a small insignificant political party may exist" and adds "Communist prospects for developing a subversive potential in Cambodia are poor." With these judgments we have no cause to differ.

I do not know how these considerations apply elsewhere among neutralist countries of Asia, but it seems to me we must accept as a political reality that Cambodia and certain other Asian countries intend at this time to remain neutral as between Western and Communist blocs.

If we protest too loudly and demand black and white decisions or seek to give "massive inoculations" of anti-Communist serum, at least in Cambodia reaction will be counter-productive. These people will feel they are being coerced by United States and that they are being pushed unwillingly to accept a disguised protectorate with additional risk that they are on an exposed frontier with Communists almost across their border.

Unfortunately, Communist psychological warfare experts seem at last to have realized this fact and in our opinion one of most dangerous recent developments has been "sweetness and light" tone of Radio Hanoi. As long as Communists were practicing "massive inoculations" of anti-Westernism here our task was relatively easy.

It would seem to me that more subtle approach to problem is to utilize popular fervor in favor of a policy of neutrality as an active defense against Communist danger. In Cambodia we have been consistent in saying that our policy is to assist this kingdom to remain

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<sup>4</sup>Not printed.

independent. If we succeed in this endeavor Cambodia will be preserved from Communist penetration and thus our strategic objective of denying the Mekong Basin to Communist infiltration will be achieved.

It seems to me therefore that a more rewarding policy is to recognize negative virtues of neutralism and to enlist this doctrine as a deterrent to Communist penetration. The greatest blow Communists have recently suffered in their policy toward Cambodia has been Secretary's statement that we respect its decision to be neutral. Cambodia desires nothing more than to be independent of all foreign domination and Cambodians have no illusions as to dangers of Communist aggression which were manifested by Vietminh in recent war and of which, they believe, they had recurring episode only last year.

Accordingly, if we respect their neutrality as a starting point and proceed with tact and patience we have capability of leading Cambodia increasingly to a more militant attitude toward Asiatic communism.

Thus, without doing disservice to our own policy of reliance on collective security, let us walk quietly and turn the inert force of Asiatic neutralism against its ultimate enemy which is communism. This may be making a virtue of necessity but there is no harm in using the shield before we use the sword.

McClintock

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238. **Report of an Inter-Agency Special Study Group to the Director of the International Cooperation Agency (Hollister)<sup>1</sup>**

*Washington, May 24, 1956.*

DEAR MR. HOLLISTER: At your request, a special study group composed of representatives of ICA, State, and the Defense Department and an observer from CINCPAC were assigned to work with the Country Teams of Cambodia and Laos.

Our instructions were clear that our primary operation was to function as a working party, and so far as possible, to settle problems either at the Country Team level, or else through Country Team recommendations to Washington.

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<sup>1</sup>Source: Department of State, Embassy Files: Lot 62 F 30, 500 Econ. Aid etc., Cambodia-U.S., 1956. Secret. The report came to be called the Sessions Report after its Chairman Edson O. Sessions, former Director of USOM in Thailand. It was also submitted to the Chief of MAAG in Cambodia.

These instructions were closely followed through constant conferences with the Country Teams and joint meetings with host government officials. However, many policy problems were encountered which require serious consideration at a high administration level. These can best be brought to your attention through detailed discussion in our report.

Our findings and recommendations for both countries are briefly summarized below:

[Here follow findings and recommendations on Laos.]

## CAMBODIA

### *Findings:*

1. If Cambodia were to fall completely under Communist influence, her geographic position would endanger the security of friendly Southeast Asian countries.

2. Cambodian suspicions of U.S. motives and Norodom Sihanouk's attitude have greatly impeded implementation of the aid program.

3. A large U.S. aid program was started in Cambodia without adequate planning, and a sound program has not yet been developed.

4. Country Team cooperation has been inadequate in many respects.

5. The Cambodian government has proposed a two-year plan without USOM's participation. Nevertheless, this plan must be used, at least in part, as a framework for U.S. economic assistance.

6. Cambodia's problems have intensified because of difficulties with her neighbors.

7. Present armed forces, under French training, are badly organized, poorly trained, and lack proper logistic support.

8. There is no serious threat of inflation.

9. In spite of an excessive commercial import program, financed largely by U.S. aid, the Government has been able to build up substantial dollar reserves.

10. If harmonious relations are maintained with her neighbors, and if she has sound economic management, her economy can become viable in due course.

### *Recommendations:*

We recommend that:

1. For the present, Communist aid to Cambodia should not be a deterrent to continued U.S. assistance. However, unless the aid program can be placed on an amicable cooperative basis, it will be necessary to review our policies with regard to aid to Cambodia.

2. A positive program should be adopted to acquaint the Cambodian people with the need for, and extent of, U.S. aid.

3. Cambodia should be encouraged to think regionally and contribute to the solidarity of Southeast Asia.

4. The U.S. should attempt to assume the training responsibilities of the Cambodian armed forces.

5. The U.S.-financed import program should be geared to the needs of the economy for imports, and not to cover local currency requirements.

6. The balance of the Cambodian budget deficit not covered by counterpart-generating U.S.-financed commercial imports should be financed by their own means.

7. Cash grants should not be used further as a means of generating local currency.

8. The Economic Development and Technical Assistance programs should be recast.

9. The USOM should find a more effective means of working out programs with the Cambodians.

We believe that the total aid program could be reduced from approximately \$50 million in FY 1956 to \$37 million in FY 1957.

All members of the Study Group concur in the major findings and recommendations.

Very truly yours,

E.O. Sessions

Milton J. Esman<sup>2</sup>

H.S. Hyde<sup>3</sup>

C. William Kontos<sup>4</sup>

Marvin C. McFeaters<sup>5</sup>

Hoyt Price

Walter F. Stettner<sup>6</sup>

[Here follows the 58-page "Special Study Group Report on Cambodia".]

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<sup>2</sup>Esman was the Cambodia-Laos officer in ICA.

<sup>3</sup>Commander Hyde was from the Office of the Assistant Secretary of Defense for International Security Affairs.

<sup>4</sup>Kontos was an administrative officer in ICA.

<sup>5</sup>McFeaters was a business economist with ICA.

<sup>6</sup>Stettner was a Far East Regional Economist from ICA. Printed from a copy that bears these typed signatures.

239. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>

*Phnom Penh, May 31, 1956—10 a.m.*

1613. Department pass ICA/Washington, USIA, Defense, CINC-PAC. Department pouch Rangoon, New Delhi, Djakarta, Singapore, Colombo, Hong Kong, Taipei, Manila, Paris, London. This is Country Team message. As indicated Embtel 1515, Cambodia has initialed aid agreement with Communist China.<sup>2</sup> It is probable (Embtel 1601<sup>3</sup>) this will be signed within next fortnight and ratified shortly thereafter. Last sentence Embtel 1543<sup>4</sup> promised recommendations on what to do about it. As pointed out in Embtel 1515 Cambodia is first independent country of Asia to be selected by Communist China for experiment of economic assistance. In consequence, pebble now to be thrown in this small pool may splash more widely by implication and its waves touch shores more distant than Cambodia.

I do not believe we should suffer an attack of "Aswan Dam fever" or be stampeded into opposite course of "making an example" of Cambodia by stopping our aid program altogether. To cease aid altogether would not only negate statement of Secretary of April 17<sup>5</sup> and give ample ammunition to Communist propaganda apparatus, but would force Cambodia closer to Communist orbit. Our strategic objective to deny lower Mekong basin to Communist influence would thus be defeated.

To increase aid to Cambodia under circumstance of Chinese impending assistance would merely encourage Prince Sihanouk in his cocky assumption he can have best of both possible worlds by playing off United States against Communist China. Furthermore, it would provoke reactions on part of our allies in Southeast Asia. It is not likely in any event Congress would increase aid funds to Cambodia, nor is it needed either economically or politically at present to meet ChiCom. It is further true ChiComs have cast gauntlet where we have opportunity to beat them at their own game.

It is questionable if aid should be maintained at present level, not because of imminence of Chinese aid, but because on close anal-

<sup>1</sup>Source: Department of State, Central Files, 451H.9341/5-3156. Secret. Pouched to Saigon, Vientiane, and Bangkok.

<sup>2</sup>According to telegram 1515, May 12, the amount of the aid for a 2-year period would be "not more than 800 million riels equivalent 8 million pounds sterling" and would be used for irrigation and hydraulic engineering projects, light industries, transportation and communications, electric power installations, and hospitals and schools. (*Ibid.*, 451H.9341/5-1256)

<sup>3</sup>Dated May 28, not printed. (*Ibid.*, 451H.9341/5-2856)

<sup>4</sup>Dated May 16, not printed. (*Ibid.*, 451H.9341/5-1656)

<sup>5</sup>Text transmitted in Document 235.



ysis, which we understand Sessions report<sup>6</sup> will bear out, amount of aid given Cambodia may be in excess of country's real needs. However, care must be exercised in any reduction of our assistance to armed forces for obviously political reasons. Evidence accrues that Army may be source of healthy restraint on Prince Sihanouk . . . . Military aid therefore is an important element in achieving political objectives and final decision on character and amount of military assistance must be left to political authority. Furthermore, to cut down assistance coincidental with advent of Chinese aid will require careful handling. Immediate instinct of Sihanouk . . . will be to cry he was right all along and had accurately predicted United States, dissatisfied with his policy of neutrality, would punish him by reduction in aid. This outcry from Sihanouk will at once be picked up by propaganda media in Hanoi, Peking, Moscow and possibly Delhi.

Since a reduction in United States aid to Cambodia will bring about an inevitable reaction, it seems to me wiser to seize nettle boldly. I would propose following course of action:

I would request audience of King and Queen and recall to them what I told Penn Nouth on February 23;<sup>7</sup> namely, that our aid program has been severely criticized by Sihanouk in private and in public, that in consequence I had requested a study group to examine what was wrong with it; that study group after consultation with Cambodian experts has now returned its report and found Cambodia could get along with less United States aid in future.

I would remind King and Queen this finding had been made without prior knowledge of Chinese aid agreement and was based upon economic analysis. I would anticipate to Their Majesties that Sihanouk would probably burst into print and make allegations similar to those which had endangered friendly relations with United States during February, March and April of this year. I would tell Their Majesties privately that although American policy toward Cambodia varied in no degree from Secretary's statement of April 17, it should be clearly understood that application of that policy would have to take into account public statements of responsible officials and new factor of economic aid from Communist China. I personally thought Chinese aid was quite simply a Communist Trojan horse which might stay quiet for a year or so but would ultimately be a most certain threat to integrity of the state and continuance of that neutrality which was a cardinal element of Cambodian policy.

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<sup>6</sup>*Supra.*

<sup>7</sup>A report of the meeting between Penn Nouth and McClintock is in telegram 1080 from Phnom Penh, February 23, not printed. (Department of State, Central Files, 751.5-MSP/2-2356)

This being said, I would wish Their Majesties to understand steadfastness of American policy toward Cambodia and undiminished desire to assist Cambodia to retain its independence. To this end United States Government would propose if Congress voted necessary funds to continue aid to Cambodia in those aspects which were most essential to that cardinal purpose—maintenance of Cambodia's independence.

It was clear that first item on list was continued assistance to Cambodian Armed Forces. However, here MAAG felt that due to United States aid already made available, by streamlining and general improvement in efficiency, military security could be improved with less money and a recommendation to that effect had already been made.

Second item of priority importance would be road to new port of Kompong Som. Despite years of talk about this port it had been American impetus which had galvanized this project in 1954 and we were on point of letting contract which would result in an excellent highway from capital to Kompong Som.

A third priority project should be irrigation. USOM had on order valuable equipment to extent of \$600,000 which should be devoted to that purpose.

Other assistance would be forthcoming in field of transportation, including certain airports, and creation of telecommunications network with other free nations of SEA. Likewise there would be continuance of aid for humanitarian projects and assistance in creation of small industries.

If Department concurs with above approach I strongly recommend that similar representation be made to Nong Kimny when he is in Washington. This would have advantage of having relatively unpalatable news first conveyed by a Cambodian Ambassador and not an American Ambassador. It could likewise be made clear to Kimny that if he is able to convince Sihanouk to curb his emotions and to desist from statements which conduce to Communist propaganda use our attitude toward his policies might be a more favorable one. Point must eventually be got across to Royal Family and more perceptive souls here that Sihanouk, by his . . . remarks, has been working on Communist side of fence and thus not only violates his professed neutrality policy but endangers that independence of Cambodia of which he is self-proclaimed champion.

Department will note that with exception of aid for military account much of projects listed above are identical with those ChiComs have elected in taking up challenge in Cambodia to compete with American aid. I am convinced that we have an opportunity in this small country not to sulk in our tent but to get out and prove to other SEA countries that American assistance is more efficient and

more effective than anything Communists can offer. Above all, since ChiComs have elected to run race on track in which our horses are entered, it would appear we have cardinal opportunity to beat them at their own game, to do this however our horses must be of very finest pitch of training and pedigree and must not be hobbled by administrative restrictions imposed on them.

Foregoing recommendation has been based entirely on assessment of situation as between Cambodia and United States with due regard to strategic position of Cambodia in SEA. We are however not unmindful of wider implications both in this area and elsewhere of effects our aid program to Cambodia will have upon our SEATO allies or other free nations in Asia who might likewise be tempted to shop around for Communist assistance in addition to that granted by United States.

It is not our province to speculate on wider aspects of experiment of economic assistance on which ChiComs are now embarked. Department with its access to information on reactions in other Asian countries will be able to assess these implications. Our guess is that at least initially ChiComs will walk softly and wear their brightest co-existence smile. Their aim is, in a strategical sense, to disrupt unity of free nations of Asia and to cast apple of discord into SEATO garden. If tactically they pick up some small change in Cambodia that is a fringe benefit for them. Our purpose should be to show allied and neutralist countries of Asia they can find a more steadfast friend in United States and a better guarantee of their independence in United States assistance than they can by yielding to blandishments of Communist China.

I am convinced our basic policy should be unchanged—namely to assist Cambodia to remain independent—and I believe that by applying suggestions outlined above we may be able to turn force of Cambodian neutralism against its natural enemy, which is Communism.

McClintock

**240. Memorandum From the Director of the Office of Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, June 21, 1956.*

**SUBJECT**

Plans and Operations to Reverse Cambodian Neutralism

*Discussion*

1. Since my return from Southeast Asia, including a two-day visit in Phnom Penh, I have been mulling over possible ways and means of improving the deteriorating position of the United States in Cambodia and reversing the leftward, excessive neutralist trend. The whole issue boils down to whether or not we continue to form our policy around Sihanouk's power position, with such modifications of policy and operations as may be required . . . .

. . . . .

4. I have just discussed this problem at some length with Col. Lansdale who has been in Washington for a day or two after having made a trip to Phnom Penh. His analysis is as follows:

(a) We should operate on the hypothesis of Sihanouk's power with a view to bringing him back to a more balanced position, which Lansdale and others think is possible. We should deploy our assets to woo and win Sihanouk back to a pro-American viewpoint, for example, by visits of prominent Americans to Cambodia. The Cambodian armed forces may become a useful political instrument or element to be taken into account.

(b) . . . . .

. . . . .

*Recommendations*

5. Accordingly, I put up for your consideration the following courses of action for Cambodia and the neighboring area:

(a) A small-scale crash program designed immediately to invigorate present programs. U.S. staff in Cambodia should be reviewed to obtain the best qualified personnel. We should greatly simplify, accelerate, and improve our aid procedures along the lines of the Sessions Report. State and ICA should quickly put the general principles of this study into effect. We should get a new Ambassador selected, appointed and located in Phnom Penh just as soon as possible and

<sup>1</sup>Source: Department of State, FE-SEA, Cambodia Files: Lot 59 D 630, Cambodia. Top Secret; Eyes Only. Also addressed to Jones.

before the return of Sihanouk, if feasible. The appropriate agencies should go all out to bring several Cambodian leaders to the U.S. for short visits. By the same token, the Exchange of Persons program with Cambodia should be expanded and accelerated. There are now only two Cambodian students in the U.S. Additional efforts should be made to develop U.S. training of Cambodian armed forces for they could be an important stabilizing factor in Cambodia, as CINCPAC has recognized in his 191143Z.<sup>2</sup> This is only the sketch of what a small crash program can be. In any event I believe that it will require the initiative of this Bureau either with the Secretary or Under Secretary, or through the OCB, with the operating agencies.

. . . . .

(c) The stand-by plans for selective reduction in U.S. aid to Cambodia if any or all of the above plans and operations fail. Aspects of this matter are now being studied in State and ICA in response to a Country Team message from Cambodia on May 31. Such steps also involve the Sessions recommendations.

(d) Cambodia cannot be divorced from Southeast Asia. For the area of neighboring Cambodia, a little Chiefs of Mission meeting should be held in August or September so that the common problems could be discussed by our Ambassadors in Burma, Laos, Thailand, Cambodia, and Viet-Nam, with Durbrow and Wright<sup>3</sup> from Singapore and Malaya participating. By that time Satterthwaite<sup>4</sup> and Parsons will have arrived at their posts and our Ambassadors in Southeast Asia will be present and accounted for. I would suggest that you, Mr. Sebald or Mr. Jones attend such a meeting which could be held in Baguio or Hong Kong. In the case of the latter spot, I understand that Mr. Drumright has just returned from a tour of Southeast Asia which he took as his vacation on a personal basis. His quarters in Hong Kong would adequately serve for such a meeting and might be less conspicuous than holding such a meeting within the area itself.

(e) The establishment of some kind of a small staff in Southeast Asia . . . on behalf of the joint benefit of all U.S. missions in the area. . . . If we had a political adviser with CINCPAC in Honolulu, such a staff might be physically located there and operate under his supervision in Southeast Asia according to the urgency and priority of our problems in each country. Admittedly, this is an unbaked suggestion needing study and refinement to find the best administrative and operational formula, if it is sound in principle. My several trips to Southeast Asia have convinced me that U.S. missions there operate much too separately from each other and lack effective intercommunications and interrelations. Instead, their lines go vertically back to Washington but not horizontally to each other. With the Russian-Chinese thrust into Southeast Asia, the U.S. should tighten its organization. It should also greatly improve the quality of its personnel in all of these countries.

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<sup>2</sup>Not found.

<sup>3</sup>Thomas K. Wright, Consul General at Kuala Lumpur.

<sup>4</sup>Joseph C. Satterthwaite, Ambassador in Burma.

## 241. Telegram From the Department of State to the Embassy in Cambodia<sup>1</sup>

*Washington, June 27, 1956—6:58 p.m.*

1319. Joint State-Defense message for Ambassador.

1. Desire more detailed and up-to-date evaluation effectiveness Cambodian Armed Force and its possible influence on Cambodian internal political scene.

2. Last 1955 OCB Progress Report<sup>2</sup> states despite our large scale aid to Cambodian military establishment army capabilities probably have not yet increased. Present OCB Progress Report<sup>3</sup> points out Cambodian Army reported to be improving but continues to be dubious fighting force with poor logistic support and rigid command structure.

3. Nevertheless Army has eliminated banditry according to reports. Also, reported Cambodians have agreed eliminate all separate companies and small isolated detachments and reorganize army so its principal structure will consist of infantry regiment and 16 separate infantry battalions. Other reports indicate some progress toward eventual goal of constitution lightly equipped mobile forces strong in firepower to be held centrally and dispatched to trouble spots when need arises. Has this been done? If not, request estimate prospects for reaching eventual goal, together with indication of action US needs take to reach that goal.

4. Would appreciate further elaboration statement your 1613<sup>4</sup> concerning possible army restraint on . . . Sihanouk. Various reports reaching us through State and Defense channels quoting Cambodians indicate differences of opinion as to present or possible future role army in internal political scene. Specifically, need your evaluation of needed US action to ensure armed forces remain basically friendly in non-Communist countries . . . .

5. View sensitive nature material discussed this message urge utmost discretion in handling.

**Dulles**

<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/6-2756. Secret. Drafted by Price; cleared with SEA, FE, and the Department of Defense (in draft); and approved by Robertson. Repeated to CINCPAC.

<sup>2</sup>OCB Progress Report on "United States Objectives and Courses of Action With Respect to Southeast Asia," December 21, 1955, not printed. (*Ibid.*, S/S-NSC Files: Lot 63 D 351, NSC 5405—Memoranda)

<sup>3</sup>OCB Progress Report on "United States Objectives and Courses of Action With Respect to Southeast Asia," July 11, 1956, not printed. (*Ibid.*)

<sup>4</sup>Document 239.

**242. Telegram From the Department of State to the Embassy in Cambodia<sup>1</sup>**

*Washington, July 2, 1956—7:26 p.m.*

**4. Joint State-Defense-ICA message. Your 1613.<sup>2</sup>**

1. We agree in general with analysis reference telegram. We agree our basic policy of assisting Cambodia to remain independent should be unchanged. We intend not to succumb to Aswan Dam fever nor attempt make example of Cambodia. Sessions report<sup>3</sup> (copies pouched personally to Ambassador and USOM Director) recommends, for present, Communist aid to Cambodia should not be deterrent to continued U.S. assistance but unless aid program can be placed on amicable and cooperative basis it will be necessary to review our policies with regard to aid to Cambodia.

2. Sessions report recommends U.S.-financed import program be geared to needs of economy for imports and not to cover local currency requirements. Balance Cambodian budget deficit not covered by counterpart generating U.S. financed commercial imports to be financed by their own means. In other words if this Sessions report proposal were adopted by Cambodians, U.S. dollar and local currency contribution would be reduced and Cambodian local currency contribution increased. Report recognizes real problem would be to convince Cambodians cut in dollars would not destroy their fiscal solvency, would not lead to inflation, and above all would not be reprisal against their neutralist policy. Report points out problem of presenting proposal to Cambodian Government is further complicated by necessity to determine which part of total program Cambodian Government would be asked finance from its own resources. If Cambodian Government were asked abruptly contribute additional substantial amount to own military its negative reaction might critically damage military program with result that time effort and money spent this program to date may be wasted and military posture Cambodia seriously weakened. If on other hand Cambodian Government were in effect asked put up local currency for economic development program it would undoubtedly take position it could not afford do so, would consider U.S. was going back on implied commitment furnish local currency costs for projects, and this would strengthen Cambodian suspicions that U.S. is not sufficiently interested in economic development. In view importance both programs to Cambodi-

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/7-256. Secret. Drafted by Price; cleared with SEA, FE, ICA, and the Department of Defense (in draft); and approved by Robertson.

<sup>2</sup>Document 239.

<sup>3</sup>See Document 238.

an future would be preferable to secure increased Cambodian contribution to both programs.

3. These conclusions Sessions Report point up complex nature any proposed cuts in aid and recognize that if proposal improperly presented may lead Cambodians to believe they would have to look to other sources for aid and drive them even closer to Communist camp. We believe any such proposal should be presented to appropriate Cambodian officials at time of and in connection with discussions on FY 1957 aid levels, since FY 1956 program already largely committed. During discussions with Sessions Group Cambodians requested U.S. inform them as quickly as possible after Congressional appropriation as to approximate total amount of nonproject dollar aid to be made available so they could then proceed to plan their total annual import requirements and adjust their budget planning in terms of available aid from U.S. We agree that tentative planning figure should be communicated to Government at earliest feasible time and estimate that FY 1957 figure can become available no later than September. We would suggest therefore that any official démarche to Cambodians regarding size and nature our aid program in future be delayed until that time. In meantime country team and all agencies can give further study to Sessions Group report and its implications.

4. We anticipate that if Nong Kimny visits Washington he will inquire as to results study group mission. We intend outline to him some parts group reports, stressing group found desire on part Cambodians continue receive aid and our determination work closely with Cambodian Government in coming months in attempt eliminate some of misunderstandings which have arisen in past.

5. In view need for reviewing Sessions Group Report and making policy decisions thereon prior to entering discussions with RKG we recommend you not approach King and Queen at present either along lines indicated reftel or even as discussed herein. In any event consider best to initiate FY 1957 program discussions at usual level holding in reserve possible appeal to throne in case of necessity.

Hoover



**243. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>**

*Phnom Penh, July 6, 1956—noon.*

17. Department pass Defense 2 and CINCPAC 2. OCB progress report cited numbered paragraph 2 Deptel 1319<sup>2</sup> is substantially correct. Following thumb-nail sketch may meet requirement for more detailed and up-to-date evaluation effectiveness of Cambodian armed forces requested numbered paragraph 1:

Main lacks Cambodian armed forces are training, planning, logistics.

Individual unit training is generally ineffective. Neither French nor United States military missions have been invited by hypersensitive Cambodians to participate with units, although some progress has recently been made by tank-training team on TDY. French have been responsible for training of officer corps and have failed notably to turn out adequate material. Furthermore, this inferior corps is subject to a too rigid command structure, dominated by a generally over-worked and inexperienced general staff. Both staff and corps suffer from general endemic paralysis of command decision in Cambodian Government . . . .

Despite these difficulties, estimate of situation as set out numbered paragraph 3 ref tel is generally correct.

MAAG has been encouraged during recent months to note new spruceness and elan in certain battalions, notably those stationed for duty along Thai and Vietnamese borders. Banditry has been largely suppressed. Main difficulty in constitution of lightly equipped mobile forces to be used centrally and despatched to trouble spots when needed is lack of transport, particularly wheeled vehicles. Progress toward establishment adequate logistical base has been slow but this was inevitable due to removal of French base in Vietnam and delay attendant on its replacement by United States or indigenous facilities. Construction has started on ordnance depot and plans exist for quartermaster depot and additions to present engineer depot facilities.

Signal depot facilities are adequate. Present army vehicles are World War II type in need extensive repair. Plans for rebuild program exist but have not reached state where they can be implemented. Present logistical base is incapable of supporting FARK in combat but this will be remedied in 1 to 2 years.

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/7-656. Secret; Limit Distribution.

<sup>2</sup>Document 241.

Major lack is in field of training. Individual Cambodian soldier receives excellent basic training and our MAAG officers would be willing to lead him in combat. However technical training, unit training and above all training of officer cadres is deficient.

Cambodian armed forces, if they could have 3 instead of 2 Achilles heels, would be indicted for inability to plan. This however is not a permanent fault but one which can be corrected through training function. In this field French have notably fallen down as what planning is attempted in FARK remains in hands of French officers seconded to Cambodian staff.

In summary, under present concept of US aid program, if results are to be obtained in foreseeable future, US must:

- a. Achieve some measure of control over planning for army at general staff level.
- b. Exercise supervision of and render advice on training either in conjunction with French or alone.
- c. Establish an effective rebuild system for present vehicles or supply new vehicles from commercial production.

Re numbered paragraph 4 reftel, Cambodian army, by US or other modern military standards, is an anachronism. Nevertheless, disregarding motley and disorganized police, it is only disciplined body of armed men in Cambodian. Rank and file as in most armies owe immediate allegiance to NCO's and local superior officers. Allegiance to Prince Sihanouk or King is imminent but not immediate. Rank and file, under firm leadership, would shoot first and ask questions afterwards.

. . . . .

However, given adequate professional training in officer corps and unit training in ranks, there is no reason why Cambodian army cannot be made into an adequate military force to maintain internal security in this kingdom and to some extent deter external aggression.

We must not forget that despite his almost theatrical neutralism, Prince Sihanouk in essence is fundamentally anti-communist inside borders of Cambodia. He realizes there is no compatibility between monarchy and communism. Thus, . . . Cambodian armed forces could still be relied upon adopt anti-communist attitude. It is significant that at no time has evidence been adduced indicating any communist penetration of FARK.

Numbered paragraph 3 reftel requests indication of action US needs to take to reach our objectives in supporting Cambodian armed forces. I submit following recommendations:

1. Training. Properly planned and coordinated training is key to utilization of human material which is only asset in their armed forces Cambodians can offer.

At first US started on assumption military assistance to Cambodia would be coupled with training mission. However, this did not prove feasible for political relations exterior to Cambodia. We have thus found ourselves in position of supplying pay, hardware and construction for an army training of which has been left to French who have not accomplished a successful job. Part of their inability to succeed has been due to absence of proper planning and lack of coordination with MAAG. Under present unsatisfactory system there is no phasing in of material and financial requirements to human element as represented by training in FARK.

To meet this situation recommend MAAG and French training mission be empowered concert on day-to-day basis so that personnel, logistical and planning requirements are conjoint. Specifically recommend United States inform French Government that as of August 1956 we will expect both governments to issue instructions to their respective military missions in Cambodia to give mutually across-the-board utmost cooperation in achieving joint goal of a well-trained army, capable of planning and supported by an adequate logistical base.

French should readily see this is most sensible way of enlisting their capabilities in joint effort to meet communist menace in SEA. If however French are unable to meet this relatively modest requirement, we would then have to make known both to French and Cambodian Governments our feeling that in order to justify further investment in funds and equipment review of possibility of United States training Cambodian armed forces would become of urgent importance.

2. Planning. By mutual agreement with French Government we should concert to improve planning in Khmer armed forces. As indicated above, this is really corollary of a successful training mission. However, until effective staff officers can be developed there must still be planning from outside as present Cambodian staff is not equipped for such work. Once French and United States authorities are agreed on joint planning responsibility, Cambodians perforce would come into line, with suitable deference paid to watch-word of "sovereignty".

3. Logistics. Present plans for establishment of a modest indigenous logistical base will continue to be pressed by MAAG and should be realized within 2 years. Most urgent requirement exterior to Cambodian satisfaction is MAAG request for improvement of vehicular transport since it is idle to invest in defense force which cannot come to grips with potential enemy.

On balance, I am fairly optimistic both as to utility of our investment in FARK and as to dividends eventually to be received from that investment. I am confident ultimately, once training problem is squarely faced up to, we will find a solution either through activation of a real French effort to produce results jointly with United States or, failing that through readiness of Khmer army

gradually to accept increasing element of United States training. Eventually, at turn of political wheel, we should insist on long range goal of complete responsibility for training.

There are 2 points which must be borne in mind in evaluating this problem. First is that Cambodia is only Asiatic neutralist country linked to United States by MDA Agreement. Second is that neither ChiComs or Soviets have thus far offered military support to Cambodia, and we find political anomaly of Prince Sihanouk . . . being supported as ruler of Cambodia by an army whose pay and supplies come exclusively from United States.

Ultimately, if we keep our heads and maintain our monopoly position as sole purveyor of hardware and pay to Cambodian armed forces, we should be able to control use of those forces within relatively modest policy goals we have established. Failure to maintain our investment will result either in disintegration of Cambodian security forces or their taking over by Soviet/ChiCom sources of support, either alternative resulting in eventual communization of lower Mekong Basin.

McClintock

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244. Letter From the Ambassador in Cambodia (McClintock) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>

*Phnom Penh, August 1, 1956.*

DEAR WALTER: During his overnight visit to Phnom Penh, I had long and interesting conversations with Admiral Radford. In fact, certain developments in the Admiral's thinking were so far-reaching that when he kindly offered to take me along with him on his flight to Vientiane and Bangkok I judged it useful to continue our consultation in the air. Herewith, in substance, is the Admiral's thinking:

. . . . .

Admiral Radford had a very definite view that Congress and American public opinion, particularly in the South and West, are getting completely fed up with providing aid to leaders who extol the virtues of the Communist bloc or who make snide remarks about the

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<sup>1</sup>Source: Department of State, Central Files, 751H.00/8-156. Top Secret; Official-  
Informal.

U.S. while at the same time taking our aid as a matter of course. In the Admiral's opinion, U.S. assistance to Cambodia will probably cease because Congress will not put up with Sihanouk any longer.

If Admiral Radford's evaluation of the home situation is correct, it would be of vital importance to us here to know where we stand. Thus far, we have been going on the assumption that we would be vouchsafed a reasonable amount of aid to Cambodia as our principal tool in countering Communist aid programs and in assisting Cambodia to remain independent and thus a barrier to further Communist encroachment in Southeast Asia.

On the question of Communist aid programs, Admiral Radford was inclined to take a fairly sanguine view. He said when it came to sending technical assistance missions, the Communist dictatorships are going to find themselves in difficulties. He assumes that a number of technicians sent abroad will take this opportunity to defect. The Admiral feels that if we could encourage such a development generally, the Communist governments would start to pull back for fear lest the habit of defection could spread more widely. I think there is some basis for this speculation and we shall be alert to encourage defection wherever possible. However, I have not received any information indicating whether Communist defection in other countries where there are aid missions, such as Burma and India, has in fact assumed any significant proportions.

. . . . .

On the wider scene, Admiral Radford felt very strongly that if our series of defensive collective security pacts are to be effective the enemy must have no doubt whatever as to our readiness to fight at any time one of these pacts confronts a case of Communist aggression. In the Admiral's view (and I am sure he must have discussed this with you and Herb Hoover many times), it is the certainty of U.S. armed action which is the greatest deterrent force in international affairs at the present time. A corollary of this thesis is that uncertainty as to U.S. action (and here he cited SEATO and the Baghdad Pact) encourages the Communist bloc to continue its position of attrition and of subversion.

No doubt these views of Admiral Radford are not altogether new, but I thought it my duty to report to you the thinking of the Chairman of the Joint Chiefs of Staff. So far as our own little bailiwick is concerned, I do not agree that we should terminate our aid; . . . . In such a . . . country as Cambodia, it might even be

possible to get the Prince himself to realize the dangers he is courting.

Cheers,

Rob

P.S. I found Max Bishop in Bangkok very anxious to arrange a sort of regional confab with his other colleagues on the mainland of SEA. I had already planned with Jeff Parsons for him and Freddie Reinhardt to get together with me, possibly at Angkor Wat, for a run-down on affairs in Indochina as it would be helpful for Freddie and me to get Jeff's latest word from Washington, and perhaps useful for Jeff to learn from us what judgments we have been able to work out on the basis of our experience. If, as Max Bishop suggested, we widen the field, I can see no harm in that, although in such a case I think the meeting could not be very well held in Cambodia in view of Max's identification in Southeast Asian minds as one of our principal spokesmen for SEATO.

RM

[Enclosure]

**Memorandum From the Ambassador in Cambodia  
(McClintock) to the Chairman of the Joint Chiefs of Staff  
(Radford)<sup>2</sup>**

*Phnom Penh, July 27, 1956.*

I much appreciate the well thought-out questions outlined by General Erskine in his memorandum to you of 19 July on points to be developed in discussion with me concerning our relations with Cambodia.

Taking up the first group of questions which relate to French influence in Cambodia, I should say in general there seems to be an over-emphasis on the amount of this influence and its bias against the U.S. The French, as you and I have agreed, desire at all cost to maintain that increasingly shabby and ephemeral thing they call "la présence française," but they fundamentally lack the wherewithal either in military strength or in economic resources to accomplish this objective. The main asset of the French in Cambodia and elsewhere in Indochina is the fact that they have a monopoly on the language, educational system and administrative training of the people we deal with.

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<sup>2</sup>Top Secret.

As indicated in our telegram no. 17<sup>3</sup> which was sent at the request of the Departments of Defense and State, we believe ultimately that a government which pays and equips a foreign army should likewise have responsibility for training that army. At present, however, . . . it is not possible for the U.S. to undertake this responsibility. This is, I trust, a short-term factor since as recently as early 1955 I had secured a secret agreement of the then King Sihanouk for the phasing out of the French Military Mission and the assumption of this training responsibility by MAAG. However, for the time being, since the Cambodians would not entrust the training function to us and we would probably in any event be unable to assume it immediately because of the language factor, I feel that perhaps our efforts should be directed toward a more effective effort on the part of the French staff advisory training mission.

If the French are doing almost no unit training, that is principally due to the fact that the Cambodians won't allow them to go out to the units. (Actually, the few units that the French have trained, largely the Navy and the parachute battalion, look good.) But where they are active, in the fields of officer training and staff planning, they are doing a very poor job. We have a right to see to it that as long as we cannot discharge these functions ourselves, at least the French should do a more decent job, with our assistance.

Meanwhile, there are other things we can do to redress this situation. We have gratifying results from MAAG's program of English-language training, and I was informed today by Chief of Staff Colonel Lon Nol that the students selected for this course had been picked with a view to their eventually being sent to the U.S. for military training. Time is thus working to overcome one principal handicap. What I visualize—provided that the policies of the Cambodian Government become modified to the point where U.S. training will be permitted—is a gradual phasing up of U.S. training of Cambodian military students and a gradual phasing down of the French military mission. However, I do not think, under the present auspices, that this transition could be accomplished in less than two years.

There is no particular "French political action program in Cambodia" other than the one dedicated to maintaining "la présence française" and to securing the long-existing French economic vested interests in this country. Although at one time there was a French campaign against U.S. interests, the French have drawn notably closer into line with us in Cambodia since the advent of dangerous competitive forces in the form of Communist Chinese aid and trade programs. At the top, in the person of High Commissioner Pierre Gorce, there is full cooperation. At lower echelons, while in the past

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<sup>3</sup>*Supra.*

the French staff advisory training mission has given us no cooperation at all, this situation is now improving. There has been much progress in U.S.-French military cooperation in Cambodia during the last month.

Indian influence on the attitudes and actions of the Cambodian Government has been powerful and generally against the interests of the U.S. This influence has been exerted in recent months largely by a psychotic young Chargé d'Affaires, warmly seconded in Delhi by the equally psychotic Krishna Menon. In the two talks I had with Nehru about Cambodia, I found the Indian Prime Minister himself generally reflective and comprehensive in his views and in agreement that it would be to the security interest of India that the new states of Indochina should remain outside the Communist Chinese sphere of influence. I have never varied in the opinion that a diplomatic goal of the U.S. should be to elicit greater Indian interest in maintaining, together with the U.S. and other free nations, a defense perimeter against China since Chinese penetration into the Lower Mekong Basin would have the greatest consequences also for Indian security.

As to the number of U.S. personnel in Cambodia, I believe that it is at its maximum in quantity, but far from its maximum in quality in respect of ICA endeavors. Perhaps pardonably, I feel that our State Department staff, although restricted in numbers, are doing an excellent job. USIS is on the point of bulging at the middle and more filled with energy than with ideas, but if their numbers are not increased, their personnel may not get too much in each other's way.

MAAG Cambodia is an outstanding group of officers and enlisted men and they have accomplished wonders given the difficulty of their position, the covert and active opposition of the French military mission and the propaganda efforts reared against them by the Communists in Asia with the abetting of the Indian element in Cambodia. USOM, however, is overstaffed—not in proportion to the job to be done but in proportion to the job accomplished. There is room here for some top-notch experts and if they are really first-class I would not object to the economic mission even being slightly increased, but quite frankly its present personnel includes too much deadwood. My guess is that with proper selection and a desire to use our aid programs as a political weapon rather than a Santa Claus project, we could accomplish twice as much with the same personnel.

I now come to the last and perhaps most important group of questions. Few steps can be taken to reduce Prince Sihanouk's prestige with the public. He is by far the most popular figure in Cambodia and has almost universal support from the mass of the population. However, this mass support would probably go to any figure



endowed with monarchical authority and a capacity for leadership. . . .

. . . . .

I still, despite the present problems and difficulties, believe that our basic policy objective in Cambodia is sound and that it is attainable. It is simply to keep this little but strategic country independent. Moreover, . . . Prince Sihanouk and his entourage have the same basic objective. Although they have given aid and comfort to the Communists of late, they are not consciously pro-Communist. As a matter of fact, they fear the Communists. . . . I believe that with diplomacy and the judicious use of aid we can not only counter the threatening influence of the Communists here but beat them at their own game. The present situation in Cambodia presents a challenge to American diplomacy. If we keep our tempers and play our cards right we can accomplish exactly what we have set out to do: deny the Lower Mekong Basin to the Communists by keeping this little country truly independent.

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**245. Telegram From the Commander in Chief, Pacific (Stump) to the Secretary of Defense (Wilson)<sup>1</sup>**

*Honolulu, August 13, 1956—4:15 p.m.*

4473. 140215Z. Ref: A. Phnom Penh 27 Jul 2 pm sent State 111. B. Phnom Penh 13 Jul 11 am sent State 40.<sup>2</sup> C. CHMAAG Cambodia 280045Z Jun cite 745.<sup>3</sup> Subj is Sessions Report on Cambodia, 24 May 1956. Recent events have altered situation in Cambodia to where some conclusions in Sessions Report of interest to CINCPAC have changed significance. Recent development of a Cambodian attitude of friendliness and cooperation with the Communists seriously affects US military aid program. The Communist military threat as described in the report seems no longer of prime importance to the Cambodians. Their first concern now is apparently for internal security with little incentive to develop larger forces for defense against

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<sup>1</sup>Source: JCS Records, CCS-092 Asia (6-25-48)(2). Secret. Repeated to Chief of MAAG, Cambodia.

<sup>2</sup>Reference is to telegrams 111 and 40 from Phnom Penh, July 27 and 13 respectively, neither printed. (Department of State, Central Files, 751H.5-MSP/7-2756 and 751H.5-MSP/7-1356)

<sup>3</sup>This telegram transmitted the Sessions Report to the Chief of MAAG in Cambodia; see Document 238.

external attack. Cambodian Government is in fact interested in reduction in armed forces to 30,000. Consequently MAAG plan designed to increase US influence and to foster mutual (US-Cambodian) military efforts is becoming increasingly difficult to implement. Therefore, although increase in aid is not warranted, any reduction US aid out of proportion to contemplated force reduction will possibly encourage Cambodians to seek Communist aid for their military establishment.

In view of these new problems CINCPAC concurs with Sessions Report that obtaining US training mission in Cambodia is of increasing importance in that such mission will be best means increasing US influence on Cambodian military and of increasing Cambodian Government understanding of true purpose US mutual assistance programs. Of course this plan is dependent upon phasing out of French dominance in training and military planning. In addition, CINCPAC concurs in some reduction in armed forces strength as recommended in Sessions Report and indicated in ref A. Determination of extent of reduction that is feasible and desirable from US standpoint must await result of MAAG evaluation ref to in para 12 ref B.

As another means of increasing Cambodian recognition and understanding of US aid, CINCPAC recm increased efforts to encourage Cambodians to place auto defense units ("surface defense units") under control of military. This arrangement would make auto defense effective by providing necessary centralized mil control and coordination. In addition, US aid would be more extensively advertised and US influence would be better reflected through Cambodian military chain of command down to village level.

Another important aid implication growing out of recent Cambodian acceptance of Communist aid results from drawing to Cambodia increased attention of other Southeast Asia MDAP countries. Other recipient countries are watching with critical eye US assistance to a nation that chooses to deal openly with Communists and still hold out its hand for US aid. As result, US must carefully administer its aid in Cambodia in such way to avoid appearance of higher or even equal priority to Cambodia as member of Southeast Asia group of allies receiving US aid. At same time US must provide sufficient aid to maintain a reputable position US position [*sic*] in Cambodia.

Because of close scrutiny directed toward US aid in Cambodia as result of these recent developments, CINCPAC considers closest coordination within Cambodia country team of utmost importance. Particularly must MAAG and USOM action be continuously coordinated to achieve maximum end results as best means competing against Communist aid efforts.

MAAG should expedite recommendations as to reduced Cambodian force levels, revised equipment requirements based on shift of

emphasis to internal security, tailored to aid and other aspects of "adequate professional military reasoning" described in para 12 of ref B.

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**246. Telegram From the Embassy in Cambodia to the Department of State<sup>1</sup>**

*Phnom Penh, August 18, 1956—8 a.m.*

208. Department pass DOD and CINCPAC. Re: CINCPAC's 140215Z to OSD, received here information August 15.<sup>2</sup> Subject: Sessions Report. Following is Country Team rejoinder:

1. It would seem from internal evidence reference telegram was drafted without reference to Embassy telegram 17, July 6 passed CINCPAC 2.<sup>3</sup>

2. Basic policy of United States toward Cambodia has been to assist country maintain its independence and thus prevent Communist encroachment into lower valley of Mekong between Free Vietnam and Thailand. It is not in US policy to seek bring Cambodian Government for phased withdrawal of French training mission. However, that opportunity was missed and will not recur in immediate future. Sihanouk has since decided on policy of neutrality which is fervently supported by his people. He could not therefore easily bring in United States training mission without creating general feeling among Cambodians that Cambodia has abandoned policy of neutrality. Nevertheless, as time goes on and MAAG's influence in FARK increases there will, we believe, develop a general desire on part of Cambodians themselves take advantage of United States training facilities. We also believe that as Cambodians develop their policy of neutrality to point where it becomes more realistic and stands as an instrument of self-defense against Communist aggression, there will return readiness to consider possibility of United States training.

Meanwhile, we remain in a transitional period with Cambodian Government not disposed accept United States training and with such training as there is at present in hands of French military mission. Parenthetically, we might add if US were offered training responsibility we would not be able accept it unless present language

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<sup>1</sup>Source: Department of State, Central Files, 751H.5-MSP/8-156. Secret. Repeated to CINCPAC.

<sup>2</sup>*Supra.*

<sup>3</sup>Document 243.

difficulties were removed and unless hypersensitive Cambodian nationalists were ready admit training in units as well as in officer cadres. Nevertheless, country team recommends long-range goal of ultimate assumption by United States of training responsibility.

However, we are faced with certain immediate problems and solutions if our investment in Cambodian internal security is to be justified. There is need for greater coordination on part of French military mission with MAAG to ensure Cambodians can be brought to see advantages of using training facilities offered them either by French or ourselves. To accomplish this there must be change in attitude among senior members of French military mission and we have (Embtel 179<sup>4</sup>) suggested removal of Col. commanding. Both French and ourselves must get Cambodians to accept greater utilization than heretofore of training facilities, particularly in units. If both MAAG and French military mission stand together much improvement in present training system can be achieved. However, ultimate answer rests with Cambodians and here there is needed decisive Defense Minister as well as a more determined Chief of Staff.

4. [*sic*] MAAG should also participate in planning. At present we are asked to support a defense budget with no say in drawing up plans for which that budget is to pay.

5. There seems to be confusion on part of CINCPAC as to "surface defense units" and desirability of their immediate placement under control of military. Cambodia's internal security (stated goal of JCS) is currently maintained by regular military establishment of FARK, by police force (including surface defense units) and by so-called forces vives who are a rabble of untrained, unpaid militia provided with cast-off equipment from FARK and like police operating under Ministry of Interior. In view of MAAG and ICA police experts, it is desirable that forces vives, currently estimated at 13,000 men, ultimately be recast into some form of national guard trained by FARK but subject to control of provincial governors except in time of national crisis when, as in case of our own national guard, under regime of martial law, it would be placed under command of General Fern as part of general mobilization scheme. However, it must be emphasized FARK will be unable train these militia until FARK itself has trained its own forces.

6. Country team is in thorough agreement need administer aid to Cambodia in such way as to avoid appearance of giving higher or equal priority to Cambodia over SEATO allies receiving United States aid. As matter of fact, as indicated Embtels 111 and 40 to De-

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<sup>4</sup>Dated August 11, not printed. (Department of State, Central Files, 751H.5-MSP/8-1156)

partment,<sup>5</sup> country team has recommended general reduction in aid both military and economic to Cambodia in fiscal year 1957.

7. Expression of wish that "CINCPAC considers it of greatest importance that close coordination exist in country team" is piously platitudinous. This telegram has been personally dictated by Ambassador who can assure CINCPAC and other addressees that activities of MAAG and USOM are closely coordinated.

8. MAAG recommendations re Cambodian force level and revised equipment requirements based on "shift emphasis to internal security" will be forthcoming, it being emphasized that this is not shift of "emphasis to internal security" since MAAG, Embassy and USOM had all along agreed with JCS directive formulated almost two years ago that our military goal here was to achieve internal security, including some delay against external aggression.

9. There is no paucity of advertisement of United States military aid among FARK units. All recipients are aware of its origin. However, continued absence of spare and replacement parts for vehicles, and mounting deadline list of this war-worn second-hand equipment has resulted in a rising skepticism on part of field commanders as to validity of MAAG's repeated assurances these items will ultimately arrive.

It would help in achieving this goal if CINCPAC and other addressees would produce equipment requirements which have been recommended by MAAG and—on paper at least—approved by CINCPAC. Most pressing immediate need is to fill logistical requirements of a small army which will be able to maintain internal security and thus assist Cambodia in maintaining independence from communism.

McClintock

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<sup>5</sup>See footnote 2, *supra*.

247. **Telegram from the Commander in Chief, Pacific (Stump) to the Chief of the Military Assistance Advisory Group in Cambodia (Loeden)**<sup>1</sup>

*Honolulu, August 21, 1956—1:35 p.m.*

220035Z. Exclusive for Brigadier General Loeden. Phnom Penh telegram 208.<sup>2</sup> Regret Ambassador chose to feel CINCPAC views and country teams are opposed. Comments in addition to those in my 212328Z<sup>3</sup> may be of assistance to you in discussion with Ambassador McClintock.

1. I have concurred as long range goal in United States training mission in Cambodia including United States advisory responsibility with respect FARK planning. Sympathetic with the Ambassadors regrets at United States having missed the opportunity last year, I have always held hopes and concur in biding our time until situation is such that positive steps can be taken for formal United States assumption of training responsibilities. Regional aspects, as in all points made by Ambassador in reference message have a bearing on this problem. Critical developments over status of French training missions in Vietnam and critical question of French Missions and bases in Laos are only some of current problems in areas adjacent to Cambodia that have a direct bearing on United States policy regarding relationships and delineations of advisory responsibilities between United States and French in Cambodia. I see no wide variance between Ambassador's and my position on this point, although I point out my responsibility in this, as in all matters involving aid in this area, extends to careful evaluation from a regional or area viewpoint as well as that of a single country. Therefore, I do not believe that in light of the situation in the area as a whole that extraordinary diplomatic representations to obtain French cooperation in Cambodia will be productive or even feasible and have not recommended this specific action at this time.

2. Matter of planning is for practical purposes integral with training problem. Many of the same comments apply. Progress will undoubtedly be slow, but I believe Cambodians will eventually turn to United States assistance although for different reasons than those advanced by country team. I believe that when Cambodians become fully aware of fact that, under MDA criteria, equipment will not be furnished unless capacity exists to utilize and maintain, they will gradually accept fact that satisfactory state of unit effectiveness and

<sup>1</sup>Source: Department of State, Phnom Penh Embassy Files: Lot 62 F 30, 500 Country Team. Secret.

<sup>2</sup>*Supra.*

<sup>3</sup>Not found.

logistic support must be reached that United States training assistance is required to reach it.

3. No confusion exists here as to surface defense units. I have maintained in every country that military forces will continue to be ineffective and indeed may become dangerous unless controlled by Minister of Defense. My 212328Z expands on this idea. I therefore propose that United States assistance for any of these forces be contingent upon their being placed under Minister of Defense and field commanders and not under Minister of Interior or provincial governor.

4. I see no difference in Ambassador's opinion and mine concerning priority of military aid. However, impact on our SEATO Allies is probably more apparent at this than country team level, especially the impact of Thailand and the Philippines. For this reason this point is stressed in my recommendations.

5. I have been awaiting your recommendations on source level for sometime. The MDA objectives for Cambodia still include support for both internal security and limited defense against external aggression. However, since their approachment [*rapprochement*] with Communism, requirement to meet the second objective has lost some substance. Although force objectives now being considered are on order of 30,000, as you may remember the force objectives were once recommended as high as 42,000 largely on the basis of limited defense. Thus for programming purposes this is less basis for limited defense requirements, and in that sense this is a shift of emphasis which must be taken into account.

6. As yet no formal MDAP end item program for Cambodia exists. Only approved program is fiscal year 1956 DFS in support of which military departments have provided considerable expedited supply action. Giving due consideration to this lack of approved end item program, distances involved, other time factors, even high priority cases and priorities of supply world wide, support extended by DOD Agencies to Cambodia, although not all we want it to be from end product viewpoint, has been very good in comparison to other SEA countries. I know of no case where military departments have refused to do everything legally and reasonably possible to provide an item or service properly presented and justified by you and approved by this Headquarters. The scope of such support which varies from medical supplies to musical instruments is unusually all inclusive and the priority assigned has been so high as to [be?] constantly under scrutiny by high headquarters in view other more urgent requests throughout world for limited funds available for military assistance. Continued criticism of military departments and their supply agencies will, in my opinion, only result in less sympathetic

approach to future problems and cause closer scrutiny of priority being accorded Cambodia in relation to world wide priority system.

7. I know that you and Ambassador have cooperated and coordinated most fully. I appreciate difficulties of undermanning under which USOM has operated. As you point out, many of the difficulties of communication and inter team liaison smooth out as the organization matures. I desire to stress, however, that coordination between your program and ICA program must be achieved at your level since nowhere else does the opportunity exist to same degree. This is a problem common to all our MAAGs and requires unremitting effort to produce success in our aid programs. This fact is pointed out to all Ambassadors and country teams in President's directive on coordination by all United States aid programs at country team level. OASD (ISA) 242027Z Cite DEF901745 refers.<sup>4</sup>

8. I am particularly concerned over last paragraph reference message. Firm requirements for military aid recommended by you have received prompt and complete review by me and my staff and, whenever requirements are supportable, that [*they?*] have been recommended to higher headquarters for approval and appropriate supply action. In cases of extreme emergency, such as early request for antibiotics and hypodermic needles, CINCPAC has taken follow through action until expedited delivery has been assured or the requirement is disapproved by higher headquarters. In every case, your headquarters is informed of CINCPAC action. Such support can hardly be characterized as being limited to "on paper" approval. If there is any example Ambassador McClintock or you can point out wherein such support and follow through have not been accorded your recommendation, I would appreciate you reporting it to me.

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<sup>4</sup>Not found.



248. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Ambassador in Cambodia (McClintock)<sup>1</sup>

*Washington, August 21, 1956.*

DEAR ROB: I very much appreciated your long and thoughtful letter of August 1, together with its attachment.<sup>2</sup> It contained a great deal of useful information, both new and supplementary to that which you had already reported. I will comment on only two questions on the two problems discussed in your incoming letter.

. . . . .

With regard to the aid program, it seems that the main pressure for cutting off aid to Cambodia at the present time is coming from the Pentagon not from Congress or American public opinion. It is possible that the Pentagon believes aid funds now going to Cambodia could be used somewhere else. As you have recently been informed by a telegram, the entire question of the military aid program to Cambodia has been referred for study to the Strategic Planning Committee of the JCS. It is difficult for us to follow this study as it goes on, for there is resistance to any guidance being given during this study. However we will attempt to continue to secure consideration of all pertinent papers and certainly will take an active part in any final consideration of the aid program.

I was called before the Zablocki Committee<sup>3</sup> to discuss the Cambodian aid program along with other matters. The request from the Subcommittee for such a discussion followed immediately after the Sihanouk visit to Moscow, and especially after the joint communiqué was published in Moscow and press reports of Sihanouk's effusive speech and toasts at the Kremlin reception.

In summary, I explained to the Subcommittee that our aid program to Cambodia was in our own national interest and was designed to serve no other purpose. I stated that I did not believe Sihanouk had gone so far that continued aid would not be in our national interest. I pointed out that some of the things Nehru does and says are not at all pleasant but we are continuing to give aid to India, not Mr. Nehru. Likewise, Cambodia is bigger than Sihanouk. I did add that in case there were substantial cuts in the aid program, we

<sup>1</sup>Source: Department of State, Central Files, 751H.00/8-156. Top Secret; Official-Infomal. Drafted by Price on August 17 and cleared by Young.

<sup>2</sup>Document 244.

<sup>3</sup>The Far East Subcommittee of the House Foreign Affairs Committee, Clement J. Zablocki (D.-Wisc.), chairman.

would have to place our money on the best bets and in such a case, Cambodia might be left out. I believe, however, the cuts were not deep enough to eliminate Cambodia and at present we are planning to continue aid to Cambodia. The purpose of this aid will still be to assist Cambodia to remain independent; it is not a token of our liking for Sihanouk.

Therefore, I cannot agree with Admiral Radford when he states that U.S. assistance to Cambodia will probably cease because Congress will not put up with Sihanouk any longer. We are planning aid for Cambodia in 1957, as evidenced by our recent telegrams from here and by discussions which you have held with Dr. Moyer in Phnom Penh. We anticipate a cut in aid to Cambodia but as you have indicated in your telegrams you share our view that such a cut is both possible and desirable.

Therefore, I believe you are correct in assuming that there will be no radical change in our policy in Cambodia at this time.

With warm regards,

Sincerely yours,

Walter S. Robertson<sup>4</sup>

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<sup>4</sup>Printed from a copy that bears this typed signature.

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**249. Memorandum From the Acting Director of Central Intelligence (Cabell) to the Secretary of State<sup>1</sup>**

*Washington, September 28, 1956.*

**SUBJECT**

Transmittal of Cable from Mr. Allen W. Dulles Concerning the Security and Political Situation in Cambodia<sup>2</sup>

On 25 September 1956 we received a cable from Mr. Allen W. Dulles in Singapore which is paraphrased as follows:

"1. Ambassador McClintock and I had a long talk with Prince Sihanouk on 21 September about which the Ambassador has reported.<sup>3</sup> Sihanouk is supremely confident of the correctness of and popu-

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<sup>1</sup>Source: Department of State, Central Files, 751H.00/9-2856. Secret.

<sup>2</sup>Allen Dulles took an extensive world tour August-October 1956. He was in Cambodia September 21-22.

<sup>3</sup>McClintock described this conversation as follows:

lar support for his policy of neutrality. He is also over-confident of his ability of dealing with Communist subversive tactics, particularly those based on large Chinese and Vietnamese indigenous populations. In any event I see no early prospect either of arguing or cudgelling him out of his position . . . Sihanouk is certainly no Communist, but is naive in putting trust in Communist promises. Our best bet as I see it is to build up the Police and counter subversive forces so that as Communist activities become more blatant his own people will be able to report hard facts to him.

"2. It is important that prompt advantages be taken of the apparent shift in Cambodia's attitude regarding the acceptance of American advice and assistance in an internal security program. This is reflection of a growing realization on the part of Cambodian leaders, *not* including Sihanouk, of the subversive dangers inherent in the presence of Chinese Communist or other aid missions. Ambassador McClintock is cabling details of talks on this subject with Prince Sihanouk, Dap Chhuon, Minister of Internal Security, and Loeung Nol, his assistant.<sup>4</sup> . . .

. . . . .

"4. The strength of the pro-Viet Minh community in Phnom Penh may pose a greater immediate threat to Cambodian security than the Chinese. The Vietnamese community is being used as a main base for already strained Cambodian-Vietnamese relations.

"5. Diem in a conversation with me referred to Sihanouk as a 'fool' and was outspoken in his hostility toward the present Cambodian regime. . . .

"6. At the moment Sihanouk is the focus of virtually all power in Cambodia and it is vital that a way be found to increase and improve our relations and our access to him. At present he is aloof from American representatives other than on official occasions and there is apparently no effective way of countering his own misconceptions concerning American policy and intentions or the spate of anti-American charges being fed him from various sources. Some senior person in the U.S. community in Cambodia should be skilled in French and have a flair for music and other cultural interests of Sihanouk, who feels he knows Cambodia's needs better than outsiders and . . . ."

**C.P. Cabell**

*Lieutenant General, USAF*

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"In interview lasting more than hour last night Prince Sihanouk gave Allen Dulles complete résumé his views on internal and external policy of Cambodia. Nothing new in this account, at least to me who had been listening to similar harangues over period of two years." (Telegram 357 from Phnom Penh, September 22; Department of State, Central Files, 751H.00/9-2256)

\*See telegram 402, *infra*.

250. Telegram From the Embassy in Cambodia to the  
Department of State<sup>1</sup>

*Phnom Penh, October 2, 1956—3 p.m.*

402. Department pass CINCPAC as Embtel 13 also pass DOD. Accompanied by General Lodoen and Colonel Yarborough of MAAG, I had 2-hour interview with Prince Monireth, Minister National Defense, this morning (2d). Prince readily agreed MAAG should have access to FARK planning at every stage. He said he had no secrets to hide and that mission of Khmer armed forces was very simple: to defend frontiers from external aggression and to maintain internal security.

Prince proposed MAAG and FARK staffs meet on regular basis to go over detailed military and logistics plans and to work out jointly means for meeting FARK requirements. He said he was man of no illusions who would have to make out with what he got as best he could and if US was not able give everything he desired at least he would take what he could get with gratitude. He said he felt minimum force basis for FARK should be 35,000 men of whom 25,000 would be combat effectives and 10,000 in service forces. He desired to regroup elements of army in larger units and in more central locations; improve firepower by more constant target practice; secure if possible light armored vehicles but not heavy tanks ("they would ruin our roads") and be very sparing in use of trucks for [garble]. He said "ours is an infantry army and soldiers ought to learn to fight on their feet." Rapid agreement was reached on outstanding problems bearing on construction of POL depot, ordnance depot at Lovek, and completion of MAAG housing.

In all, it seems MAAG is off to excellent start with Monireth and this momentum should endure . . . .

McClintock

<sup>1</sup>Source: Department of State, Central Files, 851H.501/10-256. Secret.

251. Letter From the Ambassador in Cambodia (Strom) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald)<sup>1</sup>

*Phnom Penh, January 10, 1957.*

DEAR BILL: The Vietnamese representative to Cambodia, Mr. Ngo trong-Hieu, is a very unusual man. He treated Martin Herz to such an extraordinary discussion recently that I asked Martin to make a record of it in great detail in order that his ideas might be considered by yourself and by Fred Reinhardt. I am enclosing a copy of the record and am sending copies of the letter and memo to Fred.

Hieu is quite right in his assessment of the situation in the Vietnamese minority here. Anti-Diem elements, ranging from vaguely fellow-traveling to outright pro-Communist, are increasingly active in it. The pro-Communist trend seems to be accelerating. Naturally, Hieu is casting about for means to redress the situation. The positive aspects of his contemplated program were summarized in our telegram to the Department No. 727, repeated to Saigon as No. 185.<sup>2</sup>

. . . . .

If any such action were taken, we think the first result would be that the Cambodians would send Mr. Ngo trong-Hieu packing, and this would perhaps not be a bad thing though we are the first to admit he is a very vigorous and active individual,—maybe too much so. . . . He is already being suspiciously watched by the Cambodian police. Only the other day, a high police official (Dap Chhuon's trusted assistant, Loeung Nal) confirmed to us that one of Hieu's agents had been picked up by the "neutralist" Chief of the National Police with letters of instructions signed by the Vietnamese representative. Loeung Nal also told Godley that a report had been received to the effect that Hieu had had several big cases delivered to his residence at 2 o'clock in the morning. Had he had them delivered at high noon, Loeung Nal remarked, there would have been no suspicion of anything untoward. Godley mentioned this to Hieu who denied it vehemently, but in any event our friend Hieu is not very

<sup>1</sup>Source: Department of State, Central Files, 751H.00/1-1057. Top Secret. Carl W. Strom was appointed Ambassador to Cambodia on October 11 and presented his credentials on December 6.

<sup>2</sup>This program, according to the summary in telegram 727 from Phnom Penh, January 8, included Hieu giving Sihanouk a "detailed list of communist agents" active in Cambodia, a visit by the Queen of Cambodia to Dalat, and an invitation to the entire Cambodian press including Communist and pro-Communist journalists to visit South Vietnam. (*Ibid.*, 651G.51H/1-857)

subtle and the "neutralist" element of the National Police are already after him.

Ngo Trong-Hieu's positive program for improving Vietnamese-Cambodian relations is, I believe, as good as any we could draw up. I hope he goes ahead with it. If it meets with only moderate success he, himself, will probably not wish to carry out the extreme measures he spoke about to Martin. In any event, I do not propose that anyone at the Embassy should express any approval of Hieu's ideas, nor, in fact, revert to them at any time. I should, however, appreciate receiving any comments you may wish to make on the matter.

With kindest regards,

Sincerely yours,

CWS

[Enclosure]

**Memorandum of a Conversation Between the Vietnamese Representative (Ngo Trong Hieu) and the Second Secretary of the Embassy in Cambodia (Herz), Phnom Penh, January 2, 1957<sup>3</sup>**

Ngo Trong Hieu said he needed my advice. He felt South Vietnam is losing ground rapidly among the Vietnamese minority in Cambodia. The Communists are becoming bolder all the time, and the Cambodian Government either does not care or deliberately favors them. There are now three pro-Communist Vietnamese papers—the third, *Trung-Lap*, edited by Tran-van-Bao, has just appeared. Hieu confirmed the report we had that the pro-Diem newspaper, *Hon Viet*, is doing very badly: *Hon Viet* sells about 300 copies, whereas *Song Chung*, the leading Vietnamese-language pro-Communist paper, sells 2,000.

I said I didn't for a moment believe that the ratio of *Hon Viet-Song Chung* sales represents the true ratio of pro-and anti-Diem sentiments in the colony here. Hieu gratefully agreed. I said that the sales of a newspaper often have more to do with the journalistic capabilities of its editors than with its editorial line. I had heard that *Hon Viet* is just a dull sheet while its rivals are crusading, well-written and interesting. Hieu again agreed and said that a team of good journalists from Saigon will be coming up to Phnom Penh in about a month. But he was not really principally concerned with the newspaper situation. He wanted to discuss the bigger picture. He needed advice. What

<sup>3</sup>Top Secret.

could he do to reverse the unfavorable general trend? The newspaper picture is, after all, only a reflection of the situation in which flirtation or cooperation with the Communists is becoming "the thing to do" in the minority in Cambodia because the Government tolerates or even encourages it.

Hieu professed to be exasperated. He had racked his brains what to do, he felt that something must be done to reverse the trend spectacularly. Did I think libel suits against the pro-Communist papers would produce such an effect? After all, Prince Sihanouk is ordering such suits against papers that are supposed to have slandered him and the Sangkum. There is a police instruction to the effect that papers published in Cambodia must not attack the heads of governments with which Cambodia maintains friendly relations. Did I think that Hieu might use this to dramatize the fact that South Vietnam, a friendly country, is being grievously wronged by papers published in Cambodia? I expressed skepticism about this idea. Hieu agreed. There was a pause. I said nothing because I had the distinct impression that Hieu wanted to develop another idea.

. . . . .

Hieu said he had given much thought to just that angle. What did I think of the following gambit: He was planning in any event to see Sihanouk in the near future, to discuss with him the procedural aspects of implementation of the Paris accords. (See separate memo.<sup>4</sup>) On that occasion, he might do two things: First, he would hand Sihanouk a list of Viet Minh agents in Cambodia, to make him aware of the danger to Cambodia. Second, he would tell the Prince that he had heard that attempts would be made upon the leading men on that list. He was telling Sihanouk about those reports, he would say, in order that the Cambodian Government might take precautions and protect those people. On the other hand, he would add in talking with Sihanouk, he didn't see that their presence was at all helpful and was wondering whether a better solution (than protecting them) wouldn't be to order them out of Cambodia. . . .

. . . . .

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<sup>4</sup>Not found in Department of State files. According to telegram 727 from Phnom Penh, Hieu planned to propose to Sihanouk the establishment of a joint Vietnamese-Cambodian committee for implementation of settlement of such problems as debt resulting from separation of currencies, navigation of the Mekong, and a free zone in the port of Saigon. The guidelines for settlement of these problems were worked out at the Paris Quadripartite Conference attended by France and the Associated States, August-December 1954, hence the reference to the Paris accords.

Having opened his heart on this subject, Hieu proceeded to outline the rest of his positive action program, which appears eminently constructive and which is detailed in a separate memorandum.<sup>5</sup>

In the sphere of covert operations, Hieu surprised me by asking my advice as to what he should do in the case of an agent of his who is in trouble with the Cambodian National Police. Did I think that the American Embassy could offer any assistance? The agent in question is the first of Hieu's men who was arrested, and Hieu fears that if he is unable to get him released his whole "réseau" in the rubber plantations would collapse. The man had been working at the Krek plantation. He had been responsible for keeping the paper *Song Chung* out of there, and someone belonging to the Communist network had apparently denounced him to the Cambodian police which sent some men up to Krek to arrest him, allegedly on the grounds of concealed weapons. Hieu claimed that the man had no weapons in his possession. I asked him why he was then concerned. He said he didn't know how much else the Cambodian authorities knew of the man's activities. I said I didn't think we could help him at all in this instance.

A little later, Hieu asked me whether I thought Laspeyres (Pierre-Jean Laspeyres, anti-Communist editor of the Saigon-financed French-language paper "La Liberté") could be trusted. He had recently been often seen in the company of members of the Soviet Embassy. I related to Hieu a number of personal observations of Laspeyres that made me think him somewhat quixotic but basically decent. Among the incidents I mentioned was Laspeyres' recent visit to my office to seek American financial assistance for "Liberté". Surprisingly enough, Hieu commented that we should not think of giving any assistance because he is already giving very substantial support. . . . (Later on the same day, Hieu offered Laspeyres a small car. He had apparently wanted to check my opinion of him before making that gift.)

Concluding the overall portion of the interview, Hieu remarked that he would not and could not stand by indefinitely, with his pants conveniently let down to his ankles, while the Cambodians and the Communists were bestowing kicks on his posterior. The time would come when he would have to fight back. Perhaps the time is not yet. Perhaps he should in any event carry through his positive action program first. But he would not indefinitely remain on the receiving end. Some day he would get tough.

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<sup>5</sup>Not found in Department of State files, but see footnote 2 above for a summary of the program.



And although I hadn't given him any advice, he thanked me profusely for this opportunity of "consulting" on these matters with me.

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**252. Letter From the Ambassador in Cambodia (Strom) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Phnom Penh, February 14, 1957.*

DEAR WALTER: I recall our conversation last October<sup>2</sup> about the possibility of a visit by Prince Sihanouk to the United States and remember that you were at that time not in favor of it. However, it seems to me that the time has now come when we should seriously consider inviting him. I have come to the conclusion that it would be on balance very advantageous to us, provided the visit is properly organized so that we do not seem to be in competition with the Communists in the kind of treatment they have given him and which we cannot hope to duplicate even if we wanted to.

There can be no question but that the Communists have made considerable headway with Sihanouk by inviting him to Peking, Warsaw, Moscow, Prague, and also Belgrade. All these trips took place at the initiative of the Communists, and Sihanouk has repeatedly declared that he accepts all invitations—and has done so in the case of the Philippines, Japan, Spain and Austria, the only non-Communist countries that invited him on similar state visits. There is hardly a balance in his recent travels, however, and the Prince is the first to be aware of it. From non-official contacts which he has had with Americans (for instance with Kalb of the *New York Times*) we believe that he would jump at an invitation to come to the United States.

I consider that we must do our part in restoring the "balance" in Cambodian neutrality that Sihanouk professes in principle but has failed to create in practice. It seems to me that the present lack of balance is partly due to our understandable reaction to his flirtations with the Communists. But we cannot in the long run sulk and refuse to compete to a certain extent with our enemies. While we cannot flatter him the way they do, there are many things we can do, and have failed so far to do, to impress him with our desire for peace our

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<sup>1</sup>Source: Department of State, Central Files, 751H.11/2-157. Secret; Official-Informal.

<sup>2</sup>No record of this conversation has been found.

economic strength, our democratic institutions and our friendship for his country.

. . . . .

I would, then propose that we invite the Prince on a visit that would combine a minimum of official entertainment in Washington with a maximum of "orientation" of the kind that is offered under the Leader Grant program. There would have to be adjustments to allow for his status and his need for special attention. But I believe that such adjustments should be possible and that a good program could be worked out which would be acceptable to him and would achieve the purposes I have in mind.

I should like to have authority to broach this subject with him in the near future. There is no need for the visit itself to be in the very near future—it might be in the fall, for instance. I would like to be able to encourage him to spend at least four weeks in the U.S. and possibly longer. In fact, the length of his stay might be a condition for the invitation. I have in mind a trip that would bring him for a few days to Washington and doubtless for a while to the U.N. at New York, but would otherwise carry him to several other regions including the Middle West and the West Coast. I can very well visualize him conducting his "Cambodian Rhapsody" for Kostelanetz, visiting the Ford plant at Detroit (where he might be entertained "incognito" by some prominent people), observing the life in a typical small or medium-size town, visiting in Texas and spending some time in Hollywood where he would doubtless be a find for the local hostesses. In San Francisco, the Asia Foundation could take him in hand. I imagine he would depart for Cambodia with a lot of useful knowledge about America that would benefit us for a long time.

There is no need, I think, for us to concern ourselves with the details at present when we are, after all, dealing with the question whether the Prince should be invited or not. . . . The Prince would after all be traveling with a small suite (a valet, probably the French newspaperman Barré who would write accounts of the trip for the Cambodian press, and a Cambodian secretary or high-ranking traveling companion, . . . and would have to be put up with more comfort than is provided by the usual per diem. . . .

Another thing that seems like a detail but is really a basic point is the need for a mature, politically knowledgeable and sensitive escort officer. Unless such a man can be found, I think the Prince should not come.

I am quite aware that the idea of a visit by Sihanouk will not give rise to rejoicing in the halls of the Department, but there are many unpleasant and difficult things that have to be done in our na-

tional interests, and I do believe that despite the counter-arguments, of which I am well aware, we should give very serious consideration to the idea of inviting the Prince to visit our country.

With warm regards,

Sincerely yours,

Carl

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253. Letter From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Ambassador in Cambodia (Strom)<sup>1</sup>

*Washington, March 6, 1957.*

DEAR CARL: I certainly agree with the statement in your letter of February 14<sup>2</sup> that it would be highly desirable for Sihanouk to understand us better. One way to improve such understanding probably would be to bring him here so that he could get better acquainted with the United States and become convinced, as have other Cambodian visitors, that the Americans are friendly towards the Cambodians and that the sole aim of the United States in Cambodia is to assist that country to remain independent.

While I agree that from many points of view a Sihanouk visit to the United States would be desirable, I do not believe we can approach Sihanouk along these lines at the present time. The schedule of visits this year is extremely crowded and we are having trouble in fitting in visits from Magsaysay and Diem . . . . We will, however, keep in mind a visit from Sihanouk as a possibility for next year, depending on the relationship between our two countries at that time.

I recognize that under your proposal a visit from the Prince would not be in the category of a state visit as will be those of Magsaysay and Diem.<sup>3</sup> However, in view of Sihanouk's position and importance, I believe we would have to treat him practically in the same manner as if he were making a state visit. Red carpet treatment appears all the more necessary since he apparently feels that he is entitled to it. In my opinion, he would expect on his next visit to the

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<sup>1</sup>Source: Department of State, Central Files, 751H.11/2-1457. Secret; Official-Informational. Drafted by Price and cleared by Kocher and Sebald.

<sup>2</sup>*Supra.*

<sup>3</sup>Diem visited the United States May 5-20, 1957. President Magsaysay of the Philippines never visited the United States; he was killed in an airplane crash on March 17, 1957.

States even more than the considerable courtesies he received during his last visit in 1953.

It will be a real pleasure to see you in Phnom Penh shortly and to discuss this and other matters with you.

Sincerely,

Walter S. Robertson<sup>4</sup>

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<sup>4</sup>Printed from a copy that bears this typed signature.

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## 254. Paper Prepared by the Operations Coordinating Board<sup>1</sup>

*Washington, April 10, 1957.*

### OUTLINE PLAN OF OPERATIONS WITH RESPECT TO CAMBODIA

#### I. Introduction

##### *A. References:*

(1) U.S. Policy in Mainland Southeast Asia, NSC 5612/1, Approved by the President, September 5, 1956.<sup>2</sup>

(2) NIE 63.2-55, Probable Developments in Cambodia to July 1956, dated August 16, 1955.<sup>3</sup>

(3) NSC 5602/1.<sup>4</sup>

##### *B. Special Operating Guidance:*

1. U.S. operations in Cambodia should be conducted in the context of U.S. objectives which are: to prevent the countries of Southeast Asia from passing into or becoming economically dependent upon the Communist bloc; to persuade them that their best interests lie in greater cooperation and stronger affiliations with the rest of the free world; and to assist them to develop toward stable, free, representative governments with the will and ability to resist Communism

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<sup>1</sup>Source: Department of State, OCB Files: Lot 62 D 430, Cambodia. Top Secret. Approved by the OCB at its meeting of April 3. (Preliminary Notes of OCB meeting, April 3; *ibid.*, OCB Preliminary Notes)

<sup>2</sup>Document 119.

<sup>3</sup>Document 217.

<sup>4</sup>NSC 5602/1, entitled "Basic National Security Policy," March 15, 1956, is scheduled for publication in volume xx.

from within and without, and thereby to contribute to the strengthening of the free world.

2. As political power in Cambodia is centered at the present time in Prince Norodom Sihanouk and . . . caution should be exercised to avoid arousing his hostility to U.S. policy or to American representatives.

3. U.S. military aid should be continued as long as Cambodian leaders demonstrate a will to resist internal Communist subversion and to carry out a policy of maintaining Cambodian independence. Encouragement and support should be given to individuals and groups who resist Communist pressure. Our purpose should be to deny Cambodia to Communism, not expecting a greater show of gratitude or even substantially improved cooperation on the part of the Cambodian Government.

4. The economic and technical aid program though concentrating on a few well-defined objectives, should be kept flexible (a) to avoid duplication with other country assistance to Cambodia, (b) to exclude as far as feasible Communist aid from "sensitive" projects (such as police training, teacher training, organization of farmers' co-operatives) and other vital projects where Communist influence would jeopardize the attainment of U.S. objectives. The Cambodian Government recognizes the problems inherent in commingling of aid sources, and has already agreed to exclude Communist participation in U.S. financed projects. The U.S. should continue to press for advantage in the selection of projects, and for Communist aid programs to be confined to projects in non-controversial activity areas. U.S. programs should be carried out in such a way as to encourage the Cambodian Government not to request Communist aid missions to help complement specific U.S. aid projects.

5. A continuing effort should be made to reduce U.S. financial support of the Cambodian armed forces to the minimum necessary for accomplishment of their internal security mission.

6. The U.S. view of the proper mission for the Cambodian armed forces is to provide internal security with the U.S. limiting its support to equipment and forces appropriate to such a mission. The mission could involve such actions as support of police forces, suppression of armed insurrection, suppression of a coup, or retrieving a subverted government by means of a coup. In order to be prepared for this type of mission, Cambodian military leaders should have (a) a firm pro-free world orientation, and (b) an alert awareness of the Communist threat. For the moment emphasis should be placed on cooperation with the French in the training of Cambodian troops.

7. Continue to explore the possibility of arranging discussions with Cambodia in an endeavor to achieve agreement as to future U.S.

aid programs which will be more moderate in their demands upon U.S. resources and the local economies.

8. *Special Situation: Chinese Communist Aid to Cambodia*

An economic aid agreement was signed with the Chinese Communists last June,<sup>5</sup> providing for total aid to Cambodia of \$22.8 million over a two-year period. This aid will consist of equipment and of consumer goods to be sold for local currency; both would be used to build textile, cement, paper, and plywood plants, to develop agricultural irrigation, to supply rural communities with electricity, to build universities, hospitals, youth and sports centers, roads, bridges, etc. The Chinese insofar as they have the capacity will send technicians and specialists who will give assistance in research, surveying and building operations as well as training Cambodian technicians. To execute this agreement there has been an exchange of economic missions. The Chinese Communist mission arrived in Phnom Penh in late September.

It was reported that in February 1957 relations between the Chinese Economic Mission and the Government of Cambodia were deteriorating. Cambodians came to feel that the mission was not producing and the Chinese aid had not materialized. However, in March 1957, our Embassy in Phnom Penh received reliable reports that the Chinese Communist Aid program is expected to begin actual operations in the near future with the construction of a building to house the Ministry of Plan, thereby followed by other construction projects for the Ministry of Education and for the Directorate of Posts and Telecommunications. Plans for textile, cement, plywood, and paper factories are reported progressing only slowly.

Aid has also been promised to Cambodia by the USSR and Czechoslovakia. Cambodia seems to have been chosen as the site for a new Communist experiment designed to use economic aid programs as a means of political penetration of countries outside the Communist Bloc. The advent of this new aid program gives us not only a new challenge but also a fresh opportunity. The best interests of the United States would be served not by quitting Cambodia in a huff nor engaging in competition for Cambodian favor by bidding for the highest aid program. Rather, it is in our best interest to try to meet the priority needs of Cambodia in the most efficient manner. When projects are selected under our aid program we should complete them more efficiently and expeditiously than do the Chinese Communists.

It is a safe presumption that the Chinese Communist aid mission is devoting its efforts and its large number of personnel to penetrating and gaining control over the Chinese communities in Phnom

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<sup>5</sup>See Document 239.

Penh and all over Cambodia. Chinese "technicians" are reported seen throughout the country. Vietnamese Government officials claim many Vietnamese communists are serving on the mission as "Chinese" for subversive purposes. One objective of United States programs in Cambodia should be to frustrate this first real Chinese Communist attempt at economic aid and the Chinese Communist organization of a base and center in Cambodia to subvert Southeast Asia.

[Here follows section C., "Selected U.S. Arrangements with or Pertaining to Cambodia," and Part II, "Actions Agreed Upon."]

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**255. Memorandum From Robert McClintock of the Policy Planning Staff to the Assistant Secretary of State for Policy Planning (Bowie)<sup>1</sup>**

*Washington, May 21, 1957.*

**SUBJECT**

U.S. Policy Toward Cambodia

On his trip to Canberra,<sup>2</sup> the Secretary remarked to the Counselor of the Department that it might be a good thing to have a new look at our past and current policies toward Cambodia. The underlying paper<sup>3</sup> is responsive to that wish.

The first part of the paper traces past U.S. policy toward Cambodia, which was to furnish economic and military assistance to the extent necessary, coupled with aid from other Free World countries, to enable the Kingdom to maintain its independence. U.S. aid, both military and economic, has averaged about \$50 million a year, but in FY '57 it has been considerably reduced (to \$32 million) and the downward trend is projected into 1960. Primary among U.S. aid programs for Cambodia were maintenance of reduced but more efficient armed forces; the construction of an important highway from the capital to the sea; and effective work in the field of basic education. France, Colombo Plan countries, India, and Japan have contributed modest amounts of aid to Cambodia. In 1956, the Chinese Communists promised a two-year aid program of \$22.4 million, and Cambodia has signed trade and aid agreements likewise with Czechoslovakia and the USSR. It is generally agreed that without foreign assist-

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<sup>1</sup>Source: Department of State, S/P Files: Lot 67 D 548, Cambodia. Secret.

<sup>2</sup>To attend the SEATO Council meetings, March 11-13; see Documents 139 ff.

<sup>3</sup>Attached but not printed.

ance at this stage of its development, Cambodia is not a viable state; but with proper training of personnel and a rational development of the economy, the country could in a fairly short time be placed both economically and militarily on its own feet.

The Government of Cambodia is a dictatorship by its former King, Prince Norodom Sihanouk. . . . governance in Cambodia is a jerky thing, a benevolent despotism sustained by monarchy and tempered by Buddhism. The Prince, who has no other rivals, believes he is following a policy of strict neutrality as between the Free World and the Communist camps, but his pronouncements and travels in Communist countries have made it possible for him to be used effectively by Communist propaganda in the Far East and elsewhere.

India is watchful of developments in Cambodia as part of its policy to ring the periphery of China with a buffer of neutral states. In general, although Indian policy works constantly against Cambodian participation in SEATO, the Government in Delhi favors U.S. aid programs and realizes that without them the Kingdom would probably become Communist.

Since 1956 Chinese Communist influence has greatly increased in Cambodia, particularly in the large Chinese community. The congregations which administer Chinese internal affairs are now openly in favor of Peking, and the Chinese educational system has been completely penetrated by the Communists. However, thus far Prince Sihanouk has refused to recognize Peking and has followed a similar policy toward the Communist government of Hanoi. Relations with Viet-Nam and Thailand, Cambodia's two immediate neighbors, are chronically bad.

Any assessment of what to do about Cambodia boils down to the problem of Prince Sihanouk. . . . periodically the temptation is almost overpowering to make Cambodia a test tube case of what should happen to neutralist countries which accept Communist aid and whose leaders by their pronouncements and attitudes give advantage to the Communist cause.

However, if the United States should cease its aid programs for Cambodia, it would not bring the Cambodian people to their knees because their wants are so simple they can get along without any outside aid and still survive. Furthermore, in the judgment of the present country team in Phnom Penh, withdrawal of U.S. aid would leave a vacuum which would be filled shortly by the Chinese Communists and there would be an early loss of Cambodian independence. This would pose difficult problems for the United States. Both our principal SEATO ally, Thailand, and our principal Southeast Asian client, Viet-Nam, would be alarmed if the Communists took over in Cambodia, and the American Government would be faced with the problem as to whether in fact such a take-over came within



the province of the SEATO Treaty, and if so, what SEATO should do about it. The tendency in either Bangkok or Saigon to take over Cambodia in such a contingency might spark a war in Southeast Asia through affording a pretext for an attack by North Viet-Nam against the South or even by mainland China as a guarantor of the Geneva settlement.

The application of U.S. policy to a neutralist state of seeking to aid it to obtain its sovereign independence has a scope much wider than Cambodia. In this small country there is found in microcosm all the elements with which the Free World must deal in adjusting its policies to the great anti-colonial revolution which in varying degrees has been completed or is in the process of occurrence in the zone from Southeast Asia through the continent of Africa, and including the Middle East. It is submitted that despite the many ups and downs of the application of our policy toward Cambodia, the policy itself has not varied, and the Cambodians have in fact maintained their independence. Thus in Cambodia, as elsewhere in the uncommitted area of the former colonial countries, we have been able to apply a policy which although perhaps not as desirable as that of perfecting systems of collective security, has at least demonstrated the advantage of utilizing the inert weight of neutrality as a counterpoise to communism.

In sum, therefore, the policy of the United States toward Cambodia of assisting it to maintain and defend its independence should not be changed. The continuing requirement is the application of diplomatic skill, fortified by modest but adequate aid programs and sustained by enduring patience.

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**256. Memorandum From the Chief of the Military Assistance Advisory Group in Cambodia (Hartshorn) to the Ambassador in Cambodia (Strom)<sup>1</sup>**

*Phnom Penh, July 14, 1957.*

1. I am returning herewith the excerpts from Mr. Young's paper<sup>2</sup> which you asked me to check for content and factual data. I am also

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<sup>1</sup>Source: Department of State, Phnom Penh Embassy Files: Lot 62 F 30, 500 Country Team. Secret.

<sup>2</sup>Reference is to an excerpt from the study prepared by McClintock and the Policy Planning Staff and submitted to Bowie by McClintock under cover of the memorandum *supra*. The study is not printed.

attaching the slightly revised section on military assistance incorporating my suggested changes, which, for the most part, are minor variations in totals from those shown in our programming data.

2. The third sentence in the 2nd paragraph of Mr. Young's paper states that "The U.S. has informed the Cambodian Government that . . .".<sup>3</sup> I have deleted this part of the sentence because MAAG has never informed the Cambodian Government of the level of aid for any of its annual programs. This same sentence states that MDA Aid for FY '57 will be \$9.2 million. Our figure is \$1.6 million. I am curious to know how Mr. Young could have arrived at a figure that is almost six times as large as the amount we have programmed for FY '57.

3. In his third paragraph, Mr. Young speaks of a reduction in forces from 48,000 to 31,000 members. I cannot explain the higher figure. At one time, a figure of 45,000 was used for planning purposes, but the highest strength the FARK has ever had was slightly in excess of 38,000, and that is the figure which we have always used as the highwater mark of FARK strength.

E.S. Hartshorn, Jr.  
*Brigadier General*

## [Attachment]

### *I. Military Assistance*

Pursuant to this policy of the US, economic aid was continued on the basis of previously existing agreements between the Cambodian and American Governments; and on May 16, 1955 an MDA Agreement was signed at Phnom Penh formalizing the provision of military assistance to Cambodia and providing for the establishment of a Military Assistance Advisory Group. Thus, despite its pronounced attitude of strict neutrality in the cold war, Cambodia became the only neutralist nation in Asia to accept an American MAAG.

MDA assistance for Cambodia in FY '55 totaled \$32.75 million, plus \$29 million for consumables and construction, or a total of \$61.75 million. In FY '56, the MDA contribution dropped to \$10.1 million and construction and consumable programs to \$29.17 million, making a total of \$39.27 million. The program level of aid in FY '57 was MDA \$1.82 million and construction and consumable items \$20.7, or a total of \$22.52 million for the fiscal year. It is estimated that by fiscal 1960, the total contribution will slip to \$20.05 million.

<sup>3</sup>Ellipsis in the source text.

This steadily declining curve of military assistance for Cambodia was accomplished by a reduction in forces from 38,000 to 31,000. At the same time with the increasing influence of MAAG, there was a notable gain in the efficiency of the Cambodian Armed Forces, and, with improved coordination between MAAG and the French Military Training Mission, the capability of the Khmer Armed Forces to maintain internal security within the Kingdom and to provide a deterrent against external guerrilla aggression had notably improved. As a result of the American Aid Program, and of the devoted and intelligent operations of MAAG, the Cambodian Armed Forces at the present time constitute a corps of pro-American, conservative and loyal elements, basically anti-communist in outlook, although by Western military standards still far from optimum efficiency.

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**257. Letter From the Ambassador in Cambodia (Strom) to the Director of the Office of Southeast Asian Affairs (Young)<sup>1</sup>**

*Phnom Penh, August 16, 1957.*

DEAR KEN: In reply to your undated letter received about July 3, dealing with the paper on "United States Policy Toward Cambodia",<sup>2</sup> I attach the comments of the Country Team.<sup>3</sup>

As to the covering memorandum dated May 21, 1957, from Mr. McClintock to Mr. Bowie, the Country Team has not attempted to give it a detailed analysis. The Team is, however, generally in accord with the sense of the memorandum with the following qualifications:

1) With regard to the second full paragraph on page 2, the picture of Communist penetration of the Chinese community is much too extreme. Although the situation is still bad, there had been a noticeable improvement (See the re-write of the Chinese section of the underlying paper in the attached comments).

2) The third paragraph on page 2 may be a little too strongly worded.

3) With regard to the sentence beginning in the third line on page 3, General Hartshorn feels that the language is too strong. Although both Vietnam and Thailand might be tempted to try to "take over" Cambodia under the circumstances described, he feels that the United States has sufficient control over their armed forces to pre-

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<sup>1</sup>Source: Department of State, Phnom Penh Embassy Files: Lot 62 F 30, 500 Country Team. Secret; Official-Informal.

<sup>2</sup>Young's letter is not printed; it transmitted the study on U.S. policy toward Cambodia submitted to Bowie by McClintock under cover of Document 255. The study is not printed. (*Ibid.*)

<sup>3</sup>Attached but not printed.

vent it. Thus the problem should not be described as a "tendency", but as a "desire".

4) As to the end of the penultimate paragraph, the Team does not feel there is necessarily an "advantage" in utilizing the "inert weight". It is more of a "possibility" which exists in the absence of better expedients.

The Team does, of course, concur in the last summary paragraph of the memorandum.

Sincerely yours,

CWS

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**258. Despatch From the Embassy in Cambodia to the Department of State<sup>1</sup>**

No. 221

*Phnom Penh, January 17, 1958.*

SUBJECT

Year-End Examination of United States Policy Toward Cambodia

[Here follows a table of contents.]

**SUMMARY**

The principal objective of United States policy toward Cambodia is the maintenance of Cambodia's independence and its denial to the Communist bloc. Both the military and the economic aid programs were undertaken for the furtherance of this objective. The natural corollaries of this basic policy are, on the economic side, the fostering of Cambodia's ability to support itself and, on the political side, the encouragement of pro-West attitudes and counteracting of pro-Communist tendencies.

Cambodia's neutrality has in its practical application followed a tacking course, in order to avoid a too close association with either bloc. This tacking has been primarily determined, however, by the largely subjective reactions of Prince Sihanouk's tacking to the left

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<sup>1</sup>Source: Department of State, Central Files, 611.51H/1-1758. Secret. Drafted by Gordon G. Heiner, Second Secretary and Consul at Phnom Penh. A note at the end of the despatch requested the following distribution:

"The Department is requested to send copies of this despatch to ICA/W, Defense and USIA; to the Embassies in Bangkok, Canberra, Djakarta, Kuala Lumpur, London, Manila, New Delhi, Paris, Phnom Penh (10), Rangoon, Saigon, Seoul, Taipei, Tokyo, and Vientiane; to the Consulates General at Hong Kong, and Singapore; and to POLAD CINCPAC."

during 1956, as manifested in his tour of Communist capitals, laid the basis for all Sino-Soviet bloc activities in Cambodia during 1957.

During the past year the Communist bloc has exerted a sustained effort to follow up and consolidate the advantages gained during 1956. Diplomatic and economic aid missions have been established; a succession of top ranking Communist officials, cultural missions and sports delegations have visited Cambodia; economic aid and trade agreements have been promoted; and direct efforts at internal subversion have been initiated, especially in the press and education fields.

As a result of the bloc activities, the situation in Cambodia has clearly deteriorated, from an internal security point of view, during 1957. On the other hand, there has been evidence during the year of increasing awareness by the Cambodian leadership, notably by Prince Sihanouk, of the potential dangers of Communist activities, and there have been beginnings of measures to control subversion. There was substantially increased evidence of this greater awareness toward the end of the year and at the start of 1958.

In the short run, the situation in Cambodia is still not alarming; the population as a whole remains strongly Buddhist, loyal to the monarchy and united under the leadership of Prince Sihanouk, and it has not yet been heavily subjected to Communist influence. The subversive threat, however, has unquestionably increased during 1957 and has begun to have an effect. In the long run, the great danger is that the extension of Communist influence may outrun such countermeasures as the Cambodians may be prepared and able to take to meet the threat.

The continuation of United States military and economic assistance to Cambodia is still in the Embassy's view the only means of achieving the United States objective of the maintenance of Cambodia's independence. On the political side, efforts must be continued to stimulate Cambodian awareness of the dangers of Communist subversion; in the public affairs field, our activities should be focused during 1958 on the elite and on youth categories, with particular attention to the non-French-language press and student activities. In the aid field, our aid must be maintained on a preclusive basis in sensitive areas from which it is essential that Communist influence be excluded. In the less sensitive fields, however, present aid levels will be reduced automatically by the completion of major current projects, and any new projects in these fields should be on a smaller scale.

*United States Policy and the United States Effort<sup>2</sup>*

The principal aim of United States policy toward Cambodia is to assist it in the maintenance and consolidation of its independence. This policy was set forth succinctly in the Secretary's letter of April 17, 1956, to the Cambodian Minister of Foreign Affairs,<sup>3</sup> which stated in part:

"United States policy in Cambodia is based on a simple precept: that is, the United States through its military and economic aid programs seeks to assist the Cambodian Government in its endeavor to maintain the sovereign independence of the Kingdom . . . <sup>4</sup> Although the United States believes that the free nations can most effectively meet the threat of Communist aggression through collective defense, nevertheless United States policy recognizes that certain countries, though determined to defend themselves against aggression or subversion of their independence, have preferred not to join regional security arrangements. That choice we respect."

United States policy thus accepts Cambodia's neutrality as a fact that is not likely to change in the foreseeable future, and is based on the assumption that the maintenance of a genuinely independent, genuinely neutral Cambodia is under the existing possibilities in the interest of the United States. Both the military aid program and the economic aid program, the major part of which is devoted to defense support, were undertaken in order to further this basic objective.

A corollary to our basic policy is the United States effort to foster the development of Cambodia's ability to support itself, in line with Cambodia's own aspirations, and thus ultimately to eliminate the need for foreign assistance. This aspect of United States policy is implemented by those parts of the economic aid program that are designed to create new and expanded sources of income and to bring about an improvement in the Cambodian Government's administrative, budgetary, and fiscal methods in order to increase steadily the capability of the Government to finance its own budget.

A second corollary to the basic United States policy in Cambodia is to encourage any possible strengthening of pro-West attitudes and policies and to discourage pro-Soviet bloc tendencies. Cambodian "neutrality" is a fluctuating phenomenon; and in the effort to assume a "neutral" posture between the rival power blocs the Cambodian political leadership has in fact opened the country to influences from all sides. Since the beginning of 1956, the Sino-Soviet bloc has exert-

<sup>2</sup>U.S. objectives are summarized in OCB Outline Plan of Action with respect to Cambodia, April 10, 1957, Section I-B-1. [Footnote in the source text. The Outline Plan is printed as Document 254.]

<sup>3</sup>The letter was transmitted in Document 235. For text, see Department of State *Bulletin*, April 30, 1956, pp. 727-728.

<sup>4</sup>Ellipsis in the source text.

ed a massive effort to take advantage of this situation, to establish its own influence and to give Cambodian neutrality a pro-Communist slant. Independent of its own decision the West is engaged in all-out competition with the Sino-Soviet bloc in all fields in a new country which is in an extremely exposed position and which has a thoroughly inexperienced political leadership and administration and a highly impressionable population, the majority of which is being exposed to literacy for the first time and is therefore not capable of adopting a critical attitude toward what it reads in the press.

[Here follow sections on Cambodian neutrality, the Communist Bloc effort in Cambodia, and the situation in 1957.]

### *Prospects*

There is no likelihood of any change in the basic Cambodian policy of neutrality. The original motivations of the policy, the avoidance of the big power struggle, the removal of any justification for aggression by either bloc, the aversion to Thailand and to South Vietnam, and the desire for self-assertion and for a genuine national independence, are still valid from the Cambodian point of view. The policy seems to have more than paid off as it now appears to the Cambodians; foreign aid is being received from both sides and there is little feeling that such aid, since it is received "without strings," presents any serious danger. Furthermore, Cambodia has by now become irrevocably committed to the policy of neutrality and has formalized it in Cambodian law;<sup>5</sup> and it has been totally identified with Prince Sihanouk and played up as one of his greatest personal achievements.

In the practical application of neutrality, Cambodian official policy can probably be expected to settle down on a much more even course as compared to the extreme tacking toward the Communist bloc during 1956 and the tacking back during 1957. There will inevitably continue to be some amount of unpredictable and erratic veering of policy, since it cannot be expected that there will be any fundamental change in Sihanouk's personality and modes of action. How significant such veering will be will depend in large part on the pressures to which Sihanouk believes that he is subject. Within the framework of neutrality, it is still highly possible that some actions may be taken which will further increase the existing Communist threat; foremost among these would be any moves toward formal recognition of Communist China or North Vietnam. The future development of relations with South Vietnam, which will in turn greatly effect Cambodia's relations with other countries of the region in both camps, is at the end of 1957 one of the major questions out-

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<sup>5</sup>The Cambodian Neutrality Law of November 6, 1957.

standing; and the improvement of Cambodian-South Vietnamese relations will continue to be one of the major subsidiary objectives of United States policy in the area.

During 1957 a solid basis has been laid by the Communist bloc for the consolidation and strengthening of its position and for the increasing exertion of subversive influences. The non-military internal threat to Cambodian independence from the Communist bloc can be expected to increase steadily.

There has been a beginning during 1957 of awareness on the part of the Cambodian leaders of the magnitude of the Communist effort; and the meaning of the massive "cultural" efforts, of the polemics, particularly in the local Chinese papers, and most recently of the activities of the visiting North Vietnamese delegations has not been lost on the more alert of Cambodian officials. There is unquestionably, however, far too little awareness as yet of the subversive potential of the Communist forces. The steps taken so far to counteract Communist influence and to improve the mechanisms for combating subversion, although encouraging, are far from sufficient to meet the existing dangers. Furthermore, the Government's general administrative ineffectiveness places an inherent limitation on the effectiveness of implementation of any positive actions that may be decided upon at a higher level.

For the short run the situation in Cambodia, while serious because of the above factors, is not yet alarming. It remains a fact that the population as a whole is thoroughly loyal to the Monarchy and that it has not yet been heavily subjected to direct Communist influence; that whatever the weaknesses of the political leadership and of the administration, the country is united behind Prince Sihanouk, with the exception of the minorities and parts of the elite and intelligentsia; and that there are few active sources of serious political discontent on the part of general population. However, this is true only in the short run. In the long run the prospects are in favor of a steady increase of Communist influences and subversive activities against which there has been only a beginning of countermeasures sufficient to meet the dangers. One of the major continuing objectives of American policy must be to alert the Cambodian leadership to a realization of these dangers and of the necessity to institute effective countermeasures. To do so without seeming to contravene the Cambodian policy of neutrality will be difficult.

#### *Recommendations for United States Policy*

There has been no fundamental change in the premises on which United States policy toward Cambodia was originally based. The primary objective of the United States continues to be the maintenance of Cambodia's independence and its denial to the Communists. The



alternatives for American policy remain approximately the same as they were at the time of the formation of SEATO.

The alternatives open to the United States for 1958 appear to be as follows:

1. To take a much stiffer line with the RKG, seeking to force it to assume a more strongly pro-Occidental position.
2. To withdraw or substantially to reduce our interest in Cambodia, on the ground that it is not avowedly in the anti-Communist camp.
3. To continue the present middle policy of assisting Cambodia in the maintenance of its independence.

As for the first alternative, the application of pressure on Cambodia to take a more strongly pro-Western position, the same factors are as valid today as at time SEATO was founded. Cambodia has chosen a policy of neutrality which it is determined to maintain. Even if the SEATO program were to be so evolved as to provide strong incentives of a non-military nature, it is virtually to be excluded that such incentives could ever outweigh Cambodia's political antagonism to the organization as such or to any political association with its neighbors of the region. Even if much more effective action may in the future be taken in controlling the internal Communist threat, Cambodia's foreign policy may be expected to continue to be based on maintaining the appearance of strict neutrality.

In these circumstances any pressure applied by the United States for a change in Cambodian policy could only be counterproductive, as the experience of 1955-56 proved clearly. The objective would not be achieved, and much would be lost in the process of attempting it. Thus, this alternative cannot be considered as a possible course of action.

The second alternative is to withdraw or substantially to reduce United States interest in Cambodia, on the ground that it has followed and will undoubtedly continue to follow a policy of strict neutrality and consequently makes no contribution to United States collective security objectives. This alternative would involve principally a withdrawal or sharp reduction of United States aid. Its adoption would imply our acceptance of the likelihood that Cambodia will drift into the control of the Communists.

The most recent proposals of this sort have been put forth in relation to the overall reduction in United States aid funds available for fiscal year 1958. It has been suggested that aid to Cambodia be cut proportionally more than that accorded to SEATO allies of the United States, both in order to warn Cambodia of the consequences of neutralism and to demonstrate to SEATO countries that there are material advantages to be gained from their participation in collective security arrangements. Such proposals in regard to Cambodia have

been made both by Thai Prime Minister Pote Sarasin and by President Diem to the American Ambassadors in Bangkok and Saigon. (Bangkok telegrams 1641 to Department, repeated info Phnom Penh 115, December 3, 1957,<sup>6</sup> and 1714 to Department, repeated info Phnom Penh 116, December 12, 1957;<sup>7</sup> Saigon telegram 1212 to Department, December 7, 1957<sup>8</sup>).

All such proposals must be considered in the light of our basic objective of maintaining Cambodia independence, which is in turn vital to Thailand and South Vietnam. At the time the United States began to furnish aid to Cambodia, there was no real basis to expect a change in Cambodia's foreign policy; Cambodian neutrality was accepted as one of the premises on which U.S. policy was based. Later, at the time of Cambodia's acceptance of Chinese Communist aid, the question arose as to whether United States aid should be withdrawn or reduced correspondingly. The possibility was rejected, since it would have represented an automatic surrender to the objectives of the Communist bloc. It remains equally true today that any withdrawal or sharp reduction of aid would constitute a direct reversal of past policy and would automatically result in an increase in the force of the Communist threat and a correspondingly decreased ability to achieve United States objectives. This would in turn inure to the direct detriment of both South Vietnam and Thailand which might in the end find themselves outflanked.

In view of the well-demonstrated Cambodian sensitivity to the use of aid as a political weapon, a withdrawal or sharp reduction of aid could also be expected to have a seriously detrimental effect on responsible Cambodian opinion. At the worst, this could lead easily to an irrational general reaction against the United States and the development of even closer relations with the Communist bloc. Prince Sihanouk is determined, for example, to accord priority to the maintenance of the armed forces. (This determination was strongly emphasized by Sihanouk in his meeting with the Ambassador on May 11, 1957. See Despatch 373, May 21, 1957.<sup>9</sup>) Although the acceptance of Communist assistance for the armed forces would probably be viewed with strong misgivings, it might well be the only possible alternative, from the Cambodian point of view, if American aid were substantially reduced.

With regard to both the first and second alternatives, which contemplate a marked change in present policy, it should also be pointed out that our present policy is now showing signs of bringing

<sup>6</sup>Not printed. (*Ibid.*, 611.51J/12-357)

<sup>7</sup>Not printed. (*Ibid.*, 611.51J/12-1257)

<sup>8</sup>Not printed. (*Ibid.*, 751G.11/12-757)

<sup>9</sup>Not printed. (*Ibid.*, 751H.5-MSP/5-2157)

results. The Prince's outspoken speeches in Paris last fall and at the National Congress this January show an awakening on his part to the realities of Communism. These speeches have already begun to have their effect. They were, for example, followed by the first anti-Communist "demonstration" in Cambodia on January 10, 1958.

The third alternative is the continuation of the present policy with such modifications in implementation as current developments make desirable. This is in the Embassy's view the only means of achieving United States objectives in Cambodia.

It is not necessary to explain or to defend herein the present policy, on the political side, of maintaining our efforts to check subversion and to make responsible Cambodians aware of the danger. In the political and public affairs fields our efforts during 1958 should be focused on the principal Cambodian target groups, the elite and youth (in the student, Buddhist, military and young Government official categories). In our own activities, we should find means of fostering a less Communist-dominated non-French-language press and of exerting our influence on Cambodian youth, especially in the schools. For the latter purpose we should, for example, increase our contacts with student groups, provide specially-designed Americana programs for them in our Information Centers, and perhaps even develop a different or expanded pattern for our English-teaching program. We should attempt also to get more American, French-speaking lecturers who can address student groups. Although these activities will require careful review in order to avoid working at cross purposes with French cultural and education activities, it is essential that the United States also play a more active role. In the long run, the degree of our success in the cultural and educational field will play a large part in determining the degree to which Western influence in Cambodia is preserved and strengthened and Communist influence neutralized.

On the aid side, in order to achieve our basic objectives our programs must be continued as indicated below, especially in sensitive areas from which it is essential that Communist influence be excluded, although in the less sensitive economic areas, substantial cuts are already contemplated.

Continuation of the aid programs is required, first of all, not only in order to supply to Cambodia the physical resources necessary for it to maintain its own independence, internal security, and economic stability, but also in order to enable us to maintain our own influence so that we can exert a continuing positive political effort to counteract the influence of the Communist bloc and to stimulate the Cambodian leadership to take effective measures to counteract its subversive efforts. The maintenance of the United States position in

Cambodia depends to an important extent on the maintenance of American military and economic aid programs.

Secondly, there are certain sensitive areas such as the army, the police, public administration, education, information, and agricultural extension and cooperatives, from which Communist influence should be precluded. By sensitive areas we mean those in which infiltration by the Communists would result either in a serious internal security threat or an increased capability on the part of the Communists to influence large segments of the population. We should not attempt to exclude the Soviet bloc from all fields in which we are now furnishing economic aid, since such an attempt would be fruitless and since it would result in a tailoring of our own programs to fit the Communist efforts. (This must apply even in the education field, to those essentially non-sensitive projects contemplated in the Chinese aid program for the construction of schools and teacher housing.) In the sensitive areas, however, our aid must be maintained at such a level as to preserve the preclusive position of the West. Although our programs should still be accompanied by a continued effort to have the Cambodians themselves assume an increasingly greater share of the financial burden, this should not be pushed to a point where Communist intrusion would be invited.

In the military aid field, the pay and allowances programs for the years 1958-62 have been projected on the assumption that the Cambodian Government will progressively increase its military budget contribution by 10% annually, from a 1957 base of \$10 million. This would of course result automatically in a progressive reduction in United States aid required for the maintenance of the Cambodian armed forces.

In the other economic fields, as indicated by the USOM five-year projection, we already contemplate substantial cuts in the scale of present programs. The overall level of economic aid will be lowered substantially after the virtual completion during fiscal year 1958 of the Kompong Som port highway and the Barai Occidental irrigation project. These projects, which now account for the major part of United States non-military aid to Cambodia, need not and should not be replaced by other major capital projects. No large industrialization program should be undertaken in the near future, but encouragement should be given to small industry and to some moderate-sized industrial projects.

The possibility should be reserved, at the same time, to propose such projects of a special political-impact nature (which also have economic development significance) as circumstances may warrant. One possible project of this sort would be the establishment of a technical high school, for which a total of approximately \$5 million would be required over a period of five years. It is in the field of

education that we are most clearly in agreement with the Cambodians, and any new, major project decided upon might therefore well be in this field.

In summary, the Embassy recommends the continuation of the present United States policy of providing military and economic assistance to Cambodia as the only means of achieving the United States objective of the maintenance of Cambodia's independence and its denial to the Communists. On the political side, efforts to increase Cambodian awareness of the dangers of Communist subversion must be continued, and the principal political and public affairs effort during 1958 focused on the elite and youth categories, with particular attention to the non-French-language press and to student activities. In the aid field, aid must be maintained on a preclusive basis in the sensitive areas: the army, the police, public administration, education, information, and agricultural extension and cooperatives. In the less sensitive economic areas cuts will automatically result from the completion of current major projects and any new, political-impact projects that may be planned should be on a smaller scale.

This despatch is concurred in by the Country Team.

**Carl W. Strom**

# LAOS

## UNITED STATES SUPPORT FOR THE ROYAL LAO GOVERNMENT AND ATTEMPTS TO PREVENT COALITION WITH THE PATHET LAO<sup>1</sup>

### 259. Editorial Note

The Agreement on the Cessation of Hostilities in Laos formed a part of the Geneva Accords of July 1954. Unlike Vietnam, Laos was not partitioned; rather Pathet Lao forces were to regroup in the two northern Lao provinces of Sam Neua and Phong Saly pending a political settlement. Within 120 days of the August 6, 1954, cease-fire, all foreign troops—the French and the “Vietnamese People’s Volunteers” (the Viet Minh)—were to be withdrawn from Laos. The French High Command was specifically permitted to retain 1,500 officers and noncommissioned officers to train the Lao National Army and 3,500 troops to maintain the 2 military establishments at Seno and in the Mekong Valley that they were allowed by the agreement. The introduction of military equipment, armaments, and munitions into Laos was prohibited. Responsible for the implementation of the provisions of the agreement was the International Commission for Supervision and Control in Laos (ICC), composed of Canada, Poland, and India, headquartered at Vientiane, and presided over by the representative of India. In addition, a Joint Commission made up of representatives of the Pathet Lao and the Royal Lao Government was created to facilitate the implementation of the clauses relating to the withdrawal of foreign troops. In its final declaration of July 21, the Conference at Geneva took note of two declarations by the representative of the Royal Government of Laos. The first stated that Laos would not join any military alliance except in conformity with the Charter of the United Nations and the Geneva Agreements and that it would not accept military aid, except for the purposes of defense of its territory, until a final settlement of the political question was made. The second declared that it was resolved to integrate all Lao citizens into its national community and to provide for special representation of the Pathet Lao in administration of Phong Saly and Sam Neua until anticipated general elections in Laos later in 1955. For texts of the Agreement on Cessation of Hostilities in Laos, the Final

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<sup>1</sup>For previous documentation on Laos, see *Foreign Relations, 1952–1954*, volumes xiii and xvi.

Declaration of the Geneva Conference, and the two declarations of the Royal Lao Government, see *Foreign Relations, 1952-1954*, volume XVI, pages 1521, 1540, 1542, and 1543.

The ICC did not assemble in Laos until October 1, 1954, almost 2 months after the cease-fire came into effect, and it immediately encountered difficulties in supervising the withdrawal of the Viet Minh. As of the beginning of January 1955, preliminary negotiations between the Royal Government and the Pathet Lao had made no progress and no serious attempt had been made by the Royal Government to reestablish its control of the two northern provinces.

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**260. Telegram From the Legation in Laos to the Department of State<sup>1</sup>**

*Vientiane, January 13, 1955—3 p.m.*

247. 12 January 8 p.m. I invited Private [*Prime*] Minister to dinner alone last night in order reach closer understanding re our common objectives.

Having in mind our estimate that Katay is interested primarily in his own personal fortunes, that he will probably work energetically on our side if he believes it to his personal advantage, that he has backing majority of Lao assembly and strong Thai support but that his attitude toward Lao Royal Family and some of his own Ministerial colleagues is cloudy, I made point of emphasizing that it is our desire to support (1) present regime in Laos including Royal Family, (2) present government of national union representing all important non-Communist elements in country, and (3) Katay himself as leader best capable of maintaining Lao independence. I pointed out only US objective in Laos is to aid Lao Government and people to resist external and internal Communist aggression and to improve their welfare.

Prime Minister responded by referring his anti-Communist booklet published during Bangkok exile (reference Legation's biographic report OM on Katay, December 311<sup>2</sup>) and asserting it had long been his conviction that Communism is principal threat to Lao independence and that Laos must rely primarily on US for its security. He insisted Lao people wholly unreceptive to Communism and will resist if given adequate means and adequate understanding of threat.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/-1355. Secret. Repeated to Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Not found in Department of State files.

He expressed serious concern at effect on Laos and Cambodia of loss of South Vietnam which he considered probable. He expressed anxiety over Cambodian weakness, ambiguous Burmese attitude, and unreliability of French. He therefore concluded Laos could rely only on US and Thailand to maintain its independence.

We discussed closer relations Laos with Thailand and Cambodia, particularly former, exchange of Royal visits, possible visit General Phao to Laos, early negotiation broad commercial agreement with Thailand. Prime Minister expressed himself in favor all these steps especially enthusiastic re latter. He did not expect bilateral agreement with France to be an obstacle and anticipated its conclusion shortly. He said French Government is taking wholly correct attitude re Lao independence but some of local French still behaving objectionably.

We also discussed importance mobile teams, including Ministers and Assembly members, canvassing country thoroughly between now and elections in combined information and economic aid mission. I offered cooperation USOM and USIS (which are working out specific projects for discussion with Lao Government this week). Katay most enthusiastic on this point and promised would endeavor organize several teams at once.<sup>3</sup>

Separate following telegrams report our discussions Pathet Lao negotiations<sup>4</sup> and Petsarath question,<sup>5</sup> as well as Legation estimate of situation.<sup>6</sup>

Yost

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<sup>3</sup>The Department approved this offer of cooperation in telegram 196 to Vientiane, January 14, not printed. (Department of State, Central Files, 751J.00/1-1355)

<sup>4</sup>See telegram 248, *infra*.

<sup>5</sup>Presumably telegram 250 from Vientiane, January 13, not printed. (Department of State, Central Files, 751J.00/1-1355) Prince Petsarath was senior member of the vice-regal branch of the Royal House of Luang Prabang and elder brother to Prince Souvanna Phouma and half-brother to Prince Souvanouvong. In 1945, after the end of Japanese occupation, he declared an independent Laos, but was forced into exile in Thailand when France reestablished control over the country. Petsarath in 1955 was negotiating his return to Laos and insisting upon restoration of his title as Viceroy.

<sup>6</sup>Presumably telegram 251 from Vientiane, Joint Weeka 54, January 14, not printed. (*Ibid.*, 751J.00(W)/1-1455)



261. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, January 11, 1955—7 p.m.*

248. Katay and Phoui both informed me negotiations with Pathet Lao have made no progress and have not as yet touched on matter of substance. Optimistic statement made to press yesterday by Oun Hueun, one of leading Lao Government delegates, reflects hopes rather than facts. Argument continues over site of future meetings, Pathets still urging Khang Khai and Lao Government suggesting various alternatives.<sup>2</sup> Pathets have proposed formal procedures customary at post full-dress conferences in press releases after each meeting, while government has replied these formalities unnecessary.

Both my informants recognize these moves are designed to enhance Pathet status and serve their propaganda objectives. Both moreover noted subservience Pathet negotiators to absent Viets. Katay, however, said in private conversation with government representatives, Pathets had indicated desire for wholehearted reintegration into national community, and he therefore retains hopefulness that they can be separated from Viets and reasonable settlement reached. Phoui, on other hand, expects Pathets to stall as long as possible and is doubtful of any settlement.

I asked both what government would do if no agreement could be reached. Phoui said that general staff is making plans and armed forces are being collected south of two provinces. Katay made no mention of military moves but said failure to reach agreement would demonstrate continued intervention of Viets and problem would be tossed back to ICC. I argued that it is already clear Pathets are instruments of Viets, that they are stalling in order consolidate their position in two provinces, and that government ought promptly to present its own proposals for reasonable settlement in order to force Pathets' hand. Katay indicated he should do so if necessary but still minimizes difficulties.

Meanwhile Breal<sup>3</sup> informs me . . . , existence extensive Viet cadres with Pathets and contains warnings to cadre to avoid identifi-

<sup>1</sup>Source: Department of State, Central Files, 751G.00/1-1155. Secret. Repeated to Saigon, Paris, and Phnom Penh.

<sup>2</sup>According to telegrams 219 and 221 from Vientiane, January 2 and 4, the Pathet Lao insisted that preliminary negotiations for a political settlement described in telegram 248 take place at Khong Khai in Xieng Khouang province (bordering Sam Neua) rather than at Vientiane as the Royal Government proposed. The Royal Government agreed to meet at Khong Khai and sent its delegation there on January 3. (*Ibid.*, 751G.00/1-255 and 751G.00/1-455, respectively)

<sup>3</sup>Michel G.E. Bréal, French High Commissioner in Laos.

cation by ICC. French reluctant reveal this information to ICC lest source dry up. Also Pathet forces tending to increase, presumably from North Vietnam, though some defections are taking place. Clashes with government forces are frequent and latter have impression they are being encircled and isolated.

*Comment:* It seems evident Communist strategy is to drag out negotiations, first by procedural wrangles and presumably later by presenting impossible demands. Meanwhile, they will consolidate grip on two provinces and improve training and equipment their forces. Their first objective is probably to obtain participation Lao Government and incorporation their forces in Royal Army. Failing this, Pathets may well withdraw their qualified recognition of Royal Government, denounce it as puppet of Western imperialists, and set themselves up as legitimate government of Lao Peoples Democracy. This would follow pattern successfully established in China and Vietnam.

It seems essential to interrupt this process before it has been carried to point of no return. It probably could be interrupted by prompt Lao military action but this is last resort which should be avoided if possible. I believe there is at least hope that, if major non-Communist powers state unequivocally in impressive forum that they consider this de facto partition of Laos to be gross violation Geneva Accords which they regard with utmost seriousness, Viets and their masters, having in mind overall strategy, may at least temporarily withdraw. While it is unlikely ICC will take firm position on this question, deference to India requires ICC machinery be at least invoked.

We therefore suggest following sequence of steps:

(1) Lao Government press negotiations themselves presenting proposal for reasonable settlement, (2) if no progress made within two or three weeks, Lao government publicly appeal to ICC to mediate and in meantime to restore Royal Government's authority within two provinces, (3) if no settlement is in sight by that time, Manila Pact powers at Bangkok<sup>4</sup> adopt and issue declaration stating that they find territorial integrity of Laos, recognized by all pact members and all Geneva signatories, is being infringed by de facto partition of country, that they are consulting in regard thereto under Article IV paragraph 2 of pact, and that in meantime they call upon Viets to cease interference in Lao internal affairs and permit immediate restoration royal authority throughout whole of Laos. Lao Government might simultaneously appeal to Nehru to seek from Ho Chi Minh

<sup>4</sup>Reference is to the Council meetings organized under the Southeast Asia Collective Defense Treaty, which was later termed the SEATO Council. The meetings opened on February 23 and concluded on February 25. See Documents 18 ff.

loyal compliance with their joint declaration of October 28 (Legtel 681<sup>5</sup>).

I fear that unless some effective action is taken existing situation will over period of months crystallize, Laos will have two governments instead of one and task of holding remainder of country be rendered far more difficult. On other hand, Communists are not yet deeply committed and there seems at least fair prospect that energetic action on our side might eliminate Pathets as serious threat and halt at outset chain reaction which could otherwise run quickly across Laos and into neighboring states. All our other plans for assisting this country to maintain its independence are likely to prove useless unless this first crucial campaign can be won.

Yost

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<sup>5</sup>This telegram, October 30, 1954, reads as follows:

"Lao Government *Bulletin* features declaration reportedly made by Ho Chi-minh during Nehru visit to effect 'Viet Minh Government subscribes fully to five principles elaborated by the Prime Ministers of China, India and desires to apply them in its relation with Laos and Cambodia.' Principles include 'mutual respect of sovereignty and territorial integrity of other party' and 'non-interference in internal affairs of other party.'" (Department of State, Central Files, 033.9151G/10-2054)

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**262. Telegram From the Legation in Laos to the Department of State<sup>1</sup>**

*Vientiane, January 15, 1955—noon.*

255. During his initial call yesterday Colonel Hure, new chief French training mission, mentioned difficulty confronting mission and Lao Government in making any military plans for current year until they know amount of budget support US will supply. I told Colonel that I doubted US would provide full amount requested, alluded to excessive numbers enlisted personnel in Lao Army in relation to available officer cadres and to high cost of supporting Lao soldier compared to Cambodian or Vietnamese, and said I hope to be authorized to undertake detailed negotiations on these matters in very near future.

I believe it would be to US advantage, in view of fact we are already publicly committed to provide direct aid for support Lao armed forces, promptly to address letter to Lao Government along

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<sup>1</sup>Source: Department of State, Central Files, 751J.5-MSP/1-1555. Top Secret. Repeated to Saigon, Phnom Penh, and Paris.

lines suggested Legtel 191<sup>2</sup> and at earliest possible moment to push ahead with negotiations to determine exact amount and character of our aid. As long as we continue on present provisional and informal basis we are, on one hand, supporting forces larger in numbers and higher in cost than we believe necessary and, on other hand, since our provisional credits are intended to cover only pay, allowances, and food, failing to provide for essential logistic expenses of Lao Army. This delay on our part seems neither economical nor prudent.

Subsequent to meeting with Ambassador Collins and McClintock reported Saigon 2636 repeated Paris 770,<sup>3</sup> MAAG Saigon prepared at my request future refinement their estimate annual cost of 23,600 force for Laos. New figure is \$41.2 million. It is agreed, however, that this figure remains an estimate, based to large extent on Vietnamese and Cambodian costs which have been more carefully investigated, and that firm program can be worked out only by detained study of Lao military budget, organization and procedures on the spot in consultation with Lao and French military authorities. As pointed out Saigon 2636 and previous telegrams in order carry out this study qualified personnel should be assigned either Army Attaché or USOM Vientiane.

There was some discussion during Saigon meeting of reducing Lao forces below 23,600 for reasons of economy. However, Ambassador Collins and McClintock accepted my strongly held judgment that, while further reduction may well be possible later, it would be most unwise politically and psychologically to attempt to force more drastic cut from present 30,000 figure as long as situation in north remains so explosive and possibility renewal of hostilities with Pathet Laos constantly impends.

It should be noted that estimate for support of Lao forces submitted from Saigon, as well as \$41.2 million figure mentioned above, excludes requested amount for French training mission, it being combined judgment of Saigon meeting that cost of support these missions in three Associated States should properly be borne by French rather than US. Since this matter affects all three states, I should recommend that it be taken up first in Paris rather than locally. However, indications from French mission here are that they will not be surprised if we take this position.

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<sup>2</sup>In telegram 191, December 20, 1954, the Legation proposed sending a letter to Katay offering direct U.S. assistance to Laos based on mutual agreement on the following issues: Lao armed force levels and plans of implementation of the Lao military program; procedures for control, post-audit, and end-use expenditures of military aid; matériel aid for Lao armed forces; and disposition of foreign exchange arising out of financial support to the Lao military budget and from the economic aid program to Laos. (*Ibid.*, 751J.5-MSP/12-2054)

<sup>3</sup>Dated January 8; for text, see vol. I, p. 25.

I should greatly appreciate receiving Department's early instructions on questions raised above.

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263. Telegram From the Department of State to the Legation in Laos<sup>1</sup>

*Washington, January 19, 1955—3:51 p.m.*

208. Vientiane 252 repeated Saigon 332 Paris 51 Phnom Penh Unnumbered<sup>2</sup> and Vientiane 256 repeated Saigon 338 Paris 54 Phnom Penh Unnumbered.<sup>3</sup>

1) Department seriously concerned Pathet Lao attacks two northern provinces described reference telegrams. Request any additional information available, particularly military aspects. Hope Lao Government will really try to counter this Communist attempt prevent reestablishment Laotian Government authority in area. Can Lao Treasury deficit resulting from extraordinary expenses incurred connection these outbreaks be forecast and are French prepared increase financial assistance? Await your specific recommendations for support Lao Government.

2) View Laos' position as frontier state adjacent Communist areas and its consequent importance to strategic defense all Southeast Asia, perhaps problem preservation Laotian territorial integrity might be considered jointly at high level by US, UK, France, and perhaps Thailand either in Vientiane or here. Request your views and clarification last paragraph your 256. Appreciate also information on French policy and action with respect Pathet Lao incursions.<sup>4</sup> Department discussed Lao situation with representatives UK and French Embassies January 17.

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<sup>1</sup>Source: Department of State, Central Files, 751G.00/1-1555. Secret. Drafted by Young and Byrne; cleared by FOA (in substance) and WE; approved by Robertson. Repeated to Paris, Saigon, Phnom Penh, London, and Bangkok.

<sup>2</sup>In this telegram, January 14, the Legation reported that it had been informed by Lao and French officials that two posts of the Lao National Army were under attack on January 13. The posts were at Houeithao and Nong Khang, 20 kilometers northeast of the town of Sam Neua. (*Ibid.*, 751G.00/1-1455)

<sup>3</sup>In this telegram, January 15, the Legation reported further information it had received from the Lao Defense Minister on the Pathet Lao attacks in Sam Neua province. In the last paragraph of the telegram, the Legation commented that if the Pathet Lao attacks continued and ICC action proved insufficient, it might be "necessary to appeal to higher authorities very soon." (*Ibid.*, 751G.00/1-1555)

<sup>4</sup>See Document 266.

3) We expressed to Laotian Minister January 17 our concern over Pathet Lao attacks. He was given gist your 256 but was otherwise uninformed. Ourot thought informal exchange views on Laos among three Associated States and Thai mission chiefs Washington and Robertson in near future would be excellent idea.

Dulles

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264. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)<sup>1</sup>

*Washington, January 21, 1955.*

SUBJECT

Laotian Force Levels

1. Reference is made to a memorandum by the Assistant Secretary of Defense for International Security Affairs, dated 27 December 1954,<sup>2</sup> subject as above.

2. The views of the Joint Chiefs of Staff, as previously conveyed to you in their memorandum dated 17 November 1954, subject: "Indochina", have not changed.<sup>3</sup> From the military point of view, the Joint Chiefs of Staff cannot recommend the provision of MDAP support of Laotian forces, over which the United States under the terms of the Geneva Treaty would have no control. Should political considerations be overriding, however, their views as to Laotian force levels which would be required to maintain internal security are set forth hereinafter.

3. In view of the prohibition against the introduction of U.S. military personnel into Laos by the terms of the Geneva Armistice Agreement, there is little, if any, opportunity for the United States to exercise appropriate controls of any U.S. military assistance that may be furnished to Laos. Such assistance necessarily would be administered and supervised primarily by the French military mission of 1,500 personnel authorized under the terms of the Geneva Armistice Agreement. Possibly U.S. civilians with military experience could be used also, providing [*provided?*] the necessary liaison and administrative arrangements could be effected with the French and Laotian authorities, but it is anticipated that such action would be considerably

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/2-1655. Top Secret. Transmitted to the Department of State under cover of Document 275.

<sup>2</sup>Not printed. (JCS Records, CCS-2 Asia (6-25-48))

<sup>3</sup>Not printed. (*Ibid.*)

less effective than desired and would result in a division of responsibility.

4. Force levels in Laos for the purpose of maintaining internal security are contained in the Appendix hereto. These force levels should be considered as supplementary to and in the same light as the forces previously recommended for Vietnam and Cambodia. Further, continued U.S. support of Laotian forces should be contingent upon the following:

a. Effectiveness of the Laotian armed force in absorbing and assimilating the U.S. support provided.

b. Effectiveness and rate of progress of the French military mission in training Laotian personnel, both officers and enlisted, to man properly the forces to be supported.

c. Developments in the military and political situation in Vietnam.

5. The Joint Chiefs of Staff consider that the estimates of \$2,000 per man, per year, should be re-examined in light of the comment by the U.S. Minister to Laos and the recent report by the American Ambassador to Cambodia concerning current costs of support of the Cambodian Army.<sup>4</sup>

6. The Joint Chiefs of Staff desire to iterate their view that Indochina is an important part of Southeast Asia and merits limited U.S. support in the implementation of national policy in that area. However, until such time as there appears to be a reasonable prospect of solving the political problems, such support to Laos should be selectively furnished and not at the expense of other U.S. military programs which offer greater promise in the development of effective and reliable allied forces elsewhere.

For the Joint Chiefs of Staff:

**Arthur Radford**<sup>5</sup>

*Chairman*

*Joint Chiefs of Staff*

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<sup>4</sup>Apparent reference to a detailed cost analysis summarized in telegram MG 008 P, January 8, from the Chief, MAAG Saigon to the Secretary of State. According to this summary, the cost of the 30,100-man Cambodian force would be \$42,263,280, or approximately \$1,400 per man. (Department of State, Central Files, 751H.5-MSP/1-855)

<sup>5</sup>Printed from a copy that bears this typed signature.

## Appendix

### FORCE LEVELS FOR LAOS

#### 1. Forces

*Tentative for Year  
ending 30 June 1955*

##### a. Army

1 Headquarters .....	700
1 Division, Light (territorial).....	8,450
1 Division, Light (territorial).....	8,450
Army Troops .....	3,450
COM Troops .....	900
Schools and Camps .....	800
Pipeline .....	900

23,650

b. Navy—None.

c. Air Force—None.

#### 2. Estimated Costs

Exclusive of initial equipment costs which it is estimated can be furnished from current stocks in Indochina that are excess to existing needs, the estimated cost of this program should not exceed \$40 million per year.

(Note: On 22 December 1954, the annual cost of the above program was estimated to be approximately \$47.3 million. However, comments from U.S. Representatives in Indochina point out that the basic cost figure of \$2,000 per man per year is probably higher than necessary. Accordingly, a reexamination of the cost figure \$2,000 should be made. Under these circumstances the United States should establish a ceiling of \$40 million per year with monetary disbursements predicated upon a satisfactory and comprehensive resolution of the contingencies enumerated in paragraph 5 of the memorandum for the Secretary of Defense.)



265. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, January 21, 1955—7 p.m.*

274. Katay and Phoui inform me that, agreement having at last been reached on site in Plaine des Jarres, negotiations with Pathet Lao were resumed yesterday.

Somewhat shaken by recent events in Samneua,<sup>2</sup> Katay now admits Pathets have been dragging out talks while consolidating their grip on northern provinces. He still contends, however, it is not "proved" they intend drive out all government forces. To my urging that, in order prevent further feet dragging, government itself submit reasonable proposal, Katay replied government would insist its authority in two provinces be promptly restored and, if Pathets refused, negotiations would be broken off. In same breath, while admitting (for the first time) that Prince Souphannouvong is "probably" Viet dominated, Katay insisted that when this becomes clear "his lieutenants" would desert him. I expressed thorough skepticism.

Prime Minister said he had just received report from Lao Legation Washington that Department concerned regarding views on Pathet negotiations he had expressed at recent press conference; he asked I reassure Department that he will make no dangerous concessions. I pointed out that Department rightly concerned lest, while Communists use negotiations as tactical screen, two provinces be in fact lost to Laos.

As previously reported, Katay and his intimates in Cabinet have held in exaggerated form view shared by many Laotians and ICC members that majority Pathets not really Communists and would flock back into fold when freed of Viet control (reference Department telegram 2001<sup>3</sup>). Breal, Talbot and I have for months been endeavoring cure this delusion but in many cases only effective medicine will be sad experience. Phoui never shared this delusion, Souvanna is coming around as result recent developments, but Katay and his friends are still in early stages psychologically upsetting process of disillusionment. It is probable few more weeks exposure to Communist tactics will complete process of enlightenment but danger is that provinces may by that time be hopelessly lost.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-2155. Secret. Repeated to Saigon, Phnom Penh, and Paris.

<sup>2</sup>According to telegram 263 from Vientiane, January 19, the Royal Government's post and airstrip at Nong Khang were lost, but the post at Houeithao was holding out. Government losses were believed to be light and the fighting had ceased. (*Ibid.*, 751G.00/1-1755)

<sup>3</sup>Not found in Department of State files.

I intend this weekend urge Crown Prince exert his influence more positively on this problem.<sup>4</sup> Basic difficulty, however, is that, with Pathets now firmly entrenched in two provinces, they can be ousted only by military force or, possibly, by international pressure.

Governor of Samneua, who called on me yesterday, urges former, claiming population of province largely anti-Pathet and, if supplied with arms, would arise in support of incoming government troops. On other hand, French military question capacity government forces to drive out Pathets even at present strength. This estimate may be based somewhat on French pique at their summary exclusion from command positions, and in two provinces even from advisory positions, in Lao armed forces.

Regarding second alternative, ICC has by unanimous vote recommended both parties "withdraw to former positions", in other words that Pathets permit reestablishment government post at Nongkhang. It is interesting Poles went along with this resolution, which might suggest Pathets had been a little premature in launching attacks. Breal, in company De Beaufort and Cerles (Saigon's 2831 to Department<sup>5</sup>) had urged ICC to condemn, or at least take note of, Pathet disregard commissions earlier injunction to remain two kilometers distant from Nongkhang post. If ICC had so acted, Breal expected Poles to protest Pathet attacks to Geneva signatories.

While this or similar gambit might be useful, it seems to us too narrow. We should prefer to see international attention centered not on passing incidents but on basic violation of Geneva final declaration, which is creeping de facto partition of Laos. It is this aspect of question on which we hope Bangkok conference, if it deals with this matter, will concentrate.

Yost

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<sup>4</sup>In light of press reports from Vientiane that Katay had declared himself willing to accept Pathet Lao participation in his government, the Department instructed Yost in telegram 211 to Vientiane, January 20, as follows: "Therefore if you deem it advisable suggest you approach Savang saying we are disturbed at discrepancy between Katay's lip-service to anti-Communist, anti-Pathet Lao, pro-Western attitude and his continued vacillation and yielding in face Pathet Lao demands." (Department of State, Central Files, 751G.00/1-1855)

For a report on Yost's discussions with Savang at Luang Prabang, January 22-23, see Document 267.

<sup>5</sup>Dated January 18, not printed. (Department of State, Central Files, 751G.00/1-1855) Pierre Cerles was Diplomatic Counselor to the French Commissioner General in Saigon and French General Debeaufort was with the ICC Liaison Mission in Saigon.

266. Telegram From the Legation in Laos to the Department of State<sup>1</sup>*Vientiane, January 26, 1955—8 p.m.*

288. Reference Deptel 208, repeated Saigon 2986, Paris 2975, London 3710, Phnom Penh 293.<sup>2</sup> Military situation in north is quiet for moment. Nong Khang remains in Pathet hands. Defense Minister informs us he has been inconspicuously reinforcing accessible government posts in two provinces, in addition to moving additional troops up to Samneua border. In present atmosphere, further incidents could break out at any time.

As previously reported, intercepted messages indicated Viet-Pathets intend drive all government forces out of two provinces. On other hand, action of Polish delegate ICC in voting for restoration status quo ante last incident suggests attack may have been premature. Government forces prepared to resist any further Pathet aggression but have no intention take initiative themselves at this time. Unless pathets precipitate matters, therefore, considerable hostilities seem unlikely in immediate future. This estimate however may not hold good for long.

Opinions vary considerably between French and Laos as to whether government forces could recapture provinces easily if given free hand. French doubtful whereas Laotians are confident. Our present estimate, which we are checking as carefully as possible, is that existing government forces under French direction could retake provinces if Viets did not further reinforce Pathets, but that is at present a large if. (Re financial aspects see Legtel 277,<sup>3</sup> French are planning no new financial assistance as far as we know.)

Meantime Communists control entire area two provinces except for scattered government post which are surrounded and largely isolated. Lao Government, even if it displayed considerably more vigor and realism than it does, could not overcome this situation without risk producing widespread hostilities. As pointed out numerous previous telegrams, we therefore recommend concerted high-level international diplomatic action in effort maneuver Viets out through these means. Action through ICC should be tried, and we shall press it

<sup>1</sup>Source: Department of State, Central Files, 751G.00/1-2655. Secret; Priority. Repeated to Saigon, Paris, London, and Phnom Penh.

<sup>2</sup>Document 263.

<sup>3</sup>In telegram 277, January 22, the Legation reported that it had received an estimate from the Lao Foreign Minister of the equivalent of \$3.78 million for expenditures for the National Army for February. The Legation assumed that given the special circumstances in the north the request was reasonable. The Legation suggested informing the Lao Government that the United States would support expenditures in February. (Department of State, Central Files, 751G.00/1-2655)

again with Khosla upon his return from Delhi, but in view its record little reliance should be placed upon this means.

I have therefore urged (Legtel 248<sup>4</sup>) that Bangkok conference concern itself with this matter. Action by conference might well be preceded by high-level US-UK-French-Thai consideration of problem either in Washington and/or Bangkok just before opening of conference. Whether or not conference acts in this sense, Secretary's projected visit to Vientiane would provide opportunity for further high-level consideration on the spot and, if conference has acted, for emphasis and commencement execution its decisions.

Having in mind desirability moving Lao Government somewhat further in direction of realism and pushing ICC forward as far as possible, this seems to be timetable best adapted to meeting problem. Should Pathet-Viets take further military action in north before Bangkok, more rapid consultation and action would of course be necessary.

Yost

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<sup>4</sup>Document 261.

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**267. Letter From the Minister in Laos (Yost) to the Officer in Charge of Vietnam-Laos-Cambodian Affairs (Hoey)<sup>1</sup>**

*Vientiane, January 27, 1955.*

DEAR BOB: Both of us are so swamped these days that we rarely have a chance to exchange private letters; however, I do think it would be useful if we found time occasionally to exchange a little background, and I shall do my best to do so.

I had a most interesting visit to Luang Prabang over the weekend. The Crown Prince could not have been more hospitable and friendly. We took all but one of our meals with him and his family and he also took us on an all-day excursion up the river to the grottoes at Pak Ou. As I have reported,<sup>2</sup> his convictions and intentions

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<sup>1</sup>Source: Department of State, Central Files, 611.51J/1-2755. Secret and Personal.

<sup>2</sup>In telegram 284 from Vientiane, January 25, Yost reported on his conversations with Crown Prince Savang over the weekend. He summarized the Crown Prince's views as follows:

"Gist of his argument is that Laos was left in dire predicament by great powers, particularly France, when at Geneva they pressured her, despite her willingness to continue fight, into accepting cease-fire which recognized Pathet Lao and turned two provinces over to them. Before Geneva, Pathets were artificial Chinese creation with

*Continued*

correspond very closely to ours and we can expect him to be almost invariably on our side. However, for the reasons I have mentioned, we should not count on his acting as vigorously or promptly as we should like.<sup>3</sup> It is simply not in his make-up to do so, nor can we go too far in urging him to act without arousing his resentment on the score that we are being critical if his behavior or interfering with his conduct of business.

In this connection it would be very helpful if you could give us some indication whether it is likely that the question of the two northern provinces of Laos will be considered at the Bangkok Conference as both the Crown Prince and I believe it should. If there is little likelihood that any effective action on this question will be taken there, I should like to start promptly to dampen excessive expectations.

It would also be a relief to all concerned here if you could satisfy our curiosity concerning what I assume to be the Defense Department's hesitation about approving a military program for Laos. Is it likely that we will receive shortly authorization to negotiate on this matter or shall we have to continue to live from hand to mouth for some time to come? In this same connection, is there any hope of ever getting any helicopters for the ICC?<sup>4</sup> My feeling is that if we refuse to give them the tools with which to act, it simply means that more responsibility is thrust upon us.

I received a call the other day from a curious character named Prasit, who for the last few days has been visiting Xieng Mao and is now accompanying Souvanna Phouma on a tour of the North, including Luang Prabang. He apparently has lived in Bangkok for many years, accompanied Prince Souphannouvong when the latter went over to Ho Chi Minh in 1950 but returned to Bangkok six months later, and is a close friend of all the Laos Issaraks<sup>5</sup> who lived in Bangkok from 1946 to 1949. He claims to be the descendant of the

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little internal following and no status, but now they have been given international protection which can only be withdrawn by international action. Great powers having got Laos into this mess, it is up to them to get her out." (*Ibid.*, 751G.00/1-2555)

<sup>3</sup>In telegram 284, Yost expressed doubt that Savang would "exercise the forceful personal leadership which we might wish."

<sup>4</sup>A discussion of the ICC's air transportation needs and the gravity of the situation is in telegram 2784 from Saigon, not printed. (Department of State, Central Files, 751G.00/1-555)

<sup>5</sup>The Lao Issara (Free Laos) was a government formed in 1945 which unsuccessfully opposed French reoccupation of Laos. When French forces entered Vientiane in April 1946, the Lao Issaraks fled across the Mekong River into Thailand, where they continued as a government-in-exile and carried on guerrilla raids against the French. In May 1949, the Lao Issara split. Prince Souphanouvong, the commander of the Lao Issara guerrilla army, was removed from his post and formed a separate faction. In October 1949, Souvanna Phouma and 25 members of the Lao Issara returned to political life in Laos under the French Union.

Kings of Vientiane who were carried away as prisoners to Siam 130 years ago. . . . Without having any concrete evidence, I suspect him of being an emissary of Prince Phetsarath.

As you have undoubtedly gathered from our telegrams, Katay is working out rather badly. His attitude toward the Pathet Lao was not unexpected but he has not demonstrated the ability and drive in directing his government which we had hoped. Nor has he abandoned intrigues against his Cabinet colleagues. Yet it still seems doubtful that either they or he could set up a durable government without the help of the other. In my view if the present government should fall apart (which we, of course, are doing our best to prevent) the ideal alternative would be for the Crown Prince, himself, to take over temporarily. However, I fear he would not do so. General Phao's candidate would, of course, be Prince Phetsarath and, if the latter would make a truce with the Royal family and firm up his position toward the Pathet Lao, this possibility should not be completely excluded. The pickings here are awfully thin.

However, I hope the adhesive tape will hold together at least until the elections.

. . . . .  
With best personal regards,

Sincerely yours,

Charlie

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268. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, January 28, 1955—6 p.m.*

293. Reference Department telegram 227 repeated Bangkok 1963, Saigon 3119, Phnom Penh 321.<sup>2</sup> Phoui has never expressed such

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-2855. Top Secret. Repeated to Saigon and Bangkok.

<sup>2</sup>In telegram 227 to Vientiane, January 26, the Department informed the Legation of a report that Lao Foreign Minister Phoui Sananikone had stated that under the Geneva Agreements the Royal Government of Laos was obligated to unite with the Pathet Lao and that Souphanouvong had agreed to join the government. Yost was instructed to inform Katay and Phoui that the United States, after careful study, found no compulsion in the Geneva Agreements for the Lao Government to come to terms with the Pathet Lao. (*Ibid.*, 751.00/1-2655)

view to us nor has he done so to French, British, Canadians or others in Vientiane. He would have informed us. Thai Minister, with whom I have had occasion to discuss Phoui several times in connection with Udom affair,<sup>3</sup> has never quoted him to this effect. Phoui's views as expressed to us and others have been consistently opposed to Pathet participation in government. . . .

What Phoui might have said was that negotiations with Pathets were required in order to reach "political settlement" referred to Article 14, Geneva Agreement. ICC has persistently urged this view on Lao Government and all Ministers have accepted it. Even Katay, however, though he at first contemplated offering Pathets participation in Central Government as easiest means of arriving at settlement, never contended government was required by Geneva Accord to make such offer. It is my present impression that idea of Pathet participation in Central Government has been effectively scotched by our action. We shall, of course, continue to follow closely as possible and shall intervene again if it becomes necessary.

I have many times expressed view to Katay, Phoui, and other Ministers that Lao Government is not obligated by Geneva Accords to conclude with Pathets "political settlement" that goes behind guarantees of nondiscrimination all non-reprisal for past acts, of individual rights accorded to all citizens, and representation "aupres de" Royal administration of Samneua and Phongsaly. I shall take appropriate occasions to repeat Department's legal position to Lao Ministers and Breal. Basic difficulty is not, however, real or imagined legal obligation but temptation dangled before Katay by Pathets that if he makes concessions peace, sweetness and light will be restored.

Next ticklish point, which has apparently been only lightly touched on in negotiations so far, is likely to be disposition Pathet military forces. Oun-Hueun informs us Pathet negotiators propose those who wish to return to civil pursuits do so but that remainder be incorporated into Royal Forces. I have pointed out previously to Katay that Laos is under no obligation whatsoever to admit to Royal Forces individuals who were not therein before outbreak hostilities, and that United States could hardly be expected to provide financial support for Pathet units in Royal Forces. I have not pressed this point hard, since likelihood negotiations reaching settlement has seemed remote, but will do so if necessary.

In conversation last evening (before we received Department telegram 227), Phoui raised question whether it might not be in government's interest to stall and block negotiations in order confine Pathet Lao to two northern provinces until after elections. Settle-

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<sup>3</sup>Reference is to the recent assassination of former Defense Minister Kou Vora-vong by Udom Louksurnidir.

ment, he pointed out, would inevitably involve granting Pathets right to propagandize freely throughout country during electoral campaign. In reply, I expressed personal view that most important immediate task is to reestablish Royal authority and administration in two provinces and prevent them being consolidated by Pathets into state within a state. While reasonable settlement with Pathets seems to me exceedingly unlikely, I thought it would be offering such settlement, including free Pathet participation in elections, if that should prove necessary price to regain control of northern provinces. Of course, if such freedom were accorded Pathets, government would have to demonstrate considerably more vigor and effectiveness than hitherto in organizing its own propaganda and improving its performance. Phoui did not contest those views.<sup>4</sup>

Yost

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<sup>4</sup>In telegram 238 to Vientiane, February 1, the Department concurred with the Legation's analysis contained in telegram 293. (Department of State, Central Files, 751J.00/1-2855)

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## 269. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, January 29, 1955—1 p.m.*

296. Reference Legation telegram 255 repeated Saigon 334, Paris 53,<sup>2</sup> Legation telegram 267,<sup>3</sup> Legation telegram 277 repeated Saigon 357.<sup>4</sup> I am much concerned at probable effects of our failure even to commence negotiations for financial support Lao armed forces. It is true that, if our recommendations regarding obligational authority set forth Legation telegram 277 are approved within next few days, most immediate needs of Lao forces will be met for the moment. However, delays in negotiating overall agreement and annual program has following harmful effects:

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<sup>1</sup>Source: Department of State, Central Files, 751J.5-MSP/1-2955. Top Secret. Repeated to Saigon, Phnom Penh, and Paris.

<sup>2</sup>Document 262.

<sup>3</sup>In telegram 267, January 18, the Legation transmitted to the Department the summary of a note from the Royal Lao Government requesting that negotiations with the United States be started in order to conclude an agreement on direct U.S. financial assistance to the Lao National Army. (Department of State, Central Files, 751J.5-MSP/1-1855)

<sup>4</sup>See footnote 3, Document 266.



(1) It prolongs existence of organization which we consider inefficient and therefore reduces capability of Lao forces to cope with an emergency which is constantly threatening;

(2) It continues existing force levels and pay scales which we consider extravagant and therefore imposes extra burden on US budget;

(3) Most important from political point of view, it creates doubt in minds of Lao leaders, at time when we are most anxious to stiffen their backs, whether US support is really firm and reliable.

We are engaged here in exerting daily pressure on Lao leaders to ensure that they be steadfast and courageous in face of their powerful Communist neighbors, that they make no dangerous concessions to Pathet Lao in current negotiations, and that they organize vigorously in order to win next summer's elections. We can achieve these objectives only if Laotians feel confident US is not going to run out on them after a few months. There is much to be said for not concluding negotiations on military support until Pathet Lao negotiations have passed critical state, and for using our proffered support as leverage to ensure government does not go too far in making concessions. If we refuse then to commence negotiations, however, far from being leverage we encourage Lao Government to make best bargain it can with Communists.

We are perfectly aware that Lao military force we will be supporting will be far from satisfactory, that French Military Mission is not as effective as it should be, and that US MAAG would be far preferable. I hope that somewhat later, perhaps after elections, we may be able to introduce a MAAG and that in meantime we can exert a strong influence through our hold on purse strings, through such US advisors as may be attached to Legation and USOM, and through training Lao officers in Thailand. (Thai Minister tells me his government strongly favors latter expedient.) For the present, however, we must work with such instruments as we have at hand and not sulk because we have no better ones.

This message is written on the assumption that US Government has taken decision that exclusion of Chinese Communists and Viet Minh from Southeast Asia including Laos is important US national interest, that this objective can be achieved, at least for time being, only with help of substantial US military and economic support supplied directly to Associated States Governments, and that such support, within reasonable limits, will be supplied.

Yost

270. Memorandum From the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Deputy Under Secretary of State for Political Affairs (Murphy)<sup>1</sup>

Washington, February 2, 1955.

SUBJECT

Current Problems in Laos

1. *Politico-Military Situation.* The Communist Viet Minh-directed Pathet Lao have thus far, in violation of the Geneva Accords, blocked reestablishment of Royal Laotian Government authority in Phong Saly and Sam Neua, the two Pathet Lao regroupment zones, and are apparently working toward the achievement of de facto partition of the country. They have, moreover, attacked (January 13) two Franco-Laotian posts in the area, one of which fell and remains in Pathet Lao hands.<sup>2</sup> Fighting has temporarily ceased, but it is evident that Royal Government control can be restored only by force, which would be considered by the ICC as a violation of the Accords, by substantial political concessions, which we would oppose, by ICC action, which has so far proved ineffective, or by the pressure of international opinion. Toward the latter end, it is expected that the situation in Laos will be discussed at Bangkok, either in connection with the "security of the Treaty area" item on the agenda or in the tripartite side conversations. The Pathet Lao attacks have had the one salutary effect of partially awakening the Laotian Government to the true Communist nature of the Pathet Lao, whom it has heretofore regarded as misguided but redeemable Laotian brothers.

2. *Laotian Force Basis.* Minister Yost proposed on December 21 a force basis of 23,650 organized along U.S. division lines at a cost of \$41.2 million. (Vientiane's 193, 195,<sup>3</sup> 255<sup>4</sup> already in Mr. Murphy's hands) This program, concurred in by MAAG Saigon, calls for reducing the present 30-31,000 to 23,650 by July 1, 1955, to accord with our concept of the Laotian Army's pacification mission and above all with the exceedingly small number of Laotian officers (630), the principal limiting factor. Defense has handed down no decision, despite Yost's repeated urgings (Vientiane's 296<sup>5</sup> is latest instance) that

<sup>1</sup>Source: Department of State, OCB Files: Lot 62 D 430, Southeast Asia. Secret. Drafted by Byrne.

<sup>2</sup>According to telegram 276 from Vientiane, January 22, the airstrip at Nong Khang was back in the hands of the Lao Government but the Pathet Lao had burned equipment before withdrawing. (*Ibid.*, 751G.00/1092155)

<sup>3</sup>Telegrams 193 and 195, both December 21, 1954, neither printed. (*Ibid.*, 751J.5/12-2154)

<sup>4</sup>Document 262.

<sup>5</sup>*Supra.*

failure to do so means we are supporting an inefficient Lao Army organization at extravagant force levels and pay scales and, most important, are leaving the Laotian Government in doubt concerning the extent and duration of our aid at the very moment we are urging a stiffer attitude toward the Communist enemy. We understand that JCS has come through with a statement<sup>6</sup> which is now in OSD waiting for Secretary Wilson to sign the covering letter to the Secretary.<sup>7</sup> We have been told informally that, inasmuch as the Geneva Accords prevent the establishment of a MAAG in Laos, JCS wishes to make no recommendation regarding force levels. However, if for political considerations it is necessary to support the Laotian Army, it will interpose no objection to the figure proposed by Yost. The problem of end-items is completely ignored. The Deputy Under Secretary may wish to request expeditious action by OSD.

He may also wish to ascertain Defense's attitude toward the problem of controllers to check the expenditure of U.S. funds for military purposes in Laos. Although Defense insists upon a hands-off position with respect to Laotian Army, its assistance will nevertheless be necessary in finding civilians with appropriate military background. . . . The Geneva Accords prohibit the introduction of foreign military personnel except for a fixed number of French.

3. *Direct Forces Support Agreement.* Although a Defense judgment on appropriate force levels is a logical prerequisite to the determination of an annual aid figure, lack of one has not been the reason for failure to negotiate a direct forces support agreement with Laos. Rather, absence of a decision on the disposition of Section 121 funds is to blame.<sup>8</sup> If, as is expected, the President today (February 2) approves the allocation of these funds as proposed by Governor Stassen, \$46 million will be set aside for Laos for CY 1955.

Thus far payments to support pay, allowance, and food requirements of the Laotian Army on a monthly basis have been made by means of a provisional exchange of notes which makes no commitment as to the duration or magnitude of U.S. aid. With a decision on Section 121 monies and with the completion by the Legal Division of definitive language for over-all agreements for Cambodia and Viet-Nam, it is anticipated that negotiations for a general direct forces support accord will shortly begin. Practically speaking, the chief need for such an agreement is psychological.

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<sup>6</sup>Document 264.

<sup>7</sup>Document 275.

<sup>8</sup>Reference is to the Mutual Security Act of 1954, enacted August 26. Section 121 authorized the President to appropriate for fiscal year 1955, on terms and conditions he might specify, the sum of not more than \$700 million for expenses necessary for the support of forces in Southeast Asia including direct assistance to Vietnam, Laos, and Cambodia. For text of the act, see 68 Stat. 832.

## 271. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, February 4, 1955—7 p.m.*

310. Saigon pass MAAG. Deptel 237 rptd Saigon 3224, Paris 2719, Phnom Penh 334.<sup>2</sup> According best information obtainable, Lao forces need no additional arms and equipment for any operations in North likely to occur in near future. Bar to military reoccupation two provinces not lack equipment but other considerations outlined below.

Re financial need, recommendation was set forth Legation telegram 277 January 22<sup>3</sup> for granting Lao army soonest obligational authority at least 62 million piastres (over and above \$2 million for February cash outlays) to maintain pipelines essential requirements and to meet extraordinary expenses in connection with situation in north.

This recommendation was rejected provisionally by Department telegram 235<sup>4</sup> but we hope decision will be reconsidered in light concern expressed Department telegram 237.

At present Lao army is being provided with U.S. funds for pay, allowance and food only and, in view very meager alternative financial resources Lao Government and lack of basis on which to plan future expenditures, is restricting operations to absolute minimum. For instance, 2 parachute companies have been airlifted from South to reinforce Xieng Khouang garrisons at cost 733 thousand piastres but projected airlift remainder parachute battalion and infantry battalion, at estimated cost 3,570,000 piastres, being held up for lack of funds. This example is only illustrative; operations generally will be severely handicapped until U.S. and Lao Governments negotiate agreement on Lao annual military budgets.

Failure to react tactically to Pathet Lao occupation two northern provinces is not primarily due to French. French have for months been urging Laotians to act more vigorously but latter have made it

<sup>1</sup> Source: Department of State, Central Files, 751G.00/2-455. Secret. Repeated to Saigon, Paris, and Phnom Penh.

<sup>2</sup> In telegram 237, February 1, the Department informed the Legation of U.S. concern at French failure to react to Pathet Lao occupation of the two northern provinces. Methods of assisting Laos were being considered. In addition to discussing Laos at the upcoming SEATO Council meeting at Bangkok, the Department suggested U.S. assistance to Lao forces by redistribution of surplus equipment from Vietnam. The Department requested the views of the Legation and the military attaché. (*Ibid.*, 751G.00/1-2655)

<sup>3</sup> See footnote 3, Document 266.

<sup>4</sup> Telegram 235, January 31, reads in part as follows:

"Pending President's approval allocation Section 121 funds expected this week, Department unable authorize commitment more than \$2 million already allotted February." (Department of State, Central Files, 751J.5-MSP/1-2255)

very clear that, in military as in other matters, French are no longer in driver's seat. Department is of course aware all command positions in Lao army have been turned over to Laotians and French remain purely as advisors. This is reality not a fiction.

Lao military are ready and eager to reoccupy whole of two provinces and believe they could do so easily if Viets did not intervene. As previously reported Lao forces in Sam Neua are now being covertly reinforced. Reasons why Lao Government does not authorize more extensive action are (1) belief of Katay group that possibilities of negotiation with Pathets should first be exhausted; (2) belief of Crown Prince and others that, in absence more specific guarantee by Manila Pact powers, Viets would react by massive intervention beyond powers of Lao forces to repulse (Legation telegram 284<sup>5</sup>). In our discussions this problem with Lao leaders, we have, while constantly urging more vigorous action, had in mind stipulation contained Department telegram 116 December 3<sup>6</sup> "believe Department should not give advice which might result in resumption hostilities".

As indicated in previous telegrams, we believe following timetable of measures best calculated for dealing with this situation: (1) While warning Lao Government against dangerous concessions, to accept without other objection continuance government-Pathet negotiations until end this month, in order further expose Viet-Pathet intentions to Katay and provoke Lao appeal to ICC; (2) to support declaration by powers at Bangkok Conference along lines desired by Crown Prince, which will reduce insofar as possible likelihood further Viet armed interventions; (3) thereafter, to encourage and assist Lao Government to take whatever measures political or military, are necessary to restore its authority in two provinces and bring about demobilization Pathet armed forces.

Army attaché concurs.

Yost

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<sup>5</sup>See footnote 2, Document 267.

<sup>6</sup>Dated November 26, 1954, not printed. (Department of State, Central Files, 751G.00/11-2254)

## 272. Telegram From the Department of State to the Legation in Laos<sup>1</sup>

*Washington, February 12, 1955—1:20 p.m.*

261. Vientiane 310 repeated Saigon 379 Paris 63 Phnom Penh Unnumbered;<sup>2</sup> Department telegram 237 to Vientiane repeated Saigon 3224 Paris 2719 Phnom Penh 334.<sup>3</sup> Department notes shortage arms equipment Lao forces not factor preventing reoccupation provinces.

Regarding additional February aid (Department telegram 235<sup>4</sup>) shortly expect FOA authorization \$46 million for DFS Laos CY 1955.

Defense February 7 instructed CINCFE deliver seven helicopters, six light aircraft and spare parts for craft already Indochina. Delivery schedules not known. New arrivals mean eventual total eighteen helicopters of which ICC to get fourteen or fifteen; ICC Laos may be allocated three or four.

On political side Secretary plans include Laos in general area review Bangkok. Although final aid authorization, helicopter delivery and political action by Manila Pact powers are still to come, represent positive encouraging signs early external assistance Laos.

On other hand Department discouraged trend Lao attitude. Department recognizes stringent budget position but feels lack funds cannot honestly be advanced by Laos as justifying failure react to Pathet Viet Minh incursions. If U.S. delay approving total aid complicates planning nevertheless U.S. publicly committed support army.

You correct in following policy Department telegram 116<sup>5</sup> which unchanged. No desire in Department telegram 237 give advice which might resume hostilities, but consider Laos and French have right take action counter Pathet attacks. Internal attacks may again presage overt Viet Minh aggression. Aware command positions in hands Laos but under impression pattern French advisor for each Lao officer in headquarters gave French significant power to influence. Reports confirmed by Buford French not wish get involved nor stir things up

<sup>1</sup>Source: Department of State, Central Files, 751G.00/2-455. Secret; Priority. Drafted by Hoey, cleared by PSA and WE, and approved by Robertson. Repeated to Saigon, Phnom Penh, and Paris.

<sup>2</sup>*Supra.*

<sup>3</sup>See footnote 2, *supra.*

<sup>4</sup>See footnote 4, *supra.*

<sup>5</sup>See footnote 6, *supra.*

might even lead them discourage Lao initiative. Your clarification 310 most helpful.<sup>6</sup>

Dulles

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<sup>6</sup>In telegram 349 from Vientiane, February 16, in response to this telegram, the Legation provided the following assessment of the difficulties facing the Royal Lao Government in reoccupying the two northern provinces:

"We too have been discouraged at Lao attitude and behavior in northern provinces though we must recognize serious difficulties which policy of ICC has created. Government forces in Sam Neua and Phong Saly were very small at time of cease-fire. Pathet-Viets have taken position it would be violation Article 19 of cease-fire agreement to reinforce them, despite fact Pathets from all over Laos, not to mention Viets, were regrouped in these two provinces. ICC has, by failure to recognize right of Royal Forces to be in two provinces, so far condoned Viet-Pathet position. Reinforcement of government posts by parachute could hardly be concealed and covert reinforcement by foot is very difficult". (Department of State, Central Files, 751G.00/2-1555)

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### 273. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, February 13, 1955—10 p.m.*

342. Arrival King and Crown Prince in Vientiane and forthcoming opening Assembly are bringing to a head critical difficulties within government.

During hour's conversation yesterday, Crown Prince told me that he is profoundly disturbed by government's slowness, indecision and lack of internal cohesion, that Katay insists on prolonging useless negotiations with Pathets while latter consolidate their position in two northern provinces, that he is profiting with contradictory promises which he does not keep and that other Ministers (presumably Phoui and Souvanna) are fed up and prepared to overthrow government this week if Crown Prince agrees.

Savang said his inclination is to counsel delay in view Katay's forthcoming Bangkok visit and SEATO meeting during which it would be unfortunate if Laos has no government. On other hand,

(1) Katay had, without consulting other Ministers, prepared speech from throne, to be delivered by King before Assembly tomorrow, which breathed neutrality and "peaceful coexistence", and

(2) Prolonged delay and continued indecision would result in loss of two provinces and perhaps of elections but in response my question, Prince said many Assembly members who had voted for

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-1355. Secret. Repeated to Saigon, Phnom Penh, and Bangkok.

Katay are disillusioned and he believes new government could be set up rapidly and easily. He asked my views.

I replied we had supported Katay government as government national union embracing all important non-Communist parties and as best calculated unite Lao people and win elections. There is no doubt government in general and Katay in particular have been serious disappointment for reasons Prince cited and if it could not be quickly improved, alternatives should be considered. However, it is important to be sure there is a viable alternative. As he had pointed out, it would be unfortunate if Katay's visit to Thailand were interrupted and Laos were without a government during Bangkok conference.

On other hand, it was also most important King not be maneuvered into making damaging neutralist statements to Assembly. I inquired whether Prince and other Ministers could not insist on eliminating objectionable passages from Throne speech. Prince said he would do his best though constitutionally speech is government's, not King's, responsibility. He added he would sound out Assembly members during coming week to ascertain whether rapid change in government would be possible.

Prince concluded this subject by remarking Thais had made serious miscalculations in throwing their weight behind Katay, first because he has engaged in course of policy which endangers Thailand as well as Laos security and, second, because they have alienated other Lao leaders who have much more support in country. I said I hoped Crown Prince could clear up these misconceptions by visit to Bangkok. He replied he hoped to do so in April.

. . . . .

Negotiations with Pathets are bound to fail, Savang declared. Their leaders are Communists and even those who may not be are bound by fear of assassination or by family hostages in China. ICC is completely useless. If present course continues, either elections or two provinces will be lost. Lao people are getting impression government is too weak to deal with Pathets.

Action should be taken within one month by force, if necessary, to restore Royal administration in northern provinces.

I encouraged Prince by direct admonition to stiffen performance of Lao Government by deed not comment on:

- (1) Adherence Laos to Manila Pact;
- (2) Use of force in northern province.



I referred to Secretary's visit<sup>2</sup> as opportunity for full discussion current critical situation in which US wishes be helpful as possible.

Subsequent telegram<sup>3</sup> sets forth my comments on Prince's views. I shall seek another interview with him before end this week.

Yost

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<sup>2</sup>See Documents 277-281.

<sup>3</sup>*Infra.*

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274. **Telegram From the Legation in Laos to the Department of State<sup>1</sup>**

*Vientiane, February 14, 1955—8 p.m.*

343. Reference: Legation's telegram 342 repeated Bangkok 103.<sup>2</sup> Following my comments possible change in government suggested by Crown Prince.

There is no doubt Katay has proven unsatisfactory Prime Minister. He has misconceived true character of Pathet Lao and has prolonged negotiations with them beyond point of diminishing returns.

It is true he has been encouraged in this course by both ICC and Thais. He has not kept Crown Prince or his ministerial colleagues informed of his intentions and has intrigued shamelessly against his Foreign Minister. He has rather crudely endeavored to outsmart all with whom he has dealt, including ourselves. Finally he has totally failed to show expected energy and imagination in coping politically and administratively with problem facing Laos and in popularizing government with Lao people

Before determining whether his downfall would be advantageous, however, alternatives should be scrutinized. There would appear actually to be no feasible alternative except return in effect to old government which resigned last October, leader of which might be Souvanna, Phoui, or Prince Bon Oum, with Prince Savang exercising considerably greater influence than at present. Such government would be politically safer and administratively much more effective than present one and would work more honestly with US and France. This government would presumably be based to considerable extent on army which Souvanna appears to have well in hand.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-1455. Top Secret; Priority. Repeated to Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>*Supra.*

Such a government would, however, have certain serious disabilities. It would be tagged with labels "old guard" and "pro-French" and might be unable to obtain or keep two-thirds majority in Assembly. We saw how bitterly it was attacked in debates last autumn. It would encounter same disabilities in election campaign. (. . . Pathet detest Katay and are indifferent to Souvanna, presumably because they consider former more dangerous rival.) Moreover, it cannot be predicted to what length Katay and his friends might go if they were kicked out of power. They certainly would cause all the trouble they could. Finally, rapprochement with Thais might be checked by change in government, which they would doubtless lay to French machinations. (Breal, who is normally most frank and cooperative, has been singularly reticent last few days. This may mean he is up to something or may merely reflect Franco-American difficulties outside Laos.)

On the whole I am inclined to advise one more effort to keep this government together and to help it function. I expect to have serious talk along these lines with Katay tomorrow. If Department and Ambassador Peurifoy see no objection, I believe it would be very helpful if latter might suggest to Marshal Pibul and General Phao they do likewise during Katay's visit to Bangkok.<sup>3</sup> It might be pointed out to them that we and they have been supporting Katay government as that best fitted to keep Communism out of Laos but that it is falling down on the job and, if it does not rapidly improve, will be and should be thrown out. If Thais ask what steps Katay should be advised to take they might be told: (1) insist Pathets permit prompt restoration Royal authority in two northern provinces and, if they will not, appeal to ICC and break off negotiations; (2) reestablish unity in his government by taking colleagues into his confidence and ceasing intrigues against them; and (3) get himself and his Ministers out of Vientiane into the country to tell and show the people what the government can and will do for them.

We would hope our expression of waning confidence in Katay would not induce Thais to go back to Petsarath, who seems to share Katay's more serious failings and to compound them.

Yost

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<sup>3</sup>Katay visited Thailand February 20-22. A report of his visit and discussions is in telegram 383 from Vientiane, February 26. (Department of State, Central Files, 396.1-BA/2-2655)

**275. Letter From the Secretary of Defense (Wilson) to the Secretary of State<sup>1</sup>**

*Washington, February 16, 1955.*

DEAR MR. SECRETARY: I refer to the request of the U.S. Minister to Laos, as outlined in Legtel 193 from Vientiane, dated 22 December 1954,<sup>2</sup> and to other pertinent messages and despatches related thereto, whereby he requests a Joint Chiefs of Staff review of a concept for proposed U.S. support of Laotian Forces.

The Joint Chiefs of Staff have reviewed Minister Yost's recommendations and consider that, from a military point of view, they cannot recommend the provision of Mutual Defense Assistance Program support of Laotian forces over which the United States, under the terms of the Geneva Accords, would have no control. However, in view of the fact that political considerations may be overriding, the Joint Chiefs of Staff did set forth their views,<sup>3</sup> not to be considered as a recommendation, as to Laotian forces which would be required in order to maintain internal security in that country.

In considering the Geneva Accords restriction against the introduction of military personnel into Laos, which specifically mentions instructors other than French, the Joint Chiefs of Staff concluded that there would be only a negligible opportunity for the United States to exercise appropriate control over any U.S. military assistance furnished to Laos.

In relation to the above, there are three possible courses of action for providing supervision over the end-use of U.S. military equipment by Laotian forces, all of which would require the cooperation of, and liaison and administrative arrangements with the French. They are as follows:

a. Monitor the end-use of U.S. military matériel and equipment provided Laotian forces by using only French military personnel in supervisory roles.

b. Authorize supervision, in conjunction with the French, by the U.S. Army attaché section attached to the Legation, Vientiane.

c. Provide qualified U.S. civilian personnel to be attached to the U.S. Embassy, Vientiane and to work in a supervisory role in conjunction with the French.

The complete lack of U.S. supervision if course of action a. were adopted would be unacceptable from a military standpoint for obvious reasons.

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/2-1655. Top Secret.

<sup>2</sup>See footnote 3, Document 270.

<sup>3</sup>See Document 264.

The Army attachés at Vientiane (course of action b.), have a primary mission with which end-use supervision of aid programs would seriously interfere; an appreciable build-up of the attaché section would make the U.S. suspect to violation of the Geneva Accords; only general supervision through liaison with the French could be exercised; and the division of responsibility, with considerably less than effective results from a military point of view, would make this arrangement completely unsatisfactory.

Course of action c., although not considered feasible by the Department of Defense, is the only one which possibly offers a minimum opportunity for U.S. supervision. Even though civilians with military backgrounds might be employed for this purpose, the number obtainable probably would limit U.S. supervision to that of a general nature. The division of responsibility, with considerably less than effective results from a military point of view, would make this arrangement unsatisfactory.

The Department of Defense concurs in the views of the Joint Chiefs of Staff on this subject, including their statement on force levels. However, for political reasons, the Department of Defense will agree to the selection and financial support of U.S. civilians to be employed for the supervision of military aid programs to Laos provided the Department of State or the Foreign Operations Administration will assume responsibility for the necessary administrative support, including housing, messing and clerical assistance. Therefore, it is requested that the Department of State determine, through Minister Yost, the number of civilian personnel required.<sup>4</sup> When this information has been provided to the Department of Defense, and the Department of State has indicated concurrence in the proposal relating to administrative support as outlined above, the Department of Defense will select and assign suitable personnel for this mission.

Continued U.S. military support of Laotian forces will be contingent upon the effectiveness of these forces in absorbing and assimilating U.S. military aid; the effectiveness and rate of progress of the French military mission in training Laotian personnel, both officers and enlisted, to man properly the forces to be supported; and future developments in the military and political situation in VietNam.

Sincerely yours,

C.E. Wilson

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<sup>4</sup>This was done in telegram 304 to Vientiane, February 25. In addition, the telegram noted that it was "imperative [Lao] Army be quickly reorganized into tighter, more efficient force" at the 23,650 level with divisional organization. Wilson's letter of February 16 and the JCS memorandum of January 21 were summarized in this telegram. (Department of State, Central Files, 751J.5-MSP/2-1855)

276. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, February 16, 1955—5 p.m.*

352. Following is examination of possible alternatives for bringing about restoration two northern provinces to Royal authority:

1. First method advocated by ICC and pursued by government has been negotiations with Pathet Lao. There seems very little likelihood these will succeed. It is clear Pathets are controlled by Viets and there seems no valid reason to expect Viets to abandon useful power position, except in exchanges or sweeping concessions to Pathets in Laos as a whole which Royal Government is not prepared to grant. Even Katay no longer has faith in this method.

2. The second alternative is to bring about gradual erosion Pathet position through defection some major leaders and most rank and file, who he thinks would be happy to escape if they could. He and Chairman ICC believe this process will be facilitated by dissolution Mixed Commission. Once again, while not inconceivable, we see little likelihood this method succeeding. We have seen no evidence that Pathet's leaders wish or dare to revolt. While trickle of rank and file have come across, we suspect majority can be intimidated if not indoctrinated. Moreover we anticipate continued infiltration of Viets to stiffen them.

3. Third alternative might be concerted heavy pressure on Viets and Chinese exerted by ICC, Geneva signatories, Nehru, Manila Pact powers. This method, while probably that favored by UK and France (judging by attitude their representatives here), also has serious limitation. It is doubtful whether ICC, that is, Indian Chairman, will ever take strong stand which might "increase tension;" even more doubtful Geneva signatories would. We question whether Nehru would go beyond equivocal moral approach Viets and Chinese, since to do so would run counter to his whole policy and issue must seem to him relatively small. While we continue to feel strongly that Manila Pact powers should act on this issue at Bangkok, we are less and [less?] sanguine of results than before recent change in Kremlin and exacerbation Formosa question. We suspect Communist high command may now be less concerned at effect on West and prefer to keep two Lao provinces as additional pawns and means of pressure. They can use failure to reach "political settlement" as excuse to ICC and Nehru, and "domination" Laos by US and French "imperialists" as propaganda justification.

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<sup>1</sup>Source: Department of State, Central Files, 751J.001/2-1655. Top Secret; Priority. Repeated to Bangkok, Saigon, and Phnom Penh.

4. If these three means fail, only alternative likely to succeed in foreseeable future would be exercise of force by Lao Government and army. As previously reported, Crown Prince and increasing numbers of political and military leaders are inclining to this solution, and believe it could be easily accomplished if Viets did not invade in force. They would count upon existing or strengthened Manila Pact guarantee to prevent such invasion. We would be inclined to agree with their appraisal but obviously this is question fraught with uncertainty. If government does undertake to reoccupy provinces by arms, Indians and ICC will consider themselves flouted, some of our allies will be horrified, and Viets may counter-attack in force.

5. On other hand, consequences of letting provinces go by default must be considered.

(a) Precisely at inauguration of Manila Pact, new demonstration of inability of West to defend Southeast Asian area would sap courage and morale in area as whole.

(b) Ultimately a new "peoples democracy" would probably emerge and Laos be definitely partitioned.

(c) Lao Government would be discredited and likelihood of its holding balance of country seriously reduced.

(d) Consequences of loss on Laos' other neighbors is apparent.

6. Under these circumstances we would have to consider very carefully before advising Lao Government against taking action, along lines alternative four above, which it might consider necessary to restore its territorial integrity. Such action would have to be commenced by April 1 at latest in order to be sure of achieving its objective before rainy season. This factor allows relatively little time to exhaust possibilities of satisfactory settlement by other means.

7. It is for this reason that I particularly urge issuance by Bangkok conference of grave declaration of concern and warning,<sup>2</sup> which might contribute to inducing Viets to observe their pledges concerning territorial integrity of Laos.

Yost

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<sup>2</sup>For text of the communiqué of the SEATO Council which includes a statement on Laos, see Department of State *Bulletin*, March 7, 1955, p. 371.

**277. Memorandum of a Conversation, Vientiane, February 27, 1955<sup>1</sup>**

## PARTICIPANTS

His Royal Highness Prince Savang  
The Secretary of State  
Mr. McCardle  
Mr. Robertson  
Mr. MacArthur  
Minister Yost

After the usual greetings, the Crown Prince launched into a description of the difficult situation in which Laos now finds itself. He said that Laos had been at war first with the Japanese and later with the Vietminh over a period of many years and that it had successfully preserved its independence in spite of the enemy having come within a few miles of Luang Prabang and that it had been fully prepared to continue the struggle when Geneva had intervened. In the close of the Geneva Conference he had given instructions to the Laos Delegation that they should not agree to any provision of the cease-fire which would preclude Laos from allying itself with friendly powers or which would give recognition and status to the Pathet Lao. However, at the last minute the Lao Delegation had yielded to Great Power pressure and had accepted these clauses. The Pathet Lao, the Prince said, are purely inventions of the Chinese Communists and Vietminh and have no indigenous support. The families of most of their leaders are held as hostages in China and their younger military officers have been sent to China for training and replaced in Laos by Vietminh officers. They could be wiped out very easily if the government had a free hand. Laos, however, is in a very exposed position, having long frontiers with China and North Vietnam and it has not felt it could risk action against the Pathet Lao which might provoke armed counter attacks with the Vietminh.

At this point the Secretary expressed his view that, in dealing with the internal danger as it felt needful to do, the Lao Government need have no fear of massive overt external attack. He pointed out that the Manila Pact is a firm guarantee to Laos and other nations within the treaty area against external aggression. While there are

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-2755. Secret. Drafted by MacArthur. After the conclusion of the SEATO Council meetings at Bangkok, Dulles made brief visits to Rangoon and Vientiane on February 27, Phnom Penh on February 28, and Saigon from February 28 to March 1. Briefing material for the Secretary's visit to Laos is *ibid.*, FE Files: Lot 56 D 679, Bangkok Conference, Visits. The Legation suggested in telegram 374 from Vientiane, February 21, that Dulles meet with the principal Lao political figures alone, because "due to peculiarities of local political situation, each of above figures will talk much more frankly and substantively alone than he would in company of any of the others." (*Ibid.*, Central Files, 110.11-DU/2-2155)

not Manila Pact forces visible to the Crown Prince in this immediate neighborhood, the Manila Pact Powers and particularly the United States possess immense forces, particularly in the air and on the sea. These forces would be used against any nation responsible for an external aggression against Laos. The Chinese Communists and the Vietminh are fully aware of the overwhelming strength of these forces and of the fact that they would be used in the case of aggression. The Secretary therefore considered it excluded the possibility that there would be massive overt aggression against Laos. Small scale infiltration there undoubtedly would be, but the Lao Government would have to deal with that.

As to the internal problem, the Secretary continued, that was for the Lao Government to meet. The United States is supplying certain assistance but the responsibility and action required must lie with the Lao Government. The people of the United States are assuming very great responsibilities for preserving the independence and liberty of many countries all over the world, including some such as Laos which are far distant and of which they know little. They are doing so on the assumption that those people have an equal determination to defend their independence against internal or external attack. In the United States, while there are many internal political differences of opinion, there are no differences of opinion on the basic issue of resistance to Communism. The fact that the Manila Pact was ratified by the United States Senate by a bipartisan vote of 86 to 1 is a clear demonstration of this fact. The United States expects other liberty-loving countries to demonstrate the same unity and resolution. It was not his wish to advise the Lao Government how to deal with their internal problems but he felt he could assure them, for the reasons he had just explained, that they might feel safe to deal with them without fear of external aggression.

The Crown Prince expressed his appreciation of the sentiments which the Secretary had expressed. He said that his views and those of the Lao people are completely firm on the question of resistance to Communism and maintenance of Lao independence. There had been the question, which had caused divergences within the Government, as to how far the Government could go in reestablishing its authority in Sam Neua and Phong Saly without provoking a massive counterattack with which they could not deal. These doubts have been aggravated, first, by the attitude of the International Commission and, second, by mistrust of the efficacy of French support and French military tactics. In this connection the Prince referred bitterly to the stupidity of French tactics at Dien Bien Phu and to the loss of five Laotian battalions which had been prevented from participating in the battle when they might have been useful but which had been wiped out by the Vietminh at their leisure after the fall of the for-



gress. The Crown Prince continued, in light of the affirmation which the Secretary had just given him of the firm support of the Manila Pact Powers backed by the great strength of the United States, he saw no reason for further hesitation and believed that the Government should now proceed promptly to reestablish its authority in the two provinces. If some members of the Government would not agree with this policy there would have to be a change in the Government. Action furthermore must be taken promptly. The Secretary inquired when the rainy season began. The Crown Prince replied in July, though he indicated that the commencement of the rainy season would not necessarily stop operations.

The Secretary expressed regret that the terms of the Geneva Accords prevented the United States from having a military mission in Laos and felt that it might be possible to give Laotian officers proper training in other countries such as Thailand. The Crown Prince replied that the Laotian Government had already decided to utilize this method. He emphasized the necessity of close relations with Thailand, pointing out Laos is a bulwark between Thailand and Communism and, if the former wishes to preserve this bulwark and avoid having a common frontier with the Communists, it must give its full support to Laos.

The conversation closed with an expression by the Crown Prince of the feeling that the conversation had provided him with precisely the sort of assurance he needed to act, as the Crown and the great mass of Laotian people always wished to act, in vigorous defense of their liberties.

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**278. Memorandum of a Conversation, Vientiane, February 27, 1955<sup>1</sup>**

**FOLLOWING PERSONS PRESENT**

Secretary Dulles  
Foreign Minister Phoui Sananikone  
Mr. MacArthur  
Mr. Robertson  
Mr. Bowie  
Foreign Minister's Secretary

The Secretary opened the conversation by saying that he would not have wished to come to the Bangkok Conference without paying

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<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2755. Secret. Drafted by MacArthur.

a brief visit to Vientiane. Although his stay here was very short, it would enable him to report on the situation with more authority. This was very important because the United States regarded its treaty engagement under the Manila Pact which covers Laos as a serious engagement. The Secretary went on to say that the United States has strong military forces in the Western Pacific area which have great power. The potential enemies of Laos are fully aware of the strength of United States military power, and therefore, Laos should not fear overt military aggression directed against it. This leaves for Laos the internal problem which is its primary responsibility. The Laotian Government should be confident that in dealing with its internal problem and in taking the necessary decisions it will not have to fear external attack. This is important in terms of dealing with certain insurrectionary movements in Laos.

The Foreign Minister replied that Laos counted on United States economic and military assistance. Laos has a long frontier with China and, while the police cannot prevent infiltration, protection against external aggression is important. Because of Laos' exposed position it needs more aid than do the other Associated States.

The Secretary said that the Bangkok Conference had reaffirmed the determination of the member States to assist Laos in maintaining its freedom and independence. He then read to the Minister the pertinent paragraph of the Bangkok communiqué.<sup>2</sup> He briefly outlined the results of the Bangkok Conference in creating a permanent organization with secretariat and the establishment of these ad hoc groups of experts which would confer regarding military, counter-subversion, and economic cooperation. The military group will meet at Manila, the economic group probably at Karachi, and the place for the counter-subversion group has not as yet been fixed. Much of the counter-subversive work would be done bi-laterally because of the necessary secrecy which must be observed in these matters.

The Secretary then said he understood that Laos was going to send Army officers to Thailand for training. The Foreign Minister said he would prefer to have American officers come to Laos to train Laotian forces but understood the Armistice prevented the stationing in Laos of United States military instructors. The Foreign Minister said he had read in the newspaper that we had a training mission in Vietnam and wondered how that situation differed from the case of Laos. The Secretary explained to him that we had a military advisory group in Vietnam of 350 at the time when the Geneva Accord were signed and that we could keep our military mission at that level for training and other purposes but could not increase that ceiling. The Foreign Minister said it was better to send the Laotian officers to

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<sup>2</sup>See footnote 2, Document 276.

Thailand since relations with Thailand were good. In this connection, he mentioned the importance of the Thai-Laotian frontier, explaining that there were substantial numbers of Vietnamese in Thailand just across the border and that most of these elements were pro-Viet-minh. The Laos Government wished close cooperation with the Thai police to control the frontier and prevent infiltration, and were in touch with the Thais on this matter. He felt the best solution would be that these people be sent back to Vietnam.

The meeting concluded with the Foreign Minister expressing again his appreciation for the Secretary visiting Laos.

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**279. Memorandum of a Conversation, Vientiane, February 27, 1955<sup>1</sup>**

FOLLOWING PERSONS PRESENT

Secretary Dulles  
Prime Minister Katay D. Sasorith  
Mr. MacArthur  
Mr. Robertson  
Mr. Bowie  
[Mr. Yost]

The Prime Minister opened the conversation by expressing appreciation for the Secretary's visit and the hope that he was not too tired. The Secretary replied that the Bangkok Conference had been a very busy and tiring one but that lots of good work had been done. The Conference had reaffirmed the determination of the members to aid Laos in maintaining its freedom and independence. Furthermore the United States had powerful forces deployed in this general area to counter aggression. Although Laos was not a member of the Manila Pact, in view of the Geneva Agreement, it and the other two Associated States were fully protected against external aggression by the Manila Pact. If there is overt military aggression against Laos, such an aggressor would be our common enemy. The Secretary said that the Prime Minister could be sure that under these circumstances and since the Communists know the extent of our strength in the area which could be used against them, there would not be overt military aggression against Laos.

The Prime Minister replied that the Laotians feared an attack because of the long and exposed frontier. The Secretary reiterated

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<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2755. Secret. Drafted by MacArthur.

that we have powerful forces in the area and that if Laos were attacked from without, we would react. The Prime Minister said that Laos was very happy to be covered by the Manila Pact but that it really counted on only the United States.

The Secretary then said had been important to create a situation by which Laos could regulate its internal difficulties without fear of external aggression. This had been one of the principal objectives of the Manila Treaty. The Secretary said he knew that the Laotians were sincerely disturbed by the Pathet-Lao and that it was important for them to settle the Pathet-Lao problem since with the passage of time the Pathet-Lao forces would simply become stronger and stronger. He went on to explain that he had had many conferences with the Communists in the past ten years, mentioning San Francisco, the various meetings of the Council of Foreign Ministers, the Berlin and Geneva Conferences. He said that the Communists in conferences held out the hope of an early settlement only in order for them to stall and use the time gained to build up their strength. The Secretary said to the United States and the other Manila Pact countries could protect Laos against external attacks but only the Laotians themselves could settle their internal affairs. It was important that they deal with the Pathet-Lao movement before it was too late.

The Prime Minister said that the Laotian Government was determined to settle the Pathet-Lao question by March 15. He said it was necessary for the Laotian people to be convinced of the government's good faith and feel that it had exhausted every possibility for a reasonable settlement. He hoped that the patience the Laotian Government had shown would not be considered as weakness. The Secretary replied that Laos was very far from Washington, the United States wished to help but their help would only be effective if the Laotians had the strength and will to help themselves. He mentioned the overwhelming majority in the Senate for the Manila Treaty despite the fact that the treaty had been negotiated by the Republican Administration and the Senate was organized and controlled by the Democrats. This had shown the unity of purpose of the American Congress and people. It was important that Laos show a similar unity in surmounting its political difficulties.

The Prime Minister said that it was necessary to strengthen the Laotian forces and they were counting on United States aid. The Secretary replied that the United States wished to help them in this matter. While the Geneva Accords prevented our sending a military training mission to Laos, the Laotians could send their people abroad for training, for example to Thailand. The Prime Minister agreed and said that in his recent visit to Bangkok it had been agreed to send contingents of 200 Laotians every two months for training. He said

he understood the need for having United States training doctrines adopted since in the event of hostilities the United States would have to come to the aid of Laos.

The Secretary then said he understood that the French military personnel in Laos was being reduced. The Prime Minister said that as soon as the Laotian forces were strong enough the French should leave. In the eyes of the Laotian people the French presence was not helpful and incidents of a minor character occurred which gave the impression that Laotian sovereignty had not been restored. He reiterated the importance of Laos assuming responsibilities for its own affairs and reiterated the hope that the situation would be such that the French would be able to leave in the relatively near future.

Mr. Yost then asked the Prime Minister whether he was optimistic that if the Pathet-Lao problem was not settled by March 15, the Laotian Government would be able to deal successfully with it. The Prime Minister replied that this was a delicate matter and that the Laotians hoped to disintegrate the Pathet-Lao movement and cause defections. He said that many of the Pathet-Lao were not sympathetic to Communism and expressed optimism that it could be dealt with. He mentioned documents which had been received from Hanoi which established conclusively the fact that the leader of the Pathet-Lao was receiving his orders and instructions from the Vietminh. Mr. Yost expressed some skepticism that the Pathet-Lao movement could be dealt with simply by trying to induce defections since too many of the Pathet-Lao were committed to the Communists. The Prime Minister agreed that the Vietminh could intimidate many of them but still seemed to believe that the situation could be dealt with although he did not indicate how he intended to do so.

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**280. Memorandum of a Conversation, Vientiane, February 27, 1955<sup>1</sup>**

**FOLLOWING PERSONS PRESENT**

Secretary Dulles  
Defense Minister Souvanna Phouma  
Mr. MacArthur  
Mr. Robertson  
Mr. Bowie  
[Mr. Yost]

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<sup>1</sup>Source: Department of State, Central Files, 396.1-BA/2-2755. Secret. Drafted by MacArthur.

After the usual amenities, the Secretary said that the Bangkok meeting had been a very good one with important organizational decisions being taken which would enable the Treaty to be implemented. He mentioned the reaffirmation in the Bangkok communiqué of the determination of the members to defend Laos, Cambodia, and Free Vietnam. While it was unfortunate that Laos could not become a member of the Treaty because of the Geneva Accords, Laos was fully protected by it against external attack. The Secretary said that the Laotians could be confident of this and he went on to mention the strong forces which the United States maintains in the Western Pacific area. He explained why it was unwise to dissipate these forces in piecemeal commitments and how by keeping them concentrated Laos could be aided in the event of aggression. He believed that because the Communists know of the great strength of our forces Laos would not be attacked.

The Defense Minister said he believed the Manila Pact provided adequate external protection. What worried him was the internal situation which was serious. The International Control Commission could not be relied upon to apply the Geneva Accords. He went on to say that it was most important from the military viewpoint that the Laotian Government make certain dispositions of its forces within the next month to deal with the Pathet-Lao movement in view of the coming rainy season. He then said that unfortunately the Laotian military means were limited. The Secretary replied that the means of his enemies in Laos were also limited and that all the United States and the other Manila Powers could do was to give Laos solid assurances against external attack. Internal matters must be dealt with by the Laotians and without firm will American assistance would be meaningless. The Defense Minister said that the Laotian forces were in the neighborhood of about 30,000 and that this seemed the maximum level that could be maintained. He mentioned that the mission of these forces was primarily a delaying mission and that if there were external aggression aid must come in ten days time since this was the limit of Laotian holding capacity. The Secretary explained that with aviation, assistance could come very quickly and said that we had had the means to come to the aid of Dien Bien Phu but the French had not wished this.

The Defense Minister then asked whether the Secretary believed that a Chinese attack against Indochina was more probable because of the Formosa tension. The Secretary replied that he did not think so. He explained that tension in Formosa should tend to reduce the chances of an attack against Laos since the Chinese Communists like to fight on only one front at a time. He said that the Chinese Communists only gave massive aid to Indochina after the Korean war had been liquidated and that they only stepped up their activity against

Formosa after the Indochinese war had been liquidated. As long as the Chinese were concentrating on Formosa there was less danger to the Associated States.

The Defense Minister said that the Laotians feared an external attack by the Communists. The Secretary replied that if the Communists resorted to open aggression, general war would result and massive destruction would be visited upon Red China. The Chinese Communists know this and he did not, therefore, think they would resort to open aggression.

The Minister discussed briefly the status of the Laotian Army and stated that he hoped in several months it would be considerably stronger and more effective. The Laotian Army had been formed in haste to fight in the Indochina war. It needed to be completely overhauled and revitalized. Older members of the armed forces should be released to reserve status and younger men should be brought in. Effective training of officers was necessary.

Mr. Yost inquired whether, if there were no external attack, Laos could liquidate the Pathet-Lao problem. The Minister replied in the affirmative. He said that he had the military forces to do so but the International Control Commission would intervene to prevent Laos from doing so. It was impossible to get approval of the Commission to any effective steps because of its composition. The Minister referred specifically to the Laotian post,<sup>2</sup> which they had held before the Geneva Armistice, seized about six weeks ago by the Pathet-Lao movement. The ICC was still debating a resolution of condemnation but was deadlocked because of the position taken by the Indian Chairman who wished every problem to be settled on the basis of agreement between the two parties rather than implementing the terms of the Geneva Accords. The Minister said that he had positive information that there were Vietminh agents operating and directing the Pathet-Lao movement and units in Laos. However, whenever the ICC went to investigate, advance warning was given and the Vietminh went into hiding. He concluded by saying that while the situation is difficult, he believed that the two provinces could be recovered and favored prompt action to this end. The Secretary said that time was important as the danger increased as the situation dragged along. The Minister said he fully agreed.

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<sup>2</sup>Nong Khang.

**281. Telegram From the Embassy in Vietnam to the Department of State<sup>1</sup>**

*Saigon, February 28, 1955—10 p.m.*

Secto 44. During stopover in Vientiane I had separate conversations with Crown Prince, Prime Minister, Foreign Minister and Defense Minister. Each was deeply concerned with exposed position in which Laos finds itself, with internal danger created by entrenched position of Pathet Lao in northern provinces, and with possibility of large-scale Chinese or Viet invasion in case government takes vigorous action to restore its authority in those provinces.

I made it my principal object to quiet these fears by explaining full nature of protection offered by Manila Pact. I emphasized application of Pact to security of Laos, achievements of Bangkok conference, very substantial forces of Pact powers, particularly US, available in Far East for use against external aggression, awareness of Chinese Communists and Viets of existence of these forces, and hence unlikelihood they will resort to open armed aggression which would lead to their own destruction. I expressed view therefore that Lao Government, in determining what action is required to deal with internal danger, need not be deterred by fear of large-scale external attack. Infiltration, of course could not be prevented and with that Lao Government, which aid we are already supplying, would have to cope.

As to internal danger, I said that means of meeting it are solely for Lao Government to decide, I pointed out, however, US is assuming great responsibilities in behalf of distant nations, such as Laos, in belief that they, like we, are prepared resolutely to defend their independence and liberty. It had been my experience with Communists that they use negotiations as cloak for strengthening their military and political position and that action against them should be not only resolute but prompt.

It is my impression that these explanations and reassurances were effective in stiffening Lao leaders. Crown Prince in particular declared categorically that, in view of my reaffirmation of Manila Pact and US support, he would now feel free promptly to take the necessary measures to deal with the internal danger and to re-establish the Royal authority in the two provinces. If the present government should not be willing to take these measures, another government would be formed. Crown Prince showed complete awareness of

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<sup>1</sup>Source: Department of State, Central Files, 751G.00/2-2855. Top Secret. Repeated to Vientiane, Bangkok, and Phnom Penh. Dulles also sent a general report on Indochina to Eisenhower in which he specifically mentioned his discussions with Lao leaders and the Pathet Lao situation. See Dulles 18, vol. 1, p. 96.



Communist character of Pathet Lao, thorough skepticism of will and ability of ICC to preserve territorial integrity of Laos, and full confidence in capacity of Royal Army to subdue any and all Communist forces now on Laos soil. Defense Minister reiterated equally strongly position taken by Prince.

Prime Minister, while representing himself as devoted adherent of US policy and repeating his intention to break off negotiations with Pathets if they are not successful by March 15, was vague as to action to be taken after that date. He indicated he might merely continue by other means his efforts to induce Pathet leaders and rank and file to defect. In our view, while it is obviously desirable to preserve present broadly based government if possible, there is likelihood that, if Prime Minister does not adopt more vigorous line within next few weeks, government will be reshuffled accordingly.

Memoranda of my conversations in Vientiane being carried Washington.<sup>2</sup>

Dulles

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<sup>2</sup>See Documents 277-280.

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## 282. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, March 4, 1955—8 p.m.*

390. Manila for Yost.<sup>2</sup> Joint Legation-OARMA message. Department pass FOA. Re Deptel 304, February 25.<sup>3</sup>

1. Memo of JCS and covering letter of OSD not yet received. Following data are in reply solely to reference telegram. Minister Yost is in Manila but he requested Legation staff reply soonest and not await his return due urgency setting up proper control over Lao forces.

2. Legation believes following aspects US military aid, as outlined in reference telegram, will be acceptable to Lao Government and to French training mission: Force level of 23,650, initial cost of \$40 million, and reexamination of \$2,000 per year per man.

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<sup>1</sup>Source: Department of State, Central Files, 751J.5-MSP/3-455. Top Secret. Also sent to Paris and Bangkok and repeated to Manila, Saigon, and Phnom Penh.

<sup>2</sup>Yost was at the Far East Chiefs of Mission in Conference in Baguio, Philippines, March 2-5. A report by Bell of the proceedings of the conference is *ibid.*, S/P Files: Lot 66 D 70, Far East.

<sup>3</sup>See footnote 4, Document 275.

3. OARMA has telegraphed regarding divisional reorganization (sent MC-13-55 to G-2 Department Army<sup>4</sup>) and is sending one on gendarmérie training.

4. Copy of reference telegram being sent Embassy Bangkok and Embassy may wish to comment on sentence "JCS iterates view Indochina as important part Southeast Asia merits limited US support, but support to Laos should not be at expense other potentially more productive programs". This phrasing is of course correct but perhaps it pertinent for Legation to point out it considers military value of Laos does not lie principally in relation to Indochina. . . . The strategic value of Laos is connected with the defense of Thailand. The mountain boundary of Laos is a defensible line but it is doubtful that, if Laos is absorbed by the Communists, the Mekong will be effective barrier against infiltration.

5. Future telegrams on Laos armed forces probably should be repeated to Bangkok, especially as military and police training of Laotians in Thailand is live subject now.

6. JCS states US support of Lao armed forces would be contingent on:

a. Laotian effectiveness in absorbing US support (*Legation comment:* Their ability to utilize US support depends primarily on calibre of French training mission).

b. Effectiveness French training mission (discussed below).

c. Political military developments Vietnam (*Legation comment:* This is long-range contingency and not directly applicable to decisions that must be made now on Laos; we are already in third month of piecemeal budget support without it as yet any definite program.)

7. Legation concurs in JCS and OSD analysis requiring, by implication, three distinct elements in staffing requirements:

a. Personnel required for verification proper end-use of US military equipment.

b. Budget group to make cost study for establishing precise annual budget limitations.

c. Comptroller personnel for control and audit of military budget support. Certain positions may follow each other sequentially, so same person might fill two or more positions.

8. Following is recommended as minimum table of organization for combined group:

a. One chief of group; one executive officer; one administrations officer; one general services officer; one clerk typist.

<sup>4</sup>In this message, March 2, the U.S. Army Attaché in Vientiane argued that divisional organization was not necessary for the Lao National Army because the mission, terrain, and road and communications network required a small, self-sufficient army made up of mobile units at the battalion level. (Department of State, FE/SEA Files: Lot 58 D 266, Army Navy Messages, January-June 1955)

b. End-use personnel. One supply expert; one ordnance expert; one signal expert; one engineer.

c. Budget and control personnel; one civilian counterpart for each of G-1, 2, 3, 4 of Laotian Army, three clerk typists.

9. French language imperative for all personnel except typists.

10. Group must be organized as properly rounded unit, not sent here as may happen become available. Assignments should not wait for verification that housing is available (see below) or for extended orientation; men must come at once. Control group as a whole must be in operation at early date, certainly by May 1. Urgency of problem of Lao armed forces should preclude any consideration of a later date.

11. Complete separation of group from OARMA is recommended. Otherwise the touchy French will assume US military attempting to dictate to them, with resultant further French mission personnel. . . . <sup>5</sup>

12. Housing and administration support, such as vehicles, for this group must be handled on special crash basis with wide authority delegated locally. Given freedom of action in field and adequate funds it believed this addition of approximately 16 American personnel can be met. For administrative background suggest confer with Capella (FE/A), Herter (GC/FOA), Cogell (Defense) and members Secretary's party including MacArthur, Robertson, Young, as these personally familiar with administrative aspects of problem. For housing recommend Defense fly necessary number of units (either Quonsets or prefabs, and including one as chancellery wing for office space) together with erection crews. Otherwise authorize Legation engage engineering firm in Bangkok to procure units from nearest point in Far East and fly them here by chartered plane.

13. In addition to major problems of getting control group personnel here by May 1 and having housing and office space ready there remains vital problem of spirit and effectiveness of French training mission. Except insofar as some Laotians may be sent to Thailand, American objectives in Laos are largely dependent on success of French mission in its job. They are now a dispirited and listless group, due primarily to:

- a. General lassitude of defeat of French throughout Indochina.
- b. Feeling that Laotians do not appreciate or want them.

<sup>5</sup>In joint State-Defense-FOA telegram 355 to Vientiane, March 18, the Legation was informed that it had been determined "as a matter of national policy" that a normal MAAG should not be established in Laos. Defense would furnish civilian personnel with military backgrounds to supervise military aid to Laos, to evaluate the effectiveness and development of the Lao forces, to advise the country team on Laos force levels, to assist in screening Lao military expenditures, and to advise on military matters. (*Ibid.*, Central Files, 7951J.5-MSP/3-455)

c. Assumption that Americans will take first opportunity to ease them out.

d. Masochistic satisfaction that if Communists take over Laos Americans will get the blame.

e. Failure to see any future in Laos either for themselves or France.

14. Washington agencies as well as Embassy Paris should consider now means available to US for building up prestige and effectiveness of French training mission.

**Paddock**

## 283. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, March 14, 1955—10 p.m.*

415. Reference: Deptel 329, repeated information Saigon 3947, Phnom Penh 431, Paris 3183.<sup>2</sup> (Suggest Department repeat this telegram to Bangkok and London.)

USARMA Vientiane continues to believe Lao National Army capable of reoccupying two northern provinces against current Pathet Forces. (See MC 17-55 USARMA Laos to DA<sup>3</sup>) Pathets have 8 battalions Sam Neua, only 1 of which is considered fully organized, armed and trained, total strength Sam Neua approximately 1,900; in Phong Saly 2 battalions, 1 only considered combat effective, total province strength 950. ARMA assumes, however, French military advisers would plan, prepare and direct campaign. He strongly doubts capacity of Lao military to do so unaided.

Whether Lao Army could reoccupy provinces against Pathets reinforced by Viets depends on size and character of Viet reinforcements. Infiltration of individuals or small units would probably not be sufficient to alter outcome. On other hand, entry at critical juncture of even three or four organized Viet battalions would throw Laotians off balance and continued entry units this size would prob-

<sup>1</sup>Source: Department of State, Central Files, 751J.5/3-1455. Secret; Priority. Repeated to Phnom Penh, Saigon, Paris, London, and Bangkok.

<sup>2</sup>In telegram 329, March 11, the Department informed the Legation of concern over "reports indicating greatly increased Chinese Communist and Viet Minh interest in Laos while at same time military estimates reveal doubt Royal Lao Army capable undertaking successful action against Pathets." The Department requested the Legation's assessment of the Lao National Army's capabilities and of Chinese and Viet Minh intentions in the case of either a continued stalemate or a Royal Army attack on the two northern provinces. (*Ibid.*, 751J.5/3-1155)

<sup>3</sup>Not found.

ably hamstringing operation. Entry into Laos of bulk of Viet Forces (see MC 18-55 USARMA Laos to DA<sup>4</sup>) now stationed along Lao border would wholly frustrate reoccupation two provinces, and probably quickly result in occupation whole country.

Our estimate is that it is not present intention of Viets and Chinese Communists to resume hostilities in case of continued stalemate. They are steadily consolidating their hold on two northern provinces. We doubt they have lost hope of strengthening their position in rest of Laos through current negotiations. Even if these are broken off, situation in remainder of country is still sufficiently soft to justify confidence they can steadily improve their position by infiltration and subversion. Unless this situation changes to their disadvantage, it seems unlikely they would take unnecessary risk of resuming hostilities. To extent we can strengthen Laos against subversion, however, danger of larger scale, more overt Communist intervention will increase.

In case Royal Army attack against Pathets, we presume ChiCom-Viet reaction would be governed by their estimate overall situation. Viets are building up their forces along Lao frontier. Propaganda preparation for counter-action is obviously being made. Communists are probably aware divergent advice being given Lao Government by British, French and ourselves. Their natural inclination would be not to take lying down loss of Pathet pawn and installation "American imperialists" on Chinese frontier at Phong Saly. On other hand, if they believe their intervention would provoke swift and certain retaliation and if they feel world opinion hostile to them on this issue, we doubt they would consider game worth the candle. However, to instill such belief, more explicit warning by Western powers and intensified propaganda groundwork on this issue would probably be necessary.

We consider ChiCom-Viets have been and will continue to strengthen Pathets by additional imports equipment and cadres, though tempo this reinforcement will presumably be affected by their estimate Lao Government and our intentions. Propaganda objective mentioned by Department is, of course, also in their minds.

USARMA has learned from French that about 3,000 Chinese irregulars, associated with Franco-Lao forces until Geneva ceasefire, have since that time been operating in Burma-Laos border region. . . .

Subsequent telegrams will set forth our recommendations on these matters.<sup>5</sup>

Yost

<sup>4</sup>Not found.

<sup>5</sup>See telegram 420, *infra*.

## 284. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, March 15, 1955—8 p.m.*

420. Reference Legtel 411, repeated Saigon 445, Paris 73, Bangkok 148, Phnom Penh Unnumbered;<sup>2</sup> Legtel 414, repeated Saigon 446, Bangkok 151, Paris 74, London 5, Phnom Penh Unnumbered;<sup>3</sup> Legtel 415, repeated Saigon 447, Paris 75, London 6, Bangkok 153, Phnom Penh Unnumbered.<sup>4</sup>

Following serious immediate obstacles to achievement US objectives in Laos have recently arisen:

(1) Though Prime Minister's March 15 deadline for winding up negotiations with Pathets has arrived, negotiations seem about to be given new lease on life by agreement to continue them in Vientiane on more formal basis. (Agreement described Legtel 411 not yet approved by Katay but will be submitted to him and to Cabinet when he returns to Vientiane tomorrow.) While Prime Minister's absence has prevented our obtaining clarification his intentions, projected continuation negotiations both prolongs risk Katay will make dangerous concessions to Pathets and delays resort to other means, pacific or forceful, for re-establishment Royal authority in two northern provinces.

(2) British and French have been very actively discouraging Lao Government from any use of force in northern provinces and, in case of former at least, have in effect subjected any proposed Lao action there to ICC veto. This advice of course strengthens Katay and weakens Crown Prince and Souvanna Phouma.

Fortunately there appears to be agreement among British, French and ourselves that negotiations with Pathets should be terminated at earliest possible moment. I would expect that upon Katay's return three of us would separately make strong representations to him to this effect. I will urge, as I have for past months, that at next meeting negotiators government submit reasonable package settlement, based on Geneva Accords and including immediate restoration Royal administration in two provinces, that Pathets be given few days to

<sup>1</sup>Source: Department of State, Central Files, 751J.00/3-1555. Top Secret. Repeated to Phnom Penh, Saigon, Bangkok, Paris, and London.

<sup>2</sup>In telegram 411, March 12, the Legation reported that the Lao Government and Pathet Lao negotiators had agreed on the text of a "cease-fire declaration", yet there had been no decisions or discussions at the negotiations of such issues as the reestablishment of Royal authority in the two northern provinces or the fate of Pathet Lao military forces. (*Ibid.*, 751G.00/3-1255)

<sup>3</sup>In telegram 414, March 14, the Legation reported that British and French representatives in Vientiane had been engaged in countering the effect of the Secretary's reassurance to Lao officials that, in view Manila Pact and U.S. forces in the Far East, "they might proceed against insurrectionists in northern provinces without serious risk of overt external attack." (*Ibid.*, 751J.00/3-1455)

<sup>4</sup>*Supra.*

consider this proposal, and that if they reject it negotiations be broken off.

Katay will probably agree and then attempt to squirm out of his commitment. Foreign Minister tells me that, in those circumstances, he would resign from government, which would presumably bring about its fall. Crown Prince and Souvanna would almost certainly favor such step. Whether French and British would is still doubtful. Government should not be ousted however unless it is clear effective successor can be rapidly formed.

If and when negotiations with Pathets are broken off, by this or another government, next step would certainly be, and to this British and French heartily agree, appeal by Lao Government to ICC to support immediate re-establishment Royal administration in two provinces. This appeal should be accompanied by intensive world-wide publicity.

However sharp divergence arises as to proper course to follow when almost inevitable deadlock in ICC develops. British favor appeal to Geneva signatories and no further action pending their re-examination Geneva decisions. We favor military action in two provinces before commencement rainy season, if no other solution has then been found. French are of two minds but leaning toward caution. No Lao Government is likely to take military, or indeed any vigorous, action unless at least French and ourselves, and probably British as well, are backing them firmly. Moreover, wholehearted cooperation French military mission is essential to successful conduct of any military operations.

We, therefore, urge that these matters be discussed with French and British at high level during next two weeks. Forthcoming Washington meeting may provide occasion, though on British side Eden himself has already taken fixed position.

To sum up, matters on which agreement should be sought are:

- (1) That tripartite pressure be exerted on Lao Government to bring about termination Pathet negotiations and submission appeal to ICC in nearest future,
- (2) that if this pressure ineffective on Katay, we should encourage Crown Prince and others to bring about change in government, provided effective successor feasible,
- (3) that thereafter tripartite pressure be exerted on ICC, particularly Indians, to bring about early decision favorable to Lao Government,
- (4) that appeal to ICC and any action ICC may take be widely publicized, and
- (5), most important, it be determined whether others will support, or at least, in case of British, refrain from opposing, Lao military action in two provinces in case pacific means of re-establishing Royal authority have not produced results by end of April (termina-

tion Bandung conference<sup>5</sup>) and in case adequate diplomatic and propaganda ground work has been laid. If British and French will not agree to (5), alternatives should be explored, though we are frankly unable to see any alternative which will not very probably result in loss at least of two provinces.

Meanwhile Franco-Lao military are drawing up plan for clearing out two provinces. We shall encourage them to perfect this plan, without however taking any position on its eventual use until Department has consulted French and British and has further instructed us.

Yost

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<sup>5</sup>The Conference of Afro-Asian nations, April 18-24, 1955.

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**285. Telegram From the Department of State to the Legation in Laos<sup>1</sup>**

*Washington, March 17, 1955—8:35 p.m.*

351. Vientiane 414 repeated Phnom Penh unnumbered Saigon 446 Bangkok 151 Paris 74 London 5.<sup>2</sup> Vientiane 420 repeated Phnom Penh unnumbered Saigon 452 Bangkok 154 Paris 76 London 7; Vientiane 415 repeated Paris 75 London 6 Bangkok 153 Saigon 447 Phnom Penh unnumbered.<sup>3</sup> Department seriously disturbed revelation French and British attitudes Lao northern provinces. Their desire avoid resumption hostilities and consequent urging strict adherence Geneva Accords well known and understandable. Nevertheless, Yost's arguments reference telegram pointing up risks of allowing provinces go to Communists by default show need prompt resolute action. Department will discuss question during bilateral or trilateral talks next month but believes approach through diplomatic channels should be begun immediately.

Although Army G-2 has recently believed that barring Viet Minh intervention Lao Army could wrest two provinces from Pathet

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/3-1555. Top Secret; Priority. Drafted by Byrne; cleared by Hoey, Sebald (in draft), Merchant, Murphy; and approved by Robertson. Also sent priority to Paris and London and repeated to Saigon, Phnom Penh, Ottawa priority for MacArthur, and Bangkok. MacArthur was accompanying Dulles on a trip to Ottawa, March 17-18, for discussions with Canadian officials. (Dulles' Appointment Book; Princeton University, Dulles Papers)

<sup>2</sup> See footnote 3, *supra*.

<sup>3</sup> Document 283.



control, latest indications increased strength effectiveness Pathets and strained relations French-Lao military have changed estimate. According G-2 estimate March 17,<sup>4</sup> Pathet military now believed total at least 5,000 regular troops organized 9 infantry and one heavy weapons battalions. Effectiveness apparently increased as result recent intensive training indoctrination; discipline training equipment reported markedly improved. Reports indicate growing antipathy and noncooperative spirit between Lao Army and French Military Mission; morale French officers poor. G-2 estimate of March 17 (believed valid despite Vientiane 415 repeated Phnom Penh unnumbered Saigon 447 Paris 75 London 6 Bangkok 153 and USARMA Lao MC 17-55<sup>5</sup>) states if French-Lao cooperation restored more effective level and adequate airlift established, even against Pathet opposition only Lao capability reoccupy two northern provinces would be marginal at best. Might be able occupy major population communications centers but would probably not be able completely eliminate Pathet military forces from provinces, especially if guerrilla operations undertaken (Viet Minh territory would furnish Pathets unassailable base).

Seems clear this juncture means other than military must be found restore provinces to Royal control.

To this end Aldrich and Yost instructed inform British our disturbance at continuation situation permitting consolidation Communist control two provinces and urge British exert influence on Indians Canadians to invigorate ICC.<sup>6</sup> First objective would be strong stand on right of Royal Government restore authority two disputed provinces. Prompt investigations Pathet Violations should also be made and measures taken supervise Pathet borders, particularly Sam Neua-North Viet-Nam, in accordance Article 27-c Geneva,<sup>7</sup> in order prevent Communist introduction equipment and personnel.

FYI: Secretary during Ottawa visit may suggest more positive action by Canadians ICC, pointing out paragraph 177 of ICC First Interim Report<sup>8</sup> voiced concern Commission that if political settlement delayed situation might deteriorate and clashes become more serious. Secretary may wish point out U.S. believes only alternative to ener-

<sup>4</sup>Attached to a memorandum from Fried of DRF to Armstrong, March 17, not printed. (Department of State, Central Files, 751J.5/3-1755)

<sup>5</sup>See footnote 3, Document 283.

<sup>6</sup>Done according to telegram 4076 from London, March 18, not printed. (Department of State, Central Files, 751J.00/3-1855)

<sup>7</sup>Article 27, paragraph c, of the Agreement on the Cessation of Hostilities in Laos, July 20, 1954, gave the ICC responsibility for supervision, at ports and airfields and along borders, of implementation of the provisions of the agreement regulating the introduction into Laos of military personnel and war materials.

<sup>8</sup>For the complete text, see Cmd. 9445, Laos No. 1 (1955), *First Interim Report of the International Commission for Supervision and Control in Laos, August 11-December 31, 1954* (London, HMSO, May 1955).

getic ICC efforts seems to be resumption hostilities which all wish avoid. Canadian ideas on ways ICC and U.S. might help may be requested. End FYI.

French seem lethargic in executing responsibilities Laos. Geneva prohibition against introduction foreign military personnel other than French eliminates any possibility U.S. training and advisory functions. Yet in country where French responsibility clear they have nevertheless withdrawn many advisers from Lao Army. Also seem willing see loss provinces through inaction rather than risk possible resumption hostilities. Achilles and Yost instructed make strong démarches to French to effect we disturbed see lack French guidance Lao Army when faced Communist threat.<sup>9</sup> We believe French should offer restore officers and noncoms in training and advisory posts Lao Army Command and step up training program.

Regarding Lao Government Department agrees Yost's analysis 420<sup>10</sup> that cease-fire declaration and constitution mixed political committee Vientiane will restore Katay's faith in negotiations with Pathets. Department concurs suggestion French British U.S. urge Lao Government propose reasonable settlement and terminate talks after appropriate period. Department not certain what would constitute such reasonable settlement but might conceivably include Pathet representation in Royal administration two provinces but not in central government, re-affirmation amnesty and full participation free general elections, and possibly integration personnel two Pathet battalions National Army not as units. (View imminent reduction Lao Army from 31,000 to 24,000, Pathet representation two battalions seems reasonable if not generous offer.) Any event continued Government vacillation must be avoided. Department unable give opinion possible Katay ousting until proposed substitute known.

If negotiations broken off next step would logically be appeal ICC with full publicity. British views reported Vientiane 414 indicate they might be willing attempt influence Indians and Canadians to favorable vote. Since however unanimity would be required this substantive issue, it highly unlikely ICC will be able settle problem. Nevertheless measure must be tried view Lao Army present lack capability overwhelm Pathets.

FYI only: Department believes any political settlement acceptable Lao Government and U.S. would be rejected by Pathets. It possible international opinion necessarily including Nehru to be effective, could be mobilized to urge Pathets Viet Minh moderate position to preserve international Communist prestige. However this concerted

<sup>9</sup>Done according to telegram 3996 from Paris, March 19, not printed. (Department of State, Central Files, 751J.00/3-1955)

<sup>10</sup>*Supra.*

effort not likely be quickly undertaken and in any event might be unavailing. Therefore appears only means by which Laos will regain Phong Saly and Sam Neua is use force. In view G-2 estimate Army apparently not now capable accomplishing this mission, Department consequently feels French must be galvanized into increasing capability Lao forces for possible future military action.

**Hoover**

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**286. Telegram From the Legation in Laos to the Department of State<sup>1</sup>**

*Vientiane, March 26, 1955—noon.*

460. Department pass Defense. Reference Deptel 351, March 17 (second section received Vientiane evening March 23) sent Paris 326, London 4746, repeated information Saigon 4037, Phnom Penh 455, Bangkok 2578 from Department.<sup>2</sup> We are repeating to Talbot and Dufour pertinent points indicated reference telegram with which they are in substantial agreement and on which they have been acting to best their ability. USARMA and I feel, however that certain premises on which reference telegrams based require further clarification, which we have perhaps so far failed adequately to provide.

French training mission is deficient in three respects: (1) its morale is low because of loss war and sudden switch from command to advisory position, (2) there has been too rapid rotation out of key technicians without prompt replacement, (3) standards of discipline and training are considerable lower than ours. French are aware first two deficiencies and are beginning take some steps to correct them; third deficiency is ingrained and could be corrected only over period of years. We should continue steady pressure on French to improve in all three respects. We requested General Collins discuss question with Ely (Deptel 342<sup>3</sup>) and he agreed to do so.

However, it would be unrealistic to expect improvements to occur in French Mission to be reflected in substantially improved performance Lao armed forces before many months have passed. Long before that time two northern provinces will probably have been either won or lost. In considering whether or not force should

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/3-2655, Top Secret. Repeated to Saigon, Paris, London, Bangkok, and Phnom Penh.

<sup>2</sup>*Supra.*

<sup>3</sup>Dated March 16, not printed. (Department of State, Central Files, 120.1551G/3-1355)

be applied in two provinces, we should base our estimates on Lao forces substantially as they now stand and not as they might conceivably be galvanized by some time next year.

As to present capabilities Lao forces, while we would be last to rate them high, we continue to believe Royal Army could at present reoccupy bulk of two provinces, (1) if French directed operation and (2) if Viets did not intervene substantially. We are puzzled by latest G-2 estimate<sup>4</sup> and wonder if it may not reflect British . . . estimate . . . We doubt British sources (they have no military attaché in Laos) are as good as ours and we suspect their estimate reflects unduly (1) their opposition to military operations in Laos and (2) their own not wholly comparable Malaya experience.

We certainly would not expect government forces to "overwhelm" Pathet nor wholly to suppress guerrilla activities. What we would expect would be that government would, if Viets did not intervene in force, be able supplant Pathets in occupation major part of two provinces and latter be confined to scattered outposts and guerrilla formations, as government now is. Such formations could, as in Malaya, be maintained indefinitely if Communists so desire. Their capacity, however, to use provinces as seat of Lao Communist government and as base of operation against rest of country would be very substantially reduced. In our judgment this is the key point, since our interest is not primarily in two provinces but in country as a whole.

In this connection we may add following. First, in our view there has been no recent deterioration of relations between French military mission and Lao forces. Relations are fairly good, having improved since low point at time of command transfer. Brake on action is French Government policy, not lethargy of mission. Second, while number of Pathet units identified have recently increased, it remains our estimate, as well as that of French and Laotians, that only two battalions are well trained and organized and that, while political indoctrination has been proceeding rapidly, there has so far been little improvement in military training and equipment. We would expect Viets henceforth increasingly to emphasize these factors with result that six months hence situation likely to be much less favorable.

In light these factors we believe US advice to British, French and Laotians should be along following lines and in following sequence:

1. Continue urge Katay to break off negotiations in near future. In order do so convincingly, however, we shall probably be obliged offer more promising alternative than appeal to ICC and Geneva sig-

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<sup>4</sup>Presumably a reference to the G-2 estimate of March 17; see footnote 3, Document 283, and footnote 5, *supra*.

natories, in which neither Katay nor his colleagues have slightest faith.

2. Nevertheless, urge Lao Government to appeal to ICC and Canadian and Indian members to seek clear decision on authority Royal Government to administer two provinces. While such decision is in our view completely out of the question, effort to obtain it should be educational experience for all concerned.

3. Urge Lao Government to publicize its case, particularly its appeals to ICC and to do so especially at Bandung.

4. Urge French and Laotians to prepare for eventual military action if other means have not brought about significant progress by end April. Such military action might take form, rather than any direct attack on Pathets, of overt reenforcement government units in two provinces with view, first, to occupying areas not at present held by either side, second, to constricting and ultimately squeezing out Pathet forces in same manner they have been constricting above units and third, to installing government functionaries. Government use this tactic might be more effective than opponents since government has much larger forces and since local population believed to be for most part loyal to crown. Moreover, aside from what seems to us tortured interpretation Article 19,<sup>5</sup> there is nothing in Geneva Accord which would forbid, at this stage, free movement of Royal Forces throughout royal territories.

As indicated in previous telegrams, French cooperation and at least British neutrality would be required for implementation all four of these steps. So far we have French and British cooperation on one, two and three, which in our opinion will by themselves be wholly abortive, and on step four British hostility and French indecision.

**Yost**

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<sup>5</sup>Article 19 of the Agreement on the Cessation of Hostilities in Laos, July 20, 1954, reads as follows:

"The present Agreement shall apply to all those armed forces of either party. The armed forces of each party shall respect the territory under the military control of the other party, and engage in no hostile act against the other party."

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## 287. Message From President Eisenhower to Prime Minister Churchill<sup>1</sup>

*Washington, March 29, 1955.*

Another apparent difference between us that added to our bewilderment occurred in connection with Foster's recent visit to the

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-955. Top Secret. The source text is labeled "Extract from Message from the President to the Prime Minister dated

*Continued*

Far East. He urged the Government of Laos, while it still has the ability to do so, to clean out the areas in that country where Communist elements are establishing themselves in some strength. The Laos Government is fully justified in taking such action under the terms of the Geneva agreements. When Laotian officials expressed to Foster some concern lest such action on their part provoke attack from the Viet Minh and the Chinese Communists, he assured them that aggression from without would bring into play the Manila Pact. This would mean assistance from the other signatories of the Pact to preserve the territorial integrity of Laos.

Some time after this conversation, we heard that both the British and French Ambassadors in Laos informed that Government that under no circumstances could Laos expect any help against outside aggression, under the terms of the Manila Pact, if such aggression should result from their own efforts to rule their internal affairs.

As a result, we have a situation in which the Communists, in the affected areas of Laos, grow stronger and stronger, and we face a possibility of ultimately losing that entire territory to the Communists, just as we lost North Vietnam.

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March 29, 1955." Attached to a memorandum from Robbins P. Gilman of S/S to Roderic O'Connor. Delivered to Robertson by the British Embassy in Washington. No text of the letter has been found in Department of State files.

Also attached to Gilman's memorandum is the British response, a long memorandum delivered to Robertson by the British Embassy in Washington on April 9. In it the British argued that "a precipitate recourse to force" in Laos would be a mistake, given the British view that even without Viet Minh intervention the outcome of a fight between the Royal Lao Government and the Pathet Lao would be doubtful. Furthermore, the British believed that any "police action" in northern Laos would have international consequences and should be supported by a majority of the ICC in Laos. The British noted U.S.-U.K. agreement on the question of trying to get ICC support for restoration of the Royal Government's authority in the northern provinces. What remained unsettled, however, was the course of action to follow should the attempt to work through the ICC fail.

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**288. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State<sup>1</sup>**

*Washington, April 6, 1955.*

**SUBJECT**

Proposed Reduction in Aid Program for Laos

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<sup>1</sup>Source: Department of State, Central Files, 751J.5-MSP/4-655. Secret. Drafted by Byrne and concurred in by Hoey and Young.

I understand that it was the consensus of the OCB meeting of March 23, although this does not appear in the formal minutes,<sup>2</sup> that the proposed \$50 million aid program for Laos was too high owing to the small population, low absorptive capacity, and the absence of need of a force level exceeding 12,000-15,000 men. As a result, FOA, which is preparing its presentation to Congress, considers itself bound to reduce a figure which cannot be justified on economic grounds or to have a statement from the Department to the effect that political factors make full support of the Lao armed forces necessary.

I suggest that the following facts be taken into consideration:

1. At the time the decision to give military and economic support to Laos was taken, it was well known that the projected aid was a tremendous sum for a country of 1.5 million people, that supervision of the military aspects of the expenditure would be inadequate owing to the Geneva Agreement provision precluding the establishment of a MAAG, and that, because of the necessity of working through the French, the Lao Army, in spite of all this financial assistance, would not be fully satisfactory.

2. Nevertheless, the strengthening of the Lao economy and the financial underwriting of its military establishment were made an element of United States national policy because of Laos' strategic position and its determination to resist Communist encroachment. One-fourth of Laos' borders are contiguous with Communist territory (Red China and Viet-Minh-controlled North Viet-Nam); it is consequently on the first line of potential Communist aggression. The defense of Southeast Asia is far more easily undertaken along the Lao-Annamite mountain spine than along the Mekong. The country is already facing an overt Communist threat in the form of the Viet-Minh-sponsored Pathet Lao, presently in de facto possession of major portions of two provinces. Its importance is underlined by its designation in the Protocol to the Manila Pact as falling within the Treaty area.

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<sup>2</sup>The minutes of the OCB meeting of March 23 are *ibid.*, OCB Files: Lot 62 D 430, OCB Minutes. A better source for OCB discussions are the preliminary notes on OCB meetings. The following extract is taken from the notes of March 23 meeting:

"In discussing the question of the aid program to Laos, General Cutler said that this expenditure 'fills me with horror', not so much because of the terrifically large amount but because once expenditures of this sort start it is almost impossible to stop them and they go on year after year. Governor Stassen said that FOA considered the aid figure too large and that it should be reduced. The Defense representative pointed out that the Joint Chiefs oppose any idea of developing or attempting to develop armed forces in Laos and that the figure of 15,000 was suggested by the Joint Chiefs of Staff only because they were told to suggest a figure and that the political requirements situation was overriding." (*ibid.*, Preliminary OCB Notes)

3. Following the decision to support Lao military forces, Minister Yost, after a study by officers of MAAG/Saigon, recommended a force level of 23,650 men at a cost of 41.2 million. He set forth the cost estimate with the reservation that it was an approximation only, and that qualified technical personnel, which the Legation lacked, were required to undertake a cost study on the spot.

4. Although not wishing to make a positive recommendation, the JCS, in a memorandum attached to a letter of February 16 from the Secretary of Defense to you,<sup>3</sup> stated that the force level and organization recommended by Legation Vientiane would be effective for the maintenance of the internal security of Laos. The JCS recommended that, in view of Vientiane's reservations on the cost estimate, a reexamination of the cost of supporting a 23,650 force level be undertaken by qualified personnel and considered this cost should not exceed \$40 million.

5. Lao Government acceptance of the force level and organization deemed most effective by United States representatives has been made a condition for continued United States military aid in the negotiations for a direct forces support agreement which should open formally this week. Although accepting in principle a reduction in force levels from the current 31,000, the Lao Government informed Minister Yost that the Cabinet on April 2 decided "it would be unwise to reduce the size of the National Army or Guard until the situation in the two northern provinces has been cleared up." The Prime Minister stated that, "in addition to the military consideration, a reduction at this moment would give substance to Communist allegations that Laos is abandoning its defense to Americans and would breed disaffection among those discharged from the armed forces."<sup>4</sup>

6. For the supervision of the military aspects of the aid program, plans for the assignment to the Legation or USOM of a small number of qualified civilians with military competence are under way. A joint survey team composed of one military officer from MAAG/Saigon and one officer from the Controller's office, USOM/Saigon, is proceeding to Vientiane this week to determine the number and functions of what would be in essence a small "civilian MAAG." This group, through the Country Team, will reexamine the cost of supporting the Lao Army.

<sup>3</sup>The JCS memorandum is Document 264. The covering letter is Document 275.

<sup>4</sup>The quotes attributed to Prime Minister Katay in this paragraph are from Yost's summary of a conversation with him on April 2 as reported in telegram 482 from Vientiane, April 3. (Department of State, Central Files, 751J.00/4-355)



*Recommendation*

1. Inasmuch as the JCS have expressed the view that 23,650 men are required to maintain the internal security of Laos, and in light of the Lao Government's understandable reluctance to reduce its forces from 31,000 at the present time, it is recommended that the United States adhere to the JCS figure. Proposal of a 15,000-man force would reopen the entire force level question, requiring the JCS drastically to change their previous estimate. Reduction of the Lao Army to half its present size would clearly be unacceptable to the Lao Government.

2. Support of a force level of 23,650 presupposes military aid in the order of \$40 million. This figure should not be considered sacrosanct but nonetheless should be used for present planning purposes, along with the \$7.3 million allocated for economic projects, until a valid and realistic review can be undertaken in the field by qualified personnel soon to be assigned.

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**289. Telegram From the Department of State to the Legation in Laos<sup>1</sup>**

*Washington, April 11, 1955—7:50 p.m.*

419. Vientiane 514.<sup>2</sup> In light current indications French not willing engage hostilities, undefined character and uncertainty Manila Pact assistance to Lao, and patent inability Lao Army reoccupy provinces alone, recommend you not encourage Crown Prince to military action at this time. If he requests advice, you might suggest he instruct officers begin military planning for possible future resort force should exhaustion peaceful remedies now in process yield nothing.<sup>3</sup> (Unfortunately hard fact exists that if operation not started soonest, monsoon rains will make it impossible until fall.) Meanwhile covert build-up Royal Forces two provinces (Vientiane 498 repeated Saigon

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-855. Secret; Niact. Drafted by Byrne; cleared in PSA; and approved by Robertson. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>In telegram 514, April 8, Yost requested guidance from the Department on whether to encourage Savang to push the Lao Government toward military action against the Pathet Lao. (*Ibid.*, 751J.00/4-855)

<sup>3</sup>In telegram 551 from Vientiane, April 19, Yost reported a conversation with Savang on April 16 in which he was unable to persuade the Crown Prince to take military action. (*Ibid.*, 751J.00/4-1955)

493 Phnom Penh Unnumbered Bangkok 212 Parks 991A<sup>4</sup>) could continue.

Explanation and summary G-2 comments Vientiane 460 repeated Saigon 471 Paris 89 London 10 Bangkok 18 Phnom Penh Unnumbered<sup>5</sup> contained Deptel 417.<sup>6</sup>

Dulles

<sup>4</sup>Dated April 6, not printed. (*Ibid.*, 751G.00/4-655)

<sup>5</sup>Document 286.

<sup>6</sup>In telegram 417, April 5, the Department summarized an April 5 G-2 estimate that the Royal Lao Army would be unable to occupy the two northern provinces due to lack of effective cooperation by the French Military Mission, problems of supply and logistics, the nature of jungle warfare, and Pathet Lao and Viet Minh determination to hold the area. (Department of State, Central Files, 751J.00/4-855)

## 290. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, April 23, 1955—6 p.m.*

572. We consider this appropriate moment for reassessment situation in Laos and US policy in regard thereto, because:

a. Decision not to employ military force in two northern provinces at this time, to which both US and Lao Governments have now subscribed, practically rules out use of force on substantial scale, unless initiated by other side, before October;

b. Long-delayed negotiations on Lao annual military budget and on force levels and organizations of Lao army have just commenced,<sup>2</sup> and simultaneously US police survey mission has submitted its reports;<sup>3</sup>

c. Negotiations with Pathets have reached impasse which will probably force early government decision whether to fish or cut bait;<sup>4</sup>

d. Following return Prime Minister from Bandung and anticipated arrival Crown Prince in Vientiane, serious negotiations will begin for formation national front and settlement other pre-electoral measures. These negotiations may lead to change in government.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-2335. Secret. Repeated to Paris, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>A more detailed report is in telegram 567 from Vientiane, April 23, not printed. (*Ibid.*, 751J.5-MSP/4-2355)

<sup>3</sup>Text of the report, April 18, is *ibid.*, Vientiane Embassy Files: Lot 62 F 47, 350 Lao Police, 1955.

<sup>4</sup>A more detailed report is in telegram 568 from Vientiane, April 22, not printed. (*Ibid.*, Central Files, 751J.00/4-2255)

1. From first of these premises we conclude that it doubtful Royal government will recover control of two provinces in foreseeable future, except as result of radical and improbably change in either its or Communists' basic policy. While we consider recovery under other conditions unlikely, we do not wholly rule it out. We therefore favor attempts to exert increased moral and political pressure on Communists through ICC, Indian Government, Geneva signatories, and, ultimately, UN. Secondly, we favor continued discreet reinforcement of Royal forces in two provinces and covert arming loyal civilians, with view to holding government-occupied areas and conceivably to extending these areas. Thirdly, we favor efforts to organize forthcoming national elections in such way as to permit free vote in two provinces. We should not however, be sanguine as to effectiveness of any or all these measures in achieving our objective.

2. Further conclusion we draw from first and second premises above is that Lao force levels and military and police expenditures may have to be maintained over long term, at considerably higher point than we had previously expected. Had Pathet forces been eliminated or reduced to small guerilla bands, we believe it would have been possible, considering primary mission of Royal army to be maintenance internal order and recommendation combined police-gendarmérie of 4,000 perform part of this task, to cut back Lao force levels over period of two years to approximately 15,000, with substantial financial savings to US. (This assumes Manila Pact military planners did not assign larger role to Royal forces.) However, if Pathets are free to remain in privileged sanctuary and to build up forces indefinitely with Vietnamese equipment and training, they will constitute permanent military hazard within de jure frontiers of Laos which, since attacks from them may not automatically bring Manila Pact into play, would require maintenance in being of substantial Royal army in addition to recommended police forces. Under these circumstances, we doubt we could recommend cutting Lao force levels below 24,000 and might even be impressed by Lao arguments that reduction even to that level would be dangerous at this time.

3. As to third premise, we must of course continue to discourage concessions to Pathets which would provide them with substantial foothold in Royal government and Royal forces. We might even as last resort, if dangerous concessions seem to be imminent, have again to threaten to withhold aid. However, there is point beyond which we cannot push Lao nationalist sensibilities without risk bringing on dangerous access neutralism and jeopardizing our whole program here. Fortunately it appears likely that extreme demands of Pathets are about to bring present negotiations to a close. However, they may well be renewed later under aegis of ICC.

4. Our conclusion from all our premises is that, while during last six months our primary emphasis has been on recovery of Samneua and Phongsaly (because we wanted to remove cancer before it became malignant) our emphasis during remainder this year at least should be on holding other ten provinces. We think this can be done but it will require considerably more concerted and effective effort by Royal government than has been manifested so far.

First essential step is formation national front with single national ticket for presentation in elections. Second is prompt creation effective police-gendarmérie force. Third is much more active propaganda campaign. Fourth is prompt distribution necessary relief supplies and credits (for which completion USOM staffing pattern is essential). We prepared to offer substantial assistance in all these endeavors. . . . We must leave decisions to Laotians just when election might best be held, Crown Prince favoring August and most of politicians November or December.

As suggested above, carrying out these measures may require change in government. . . . Katay has been gradually losing support in Assembly and probably throughout country. On other hand, impossible as he often seems, we should be prepared to continue to put up with him even as Prime Minister, if he would get behind national front. Reasons are, first, that he still has considerable following, second, that Thais are behind him (Bangkok's 2573 to Department<sup>5</sup>) and third, that even if he were kicked out, he might either tie up with Pathets or form neutralist party which would split nationalist vote. Best solution would be reshuffle present Cabinet with new Prime Minister, and Katay staying on as Deputy Prime Minister, but is doubtful his vanity would stand it. What change, if any, is most sound and feasible will probably emerge during next three of four weeks.

Department's comments on this general analysis would be appreciated.

Yost

<sup>5</sup>Dated April 14, not printed. (*Ibid.*, 751J.00/4-1455)

291. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, May 3, 1955—6 p.m.*

619. Reference Department Circular telegrams 559<sup>2</sup> and 560;<sup>3</sup> Legtel 605.<sup>4</sup> Following is requested country study representing agreed views of Legation, . . . USARMA and USOM. Principal auxiliary references, to be read in conjunction this study, are: Legtel 572,<sup>5</sup> re-assessment as of late April of situation in Laos and US policy in regard thereto; Tousfo 173, summary report of US states police survey mission, and report itself pouched FOA/W April 21;<sup>6</sup> Legtels 567<sup>7</sup> and 601,<sup>8</sup> preliminary negotiations on military budget, force levels and organization of Lao Army. Discussion follows on basis numbered general outline at end of Department circular telegram 559:

I. Potential for liberation of Laos is already highly advanced and dangerous; this should be underlying premise throughout discussion. While doubtful enemy will for time being undertake military action on scale to prompt Manila Pact reprisals, its position is such that its forces could if desired infiltrate from North Vietnam, Sam Neua and/or Phong Saly interest of Laos, initiating guerrilla warfare and/or extensive covert political activity in virtually any area according its estimate of tactical possibilities of situation. Communist Pathet Laos (PL) have strong bases Phong Saly and Sam Neua provinces whence they unlikely be dislodged in foreseeable future; large Communist

<sup>1</sup>Source: Department of State, Central Files, 751J.5/5-355. Top Secret; Priority. Repeated to Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>In circular telegram 559, March 23, the Department instructed recipient Chiefs of Mission "to have the country team, including representatives from FOA, MAAG (or service attachés), . . . prepare a report on the possibilities and requirements for U.S. assistance in increasing the effectiveness of police-type forces to deal with Communist subversion and, in those countries where Communist subversion has reached the stage of actual or potential large-scale insurrection, increasing the effectiveness of the regular armed forces to deal with Communist subversion and insurrection." (*Ibid.*, 700.5/3-2355) Such information was to enable the OCB to formulate a concept for U.S. assistance in the development of forces adequate to provide internal security in countries vulnerable to Communist subversion. Eventually this information was for the use of the NSC. (NSC Action No. 1290-d; see *Foreign Relations, 1952-1954*, vol. II, Part I, p. 844, footnote 10.)

<sup>3</sup>In circular telegram 560, March 23, the Department further explained that this attempt to combat Communist subversion grew out of Eisenhower's personal interest and that country team assessments would weigh heavily in NSC deliberations. (Department of State, Central Files, 700.5/3-2355)

<sup>4</sup>Dated April 29, not printed. (Department of State, Central Files, 751J.5/4-2955)

<sup>5</sup>*Supra.*

<sup>6</sup>Neither printed. Tousfo 173, April 22, is in Washington National Records Center, FOA Message Files: FRC 56 A 632, Box 102, Vientiane.

<sup>7</sup>See footnote 2, *supra.*

<sup>8</sup>Not printed. (Department of State, Central Files, 751.5-MSP/4-2855)

military units are positioned just over Viet Minh (VM) and Red Chinese borders, which borders also provide privileged sanctuary, and ability build up with VM equipment and training, to PL; throughout rest of Laos, Communist cells, in unestimated number and extent, lie ready for action when called upon, and small groups of stay-behind VM remain spotted through country to encourage cells and support action if and when called for. Laos moreover is country where Communist able enter government legally through elections. Upcoming elections late summer or fall would provide setting for such propaganda or strong arm activities as Communists may deem suitable; present indication is PL will present full slate candidates throughout country. Stage is thus set for Communist action along classic lines and we must be prepared for propaganda subversion and/or terrorism in mixture to be determined by enemy high command. As Legation has often pointed out, wishful hopes for elimination of Communist threat through peaceful negotiation and efforts of ICC are dangerously naive.

II. Except for US-sponsored paramilitary training program for 200 Lao police and gendarmérie in Thailand, which expected be under way within one week, Royal Government has to date depended only on conventional military and police actions to combat subversion. This owed in some part to administrative confusion resulting from quite recent graduation to full independence, and in some part to generally lackadaisical Lao outlook; for most part however it appears due to fact Lao Government has been mesmerized by hopes pinned on negotiations with PL (premise: PL are not really Communists but only wayward brothers who will return patriotically to fold once reasonable give-and-take presented). Thus no special counter-measures have been developed, nor indeed any concerted plans for confronting Red threat in coming national elections. In a word, question of subversion has not been faced up to.

(a) Til quite recently Lao police have been more aware of subversion menace than other branches government, though incapable of controlling with present limited strength and organization. But with progressive manifestation of impotence of ICC and PL intransigence (latter culminating in break-off April negotiations after only two days) government in general now appears more and more aware of Red threat and attitude is stiffening. If line is to be held however, government must undertake considerably more concerted and effective steps than manifested to date, including formation unified national front against guerrilla resistance existing in these provinces.

(b) JCS paper already assigned Lao forces task of maintaining internal security (rather than halting outside aggression). Lao Chief of Staff recently recognized this as limit of capabilities, and similar limitation on part of gendarmérie was recognized in survey report summarized Tousfo 173.

1. Preliminary police survey referenced above, which based on thorough study Lao police and gendarmérie and which Leg. and USOM consider sound, concludes these services today are not capable of discharging responsibilities public safety or successfully combatting concerted effort Communist infiltration or subversion. Survey concludes however, that it possible strengthen services to point where they can discharge responsibilities by: (A) Immediately combining police and gendarmérie into one service under single ministry (police now under Interior; gendarmérie under Defense) and increasing combined strength over 2 years from 1,000 to 4,000; (B) training personnel in civil police duties and paramilitary techniques; (C) providing for maximum mobility and extensive radio communications net works; (D) providing necessary arms; ammo, laboratory equipment, housing. Survey team convinced effective police service most immediate: Related to goal of increased internal security and that police program envisaged would provide a type of security force which would be provided by army, though anticipating closer working relationship between two. Lao Government has already in principle taken decision to merge police and gendarmérie, and broad outlines of survey will soon be communicated to government.

2. Though police/gendarmérie have primary responsibility for detection, detention and prosecution of individuals and small groups, army holds line in 2 penetrated provinces and must be available as striking force in support of police elsewhere when problem reaches sufficient proportions. If for example substantial infiltration results in guerrilla outbreak, action passes to army. Army must also show flag throughout countryside; even when no infiltration evident, army should in our opinion be present in greater numbers than gendarmérie to give population sense of security. At present we consider army capable discharge latter responsibilities but not doing so adequately, concentrating for most part rather on 2 penetrated provinces and in more populous or controversial areas. Direct US support of and organization of Lao Armed Forces is in principle designed to strengthen army capabilities to combat and control internal problem.

(c) Population for most part appears not so much worked up re Communism itself as it is generally insecure. Attitude seems part apathy part apprehension. In some parts of country, not only areas formerly occupied by VM, areas adjacent 2 provinces in which PL predominant, or south central areas near VM borders, there have been instances villagers refusing government offers of aid because apprehensive other side may come back. If felt government had situation in hand would probably for most part support it; if army (provided it behaved well) came to these areas in force and effective gendarmérie operating, confidence in government would probably return. In other areas than those mentioned, population believed relatively indifferent excepting where Chief of Province exceptionally diligent and effective.

III. Aside from direct support to Lao forces and proposed strengthening of police/gendarmérie, both of which commented on in passing above, US programs are directed principally at (a) economic aid and (b) propaganda. To date most of effort these lines has perforce been devoted to groundwork and first beginnings.

(a) Immediate need in economic aid is for relief (food and supplies) and credits for reconstruction: Also, price reduction of essential goods through import program. Element in future USOM programs will be to bring US aid to village levels through broad based village program. Improvement transport and communications, which long been focus USOM programs being stepped up FY 1956, has also direct bearing on internal security. Extensive agricultural development now being studied. Indirectly, almost all USOM programs appear have impact over period to mean will to resist of local populations, and this factor will be touchstone in evaluating future USOM activities.

(b) Under technical direction USIS extensive information project has just been launched by USOM to counteract Communist propaganda and subversion. Several principal anti-Communist movies now finished, 2 more are almost ready and others are in preparation or planned. Distribution is through both US and Lao Army and civilian mobile teams; hope eventually reach all provinces. USOM providing Laos with equipment, USIS training crews. Army units especially active, often make political speeches on own and pick up and refute PL propaganda.

#### Recommendations:

That the OCB:

1. Support the police survey report with view to implementing it soonest possible;

2. Re Legation telegrams 567 and 572, support Legation position that Lao force levels may have to be maintained over longer term and at considerably higher point than expected; support urgent development and organization of Lao army through . . . civilian Mission outlined Legation telegram 598, to enable Tito [*sic*] discharge responsibilities outlined in foregoing discussion.

3. Support and encourage prompt implementation economic and propaganda programs outlined part III. Re economic: Strongly believe order of priorities is: (A) relief to needy areas, which primary and urgent, i.e. supplies (food and immediate necessities), credits to rebuild devastated areas, price reduction of essential goods; (B) village programs; (C) transportation and communications; (D) agricultural aid. For all these, but particularly for relief, completion of USOM staffing pattern is essential and urgent. Re propaganda it is hoped program in full swing in several months; recommend every facility be afforded to permit this goal be reached, with subsequent expansion to extent possible.



4. Reference Legation telegram 572, recognizing that recovery of 2 penetrated provinces through military action is unlikely in foreseeable future, support efforts to: (A) exert increased moral and political pressure on Communists through ICC, Indian Government, Geneva signatories and, ultimately, United Nations; (B) support continued discreet re-enforcement of Royal Forces in 2 provinces . . . with view to holding government-occupied areas and possibly extending these.

5. Above, recognizing emphasis at least for present is on holding line in 10 remaining provinces, support steps outlined numbered paragraph 4 Legation telegram 572, notably to encourage development of unified anti-Communist national front. . . .

Yost

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## 292. Telegram From the Legation in Laos to the Embassy in France<sup>1</sup>

*Vientiane, May 6, 1955—4 p.m.*

137. Paris Tosec for Young. Following developments have occurred during past two weeks affecting analysis and recommendations submitted Legtel 572 repeated Paris 119.<sup>2</sup>

I. Crown Prince and Defense Minister are urging government to encourage and support popular revolt against Pathets in two northern provinces. Both have insisted Royal army will take no action unless attacked, and that assistance to population would be entirely covert and limited to small amounts money and arms and perhaps small number of soldiers, native to provinces, in civilian clothes. (Reference Legtel 635 repeated Paris 134.<sup>3</sup>) It is still uncertain (a) whether government will endorse operation, (b) whether it might not occur even without government endorsement, (c) whether it would have any chance of success, and (d) whether Royal forces in two provinces could avoid involvement.

Despite these uncertainties I do not believe we should discourage project. As previously reported, we are not sanguine poorly armed and organized irregulars could drive Pathets out of province, unless latter are far weaker than we believe them to be. Even small-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/5-655. Top Secret; Priority. Repeated to the Department of State (which is the source text), Bangkok, Saigon, and Phnom Penh. Dulles and Young were in Paris for talks with the British and French and for the scheduled North Atlantic Council meetings, May 9-11.

<sup>2</sup>Document 290.

<sup>3</sup>Dated May 5, not printed. (Department of State, Central Files, 751J.00/5-555)

scale popular revolt however would be extremely embarrassing to Pathets, both militarily and politically, and would substantially reinforce government's demand for restoration Royal administration. Moreover such revolt, if Royal forces held aloof, would be unlikely afford excuse Pathet intervention. On other hand, if great powers veto this operation, as they have vetoed attack on Pathets by Royal forces, they would risk provoking more extreme action, i.e., either unauthorized attack by Royal forces for which military leaders are clamoring or, in mood of despair, deal with Communist involving far-reaching concessions. Laotians are apt to move rapidly from mood of exaltation to mood of apathy, and if we should deny them all liberty of action in two provinces we could hardly expect them to manifest in remainder of country energy required to win elections and check Communist subversion.

. . . . .

II. Formal negotiations with Pathets remain suspended but Katay has been authorized to negotiate informally and briefly with Phoumi. Terms he is authorized to present will certainly be unsatisfactory to Pathets and rupture may occur shortly. However Phoumi will certainly do his best to string out affair and Katay may prove amenable. As long as two provinces remain in Pathet hands, temptation to make deal with Communists will persist.

III. ICC has not yet even begun to consider restoration of Royal authority in two provinces and latest indications are that if and when it does, Indian chairman will evade any clear-cut decision. (Legtel 636 repeated Paris 135.<sup>4</sup>) Government intends to publish at once its long memorandum to ICC.

IV. Katay and Phoui have agreed to merge their two parties, at least for duration of electoral campaign. This alliance constitutes most essential element of national front and, if it sticks, greatly improves chances of substantial nationalist victory in elections. (Legtel 622<sup>5</sup> and 632,<sup>6</sup> repeated Paris 131 and 133).

V. Conclusion: On the whole we consider these developments encouraging. Lao Government, including Katay, is beginning to follow more realistic and energetic line we have long been urging. Alliance between Katay and Phoui, endorsed by Crown Prince and General Phao, promises truce in internal political strife. Only states

<sup>4</sup>Dated May 5, not printed. (*Ibid.*, 751G.00/5-555)

<sup>5</sup>Reference should be telegram 628 from Vientiane, May 3, repeated to Paris as 131, not printed. (*Ibid.*, 751J.00/5-355)

<sup>6</sup>Dated May 5, not printed. (*Ibid.*, 751J.00/5-555)

of two northern provinces and behavior of ICC remain as unsatisfactory as ever.

VI. Reference specific points listed Deptel 467<sup>7</sup> repeated Paris 3919, we have only following comments: Point 2. Performance of French training mission is slightly better but there is still considerable room for improvement. Point 3. We doubt Katay can be accused of "increased" neutralism. On contrary his attitude toward both Pathets and Viets has hardened in recent weeks and Phoui was somewhat shocked at violence with which he lit into Pham Van Dong at Bandung. On other hand, as mentioned above, as long as Pathets hold two provinces Katay will be tempted to buy them off.

We would suggest that in discussions with British and French primary emphasis be placed on persuading Indian and Canadian Governments that ICC must deal promptly and effectively with problem of two provinces. We simply cannot expect Lao Governments to take loss of these provinces lying down and, if international machinery proves inadequate for their recovery, government will ultimately choose one of only available alternatives, i.e. resort to force in some form or deal with Communist involving at best neutralism and at worst loss of Laos. For reasons mentioned above, we suggest no more extensive discussion of resort to force at this time.

**Yost**

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<sup>7</sup>Reference is to specific topics for position papers on Laos in connection with anticipated side talks on Laos with the British and French at the upcoming North Atlantic Council meetings in Paris. Point 2 was "military assistance program"; and point 3, "political situation." These briefing papers, May 3 and 4, are in Department of State, FE Files: Lot 56 D 679, Bilateral and Trilateral Talks-Paris. Telegram 467 is not printed.

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**293. Telegram From the Department of State to the Legation in Laos<sup>1</sup>**

*Washington, May 9, 1955—7:36 p.m.*

480. Vientiane 567<sup>2</sup> repeated Phnom Penh Unnumbered Bangkok Unnumbered Paris 117. Reference telegram and USARMA letter March 15<sup>3</sup> on reorganization and training Lao Army call for recapitu-

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<sup>1</sup>Source: Department of State, Central Files, 751J.5-MSP/4-2255. Secret; Priority. Drafted by Byrne and cleared by PSA, FE, S/MSA and in draft by FOA and Defense. Pouched to Saigon, Phnom Penh, Bangkok, and Paris.

<sup>2</sup>See footnote 2, Document 290.

<sup>3</sup>Not found in Department of State files.

lation development U.S. military assistance Laos. Legation telegram 193 repeated Saigon 279 contained MAAG/Saigon recommendations, in which Legation concurred Legation telegram 195 repeated Saigon 282 Phnom Penh Unnumbered,<sup>4</sup> for Laos force basis 23,650 organized as light divisions. Secretary Defense letter February 16 indicated JCS would not reverse original position, i.e. from military viewpoint they could not recommend force levels and military assistance owing Geneva Agreement provision prohibiting installation MAAG. However NSC policy is that U.S. will support Lao military establishment. Consequently, Defense letter, stating political considerations might be overriding, set forth view, not to be considered recommendation, that Lao forces as recommended by Legation would be effective maintenance internal security Laos.

There is therefore no formal "Defense-approved" force basis or organization for Laos. Further, Lao acceptance U.S. concepts not made condition by U.S. when original offer made subsequent Geneva Conference for continued American aid, since militarily U.S. does not possess necessary degree control for execution changes. Defense view is that development Lao Army essentially depends upon French and that organization and strength will depend on their views regardless of U.S. recommendation. This will remain true even when qualified civilian personnel for supervision of U.S. military aid assigned Laos, since smallness group will permit only nominal supervision. Nevertheless such group would be in some position, however, imperfect, to comment on adequacy French development and training Lao armed forces.

Although U.S. at time original offer aid following Geneva Conference did not make Lao acceptance U.S. concepts force level and reorganization condition for continued U.S. aid, Department and FOA chose regard Defense views as binding and so instructed Yost in negotiations DFS exchange notes (Department telegram 304 to Vientiane repeated 3703 Saigon 399 Phnom Penh 3001 Paris<sup>5</sup>), in order achieve rational basis for extending large sums dollar assistance not economically justified.

Pressure has been mounting past six weeks cut Lao military assistance program owing small population and low absorptive capacity. Reductions staved off at least for present by argument political decision taken support Lao force goal 23,650, which presupposed military aid in order 40 million dollars. Figure not sacrosanct, but comprehensive cost study could only be undertaken in field by qualified personnel to be assigned Legation or USOM; it anticipated cost study results might well call for downward revision aid figure.

<sup>4</sup>Neither printed. (Both in Department of State, Central Files, 751J.5/12-2154)

<sup>5</sup>See footnote 4, Document 275.

View imminent Congressional hearings and fact supervisory group will not arrive several weeks, Legation and USOM requested begin feasible aspects review magnitude program, giving due consideration absorptive capacity.

Imperative conclude DFS exchange notes soonest since funds must be obligated by June 30.<sup>6</sup> Failure end negotiations considerably before that date might provide grounds transfer portion funds now allocated Laos to other country where basis U.S. aid already agreed.

In interests concluding agreement without delay, Department desires owing political considerations modify instruction to Yost penultimate paragraph Department telegram 304 concerning Lao acceptance "U.S.-approved 23,650 force level with division organization 'to Lao acceptance' force level and organization determined by U.S. representatives in consultation Lao Government to be most effective for maintaining internal security Laos."

With respect structure Lao Army, Defense will not reexamine position set out February 16 (Department telegram 304) and Department and FOA clearly unqualified decide whether divisions regiments battalions most suitable Laos. Civilian supervisory personnel to be furnished for Lao program will, however, be so qualified. They will, therefore, be asked comment on adequacy development French organization plan outlined USARMA letter. Ascertainment by this group that Laos forces clearly not effectively absorbing U.S. military aid and that training under French not progressing satisfactorily could be basis U.S. reconsideration aid program Laos.

Regarding proposed delay reduction forces to 23,650, Department not convinced new element has been introduced justify maintenance 28,000 strength throughout Calendar 1955. In theory possibility military action against Pathets continues exist, but view Lao Army inability do it alone, changed Lao Government attitude toward use force, and imminence rainy season, military operation unlikely near future. In addition, as you have pointed out to Lao, smaller Army would be better force than present larger poorly led, inadequately trained troops.

Need of internal security force for upcoming elections would be stronger argument than Pathet danger if Government really intends hold elections even though Royal authority not restored two provinces. Department considers it would be foolhardy hold elections in present circumstances and believes citing continued Pathet violation Geneva Accords through defiance central authority would be valid counter to Communist and possibly ICC charges failure hold elections constituted flagrant violation letter spirit agreement.

<sup>6</sup>End of fiscal year 1955.

Further point seeming argue in favor reduction armed strength is startling statement USARMA letter that 66 percent officers and 78 percent NCOs French Military Mission occupy command positions, removing them from training function. With smaller Lao Army, would appear greater percentage French mission could be used in training, problem about which U.S. long concerned and which will likely be discussed Paris talks this week.

Solution problem reduction forces seems lie in implementing soonest Engle recommendations Lao police services.<sup>7</sup> Interested Washington agencies approved your proceeding along lines paragraph 6 Vientiane Tousfo 173 repeated Bangkok USOM 71.<sup>8</sup> Combining police and gendarmérie will, as Vientiane 567 states, remove 1,500 from Legation-proposed 25,000 budget basis, but will not at moment cover additional 3,000 troops which Lao Government wishes maintain until after elections.

FOA will not commit funds until Engle full report received. General thinking, however, is U.S. cannot finance both oversized loosely organized Army and greatly expanded police force. View obvious value effective police services and fact such force could be trained by American experts rather than French, financing this project has far greater merit than continued maintenance troops above figure previously recommendation by Legation.

Summary Department position follows: 1) DFS agreement should be concluded soonest, Lao to accept U.S. concept of forces and organization considered necessary for internal security without mentioning specific number of structure; 2) concurs your urging Lao plan annual military budget basis 25,000 including gendarmérie in order obligate funds before June 30; 3) Legation and USOM requested review aid program with respect absorptive capacity; detailed study cost Lao Army to await arrival civilian supervisory group which will assist USOM this matter; 4) unless political factors not now clear Department overriding, reduction to 23,650 should begin following completion military budget, and transfer gendarmérie to police, build-up of which approved in principle, should be effected near future.

**Hoover**

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<sup>7</sup>See footnote 3, Document 290.

<sup>8</sup>In paragraph 6 of Tousfo 173, April 22, FOA authorized USOM in Vientiane to proceed with exploration of implementing the Engle-Page recommendations for Lao police services. (Washington National Records Center, FOA Message Files: FRC 56 A 632, Box 102, Vientiane)

294. Telegram From the Legation in Laos to the Department of State<sup>1</sup>

*Vientiane, May 23, 1955—noon.*

700. Reference: Legtel 677, repeated Paris, Saigon, Bangkok, Phnom Penh unnumbered.<sup>2</sup> Despite Defense Minister's agreement in principle to reduction Lao force levels to 23,650 plus 1,500 gendarmerie, he has so far evaded being pinned down to exact phrasing and this has seriously handicapped precise budgeting for CY 1955. Having in mind his departure for Paris today, I sought yesterday clear understanding with him on this matter.

He points out that National Guard being liquidated during month of June, though substantial proportion will be transferred to Regular Army or Commandos to fill gaps in latter's TOs. This will result in reduction from 30,000 to 27,450 July 1. (This is clearly in part paper reduction but it does nevertheless represent substantial Lao concession since their original plan had been to build up this year to 31,000.)

Souvanna was most reluctant to proceed with immediate further reduction below 27,450. He argued: (a) In view of probable action in north, to which Pathet, and possibly Vietnamese, reaction could be expected, it would be unwise militarily and psychologically to reduce further at this moment; (b) both to ensure order and to give population feeling of security at time of elections, it will be necessary, in addition to commitments in north, to distribute units of armed forces throughout entire country during next few months.

I presented at length reasons set forth Deptel 480<sup>3</sup> and elsewhere why we consider force in excess of 25,000 (including gendarmerie) unjustified. Souvanna finally proposed reduction from 27,450 to 25,000 take place during last four months of year in equal monthly installments. (He was assuming elections will be held at end of August.) After considerable discussion I said I had no authority to accept this proposal but would submit it to my government for its consideration.

Country team recommendation, with which I concur, is that this proposal be accepted. While we may consider efficiency rather than

<sup>1</sup>Source: Department of State, Central Files, 751J.5/5-2355. Secret. Repeated to Paris, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>In telegram 677, May 15, the Legation reported that Souvanna had agreed in principle to a Lao force level of 23,650 plus 1,500 to be merged with police. In all, the Legation noted, Defense support for Laos for calendar year 1955 would total \$35-40 million and it argued that to "ensure that Communist gains are limited, at most, to territories in two northern provinces they presently control" support of such magnitude was required. (*Ibid.*, 751J.5/5-1455)

<sup>3</sup>*Supra.*

numbers is what Lao army requires to deal effectively with two problems referred to by Souvanna, both he and Prime Minister feel very strongly numbers are momentarily important. We doubt that savings which might be effected by commencing before September reduction below 27,450 would be worth, at this critical juncture, political and psychological hazards of forcing this reduction down Lao leaders' throat. Our primary immediate objectives in Laos are to facilitate (a) recovery of northern provinces and (b) sweeping electoral victory. We certainly should not do anything to shake firm attitude of Lao leaders which is absolutely indispensable to achievement these ends.

As to financial savings we believe more fruitful field in any case lies in more economical purchasing and use of supplies. We shall explore this field thoroughly but to do so adequately we need earliest arrival at least some of personnel listed Legtel 598.<sup>4</sup> . . .

Yost

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<sup>4</sup>Dated April 28, not printed. (Department of State, Central Files, 751J.5-MSP/4-2855) In telegram 502 to Vientiane, May 25, the Department instructed the Legation to make it clear to Lao officials that the members of the U.S. supervisory group would be "civilians" with military background in keeping with the Geneva Agreement on Laos; or "it may later haunt us." The Department also asked for clarification on Souvanna Phouma's prediction of Lao Government action in the north. (*Ibid.*, 751J.5/5-2355)

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**295. Memorandum From the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, May 27, 1955.*

**SUBJECT**

Letter to Mr. Stassen on Support of Lao National Army

I should like to provide the following background information for use in today's meeting with Mr. Hoover and Mr. Murphy during which they will discuss financial assistance to the Lao National Army.<sup>2</sup>

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/5-2755. Secret. Drafted by Byrne.

<sup>2</sup>See Document 300.



1. The specific subject of discussion is a letter to Mr. Stassen, prepared in PSA on May 9 for Mr. Nolting's signature,<sup>3</sup> requesting that FOA provide financial support for maintenance of the Lao National Army at the current strength of 29,000, with the understanding that the Army will be reduced to the 23,650 level which U.S. representatives deemed adequate for the maintenance of internal security.

2. This letter, originally drafted in the first week in March, is intended to serve as the basis for FOA's disbursement of large aid sums justified on political rather than economic or strictly military grounds, and in effect also as a definition of responsibilities of the several agencies in the establishment of the civilian group being sent out to supervise the military assistance program. Delays were at first occasioned by lengthy inter-departmental wrangles over responsibilities and latterly by differences on language within the Department. After some two months, the letter was finally cleared by PSA, PSA/E, L/MSA, FE/EX, FE (Mr. Baldwin and Mr. Parelman), Defense and informally by FOA.

3. On May 13 Mr. Nolting, feeling unable to sign the letter because of remarks made by the Secretary on May 5 at a meeting to determine the U.S. position on the Cambodian training formula (in preparation for the NATO Council discussions in Paris),<sup>4</sup> requested that Mr. Murphy and perhaps Mr. Hoover review the question of military assistance to Laos. I understand that Mr. Murphy, in forwarding the letter to the Under Secretary, noted that the sum involved seemed unrealistically high.

4. I am sure that you will agree that the Secretary's side remarks at the meeting were not intended to mean a reversal of the NSC policy of supporting the armed forces of the three Associated States. Without U.S. financial assistance on which the Lao Army is entirely dependent, strategically important Laos would be fair game for further Communist aggression. To withdraw U.S. support would be politically disastrous in Laos itself.

5. In Washington, failure to transmit the letter to FOA has caused considerable uneasiness as an indication of Department waver on Laos and indirectly on Cambodia, and has consequently placed the military assistance program in jeopardy. FOA, always chary of this large aid program for a country of 1.5 million people, has depended upon the Department's support for political justification of the expenditure. Evidences of disagreement within the Department have apparently been the largest single contributing factor to the recent FOA decision to obligate funds sufficient only to carry

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<sup>3</sup>For the final version, see *infra*.

<sup>4</sup>See Documents 200 and 201.

the Lao and Cambodian armed forces through August, depending upon an uncertain Congressional reappropriation to cover the last four months of the calendar year. In addition, establishment of the civilian group to assist Minister Yost and FOA in assuring the most effective use of U.S. funds is hindered by what appears to be the Department's questioning of the basic concept of financial support for the Army.

6. Aid tentatively allocated for Laos is as follows (in millions of dollars):

	Direct Forces Support (common use items)	Defense Support	Technical Cooperation	Total Country Program
FY 1955	\$11.5	\$40.4	—	\$51.9
FY 1956	10.5	46.5	1.0	58.0

Of the above amounts, \$46 million in FY 1955 and \$42 million in FY 1956, are presently intended as *military assistance* (Direct Forces Support plus that element of Defense Support which is budgetary support for the armed forces) to Laos. It should be noted that although \$46 million is still carried on the books, \$40 million is *actually* set aside for Laos in FY 1955. Under FOA's latest plan, only \$25 million will be obligated before June 30, support for the rest of the year, particularly the last four months, being left uncertain.

7. As you know, the Department has maintained the position that the \$40 million figure should not be considered sacrosanct but should be used until a realistic cost study can be undertaken in the field by the qualified personnel . . . soon to be assigned. Telegrams received this week from Minister Yost report that the Lao Government has submitted a military budget of \$43.3 million; the Legation and USOM/Vientiane have in turn once more recommended that the allocation for FY 1955 (to cover Calendar 1955) should be not less than \$40 million.

8. It is recommended, if you approve, that FOA be advised the Department prefers that the total allocation be obligated for both Laos and Cambodia in order to insure our ability to provide the necessary military support throughout Calendar 1955, since this support cannot be assured under the latest FOA proposal.

**296. Letter From the Secretary of State's Special Assistant for Mutual Security Affairs (Nolting) to the Director of the Foreign Operations Administration (Stassen)<sup>1</sup>**

*Washington, May 31, 1955.*

DEAR MR. STASSEN: I refer to the letter of February 16, 1955, from the Secretary of Defense to the Secretary of State<sup>2</sup> containing the views of the Joint Chiefs of Staff on force levels necessary to maintain the internal security of Laos, the maximum cost of such force levels, and a statement of the willingness of the Department of Defense, for political reasons, to provide civilian personnel for the supervision of United States military aid programs in Laos. A copy of this letter has been furnished the Foreign Operations Administration by the Department of State.

It is the established policy of the United States Government to give financial support where necessary to friendly nations in certain threatened areas to protect their territories from foreign aggression and internal subversion. The defense of Laos, by virtue of its geographic position, is highly important for the security of Southeast Asia and for the entire free world.

Current political and administrative problems faced by the Lao Government preclude the possibility of an immediate reorganization and concurrent reduction in force to conform to the concept set out in the letter of the Secretary of Defense. Therefore, it is requested that you provide financial support for maintenance of the Lao National Army at the current strength of 29,000. It is expected, however, that the Lao Government will reduce its forces as rapidly as possible to the 23,650 level deemed adequate for the maintenance of internal security. The Department of State has requested the American Minister at Vientiane to produce with the United States Army Attaché a joint recommendation on feasible target dates for this reduction and reorganization.

The American Minister at Vientiane is negotiating a bilateral agreement with the Lao Government on direct forces support, which will serve as the basis for financial aid to the Lao Government and permit forward planning on expenditure of military assistance funds. In negotiating this agreement, the American Minister has been instructed to inform the Lao Government that continued United States aid is contingent upon Lao Government acceptance of the force level

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/2-1655. Secret. For drafting and clearance procedures of this letter, see *supra*. A marginal note by Murphy reads: "Concurred in by U & G subject to later review of amounts."

<sup>2</sup>Document 275.

and organization determined by United States representatives to be most effective for maintaining internal security in Laos.

With respect to supervision of American financial assistance, the United States is precluded from establishing a Military Assistance Advisory Group by the terms of the Geneva Agreement on the Cessation of Hostilities in Laos. Representatives of the Department of Defense, the Foreign Operations Administration, and the Department of State are now conferring on arrangements for the assignment of qualified civilian personnel to be attached to the Legation or the United States Operations Mission at Vientiane. Joint recommendations on staffing requirements for the supervision of American aid funds have been received from the Legation, the United States Army Attaché, and the United States Operations Mission, assisted by a two-member survey team detailed from the Military Assistance Advisory Group and the United States Operations Mission in Saigon.

It has been agreed that the Department of Defense will furnish civilian personnel to be responsible for the following:

- 1) Determining military end-item requirements.
- 2) Supervising end-item use by the Lao armed forces.
- 3) Controlling the delivery of military end-items.
- 4) Evaluating the adequacy of the development and effectiveness of the Lao armed forces.
- 5) Advising the Country Team on Lao force levels, bearing in mind the views of the Joint Chiefs of Staff.
- 6) Reviewing and making recommendations to the Country Team on the costs of maintaining the agreed force levels.
- 7) Assisting and advising the Country Team in screening Lao military expenditures.
- 8) In conjunction with the above-enumerated responsibilities, generally advising on military matters.

In accomplishing this mission, the supervisory personnel supplied by the Department of Defense will operate as an integral part of the Country Team.

It is hoped that, for its part, the Foreign Operations Administration will augment the Controller's staff of the United States Operations Mission in Vientiane as required to discharge its responsibilities under Executive Order Number 10575 in the administration of Direct Forces Support and Defense Support programs.

The Department of State will arrange to provide the necessary additional administrative support, including housing, subject to the usual reimbursement for such services by the appropriate agencies.

The civilian military specialists furnished by the Department of Defense will assist the United States Operations Mission Controller personnel in a comprehensive study of the cost of supporting the 23,650 force level. The Country Team will review the aid programs for Laos, the American Minister and the Director of the United

States Operations Mission giving due consideration to the absorptive capacity of this undeveloped country of 1.5 million people. Results of the careful cost analysis and realistic review may well call for downward revision of the \$46 million figure tentatively allocated for the support of the Lao National Army, despite the necessity of retaining a 29,000 troop strength for several months during Calendar Year 1955.

This letter has the concurrence of the Office of the Secretary of Defense.

Sincerely yours,

Frederick E. Nolting, Jr.<sup>3</sup>

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<sup>3</sup>Printed from a copy that bears this typed signature.

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**297. Telegram From the Legation in Laos to the Department of State<sup>1</sup>**

*Vientiane, May 31, 1955—3 p.m.*

730. Reference: Legtels 691<sup>2</sup> and 705 to Department.<sup>3</sup> Phoui, acting Minister Defense, informs me he is proceeding with preparations for assisting popular movement in two northern provinces, commencing with Phong Saly. Before initiating action however he is awaiting (1) determination accuracy report Viet units have recently arrived in Phong Saly, (2) deliveries rice to royal forces in two provinces for distribution to population. He emphasized movement, if it took place, would be relatively small-scale guerilla operation.

To his inquiry my opinion, I replied operation, if well managed and not involving Royal forces, seemed to me useful in harassing Pathets militarily and embarrassing them politically. To his inquiry what assistance United States would offer, I pointed out military

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<sup>1</sup>Source: Department of State, Central Files, 751J.001/5-3155, Top Secret. Repeated to Paris, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>Telegram 691, May 19, reported that Souvanna Phouma informed Yost that preparations for anti-Pathet Lao guerrilla action in the two northern provinces were underway and that Royal Lao commandos were covertly reinforcing the local guerrillas. (*Ibid.*, 751J00/5-1955)

<sup>3</sup>In telegram 705, May 25, Yost reported his discussion with Crown Prince Savang on the prospects for the Lao Government's "popular uprising" in the north. The Prince asked Yost what the United States would do if the Viet Minh intervened to put down the revolt. Yost replied, "it would produce strong diplomatic reaction. Whether it would provoke military reaction would depend on decision Manila Pact powers", which Yost could not predict. (*Ibid.*, 751J00/3-2555)

budget now under discussion sufficiently generous to cover necessary expenditures. He confirmed my understanding adequate arms available. He did not mention aircraft or communications equipment, but I presume these requests will be brought up again.

During visit to Xieng Ghouang over week-end, governor and Touby, MEO leader, informed me their partisans in Sam Neua willing participate in guerilla action but careful preparation and clear instructions from government would be required.

We are still far from certain any significant action will result from all this backing and filling.

Yost

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**298. Memorandum From the Secretary of State to the President<sup>1</sup>**

*Washington, June 3, 1955.*

**SUBJECT**

Elevation of the United States Legation at Vientiane, Laos to Embassy

I have been informed by the Laotian Government<sup>2</sup> that it proposes to raise its diplomatic representation in the United States to rank of embassy. The Department has learned that similar proposals have been made to the British and Thai Governments.

Our interests in Laos have increased appreciably in the past year. We are actively engaged in supporting the present government through economic and military means, and it seems safe to say that these programs will assume greater importance in the immediate period ahead. Under these conditions I believe the strengthening of diplomatic relations between the two countries is highly desirable.

Accordingly, I recommend that you accept the Laotian Government's proposal and at the same time approve the elevations of our Legation at Vientiane to the rank of embassy. I might add that our missions to the other countries of the former Associated States of Indo-China, Viet-Nam and Cambodia, have the rank of embassies.

If you approve, the Department will proceed with the necessary arrangements. In this connection I plan to recommend that Charles

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<sup>1</sup>Source: Department of State, Central Files, 601.51J11/6-455. Confidential.

<sup>2</sup>A translation of the Lao note, April 21, is attached to another copy of this memorandum for the President, not printed. (*Ibid.*, 601.51J11/4-2355)

W. Yost, our present Minister to Laos, be nominated as our first Ambassador to that country.<sup>3</sup>

JFD

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<sup>3</sup>A marginal note by Eisenhower on the source text reads: "OK, DE". The Legation was raised to Embassy status on August 10.

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**299. Letter From the Minister in Laos (Yost) to the Director of the Office of Philippine and Southeast Asian Affairs (Young)<sup>1</sup>**

*Vientiane, June 4, 1955.*

DEAR KEN: In the belief you might like to have an informal summing up of where we stand in Laos, I am sending along the following notes.

I. . . . Though feeling the public pulse in Laos involves angles of which Gallup never dreamed, present forecasts are reasonably favorable in that the authorities in each province, while often shaking their heads over other parts of the country, assure us their own province is safe.<sup>2</sup> We are far from relying, however, on these comforting assurances.

As we judge the situation, the three most important elements in affecting public opinion before the elections will be economic relief, propaganda and security. The first is primarily a question of rice and, as you know, we are raising heaven and earth to get substantial quantities where they are needed most during the next three months. The second involves stimulating and assisting the politicians to conduct vigorous campaigns—with the framework of a National Front which is still nebulous but fairly promising. USIS is already doing yeoman service, but would like replies to Legtels 657<sup>3</sup> and 669<sup>4</sup> to

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<sup>1</sup>Source: Department of State, PSA Files: Lot 58 D 207, SEA, Lao Correspondence (1955). Secret; Personal.

<sup>2</sup>According to telegram 767 from Vientiane, June 10, the Lao Congress (National Assembly and Royal Council in joint session) passed a constitutional law on June 9 setting the date for elections in Laos on December 25, 1955. (*Ibid.*, Central Files, 751J.00/6-1055)

<sup>3</sup>In telegram 657, May 12, the Legation requested Department of State, USIA, and USOM approval of a plan to support non-Communist parties in the anticipated National Assembly elections in Laos with mobile campaign units (generator, loud speaker, projector, etc.), transportation, films, and posters. (*Ibid.*, 751J.00/5-1155)

<sup>4</sup>In telegram 669, May 13, the Legation noted that the equipment proposed in telegram 657 was already contemplated in existing USIS programs, so all that was required was concurrence for use in the Lao election campaign. (*Ibid.*, 751J.00/5-1355)

sanction the active collaboration we believe necessary. Finally, the bolstering of security requires our continuous support of the Army, without being for the moment too dogmatic about "force levels", and rapid improvement of the police and gendarmérie along lines we have recommended. If we are able to go full steam ahead on all these lines, I venture to predict that August elections would turn out well. I am chary of making predictions as far ahead as December but am reasonably optimistic.

Our relations with the Government continue to be good, though there is not the degree of intimacy and mutual confidence with Katay to which I have been accustomed in Greece and Austria. I believe this arises from acute cases of nationalism and self-esteem on his part and from an extreme sensitivity to foreign "domination" (which however doesn't extend to receipt of foreign aid). While this is an unsatisfactory situation, I see no viable alternative to Katay before the elections and believe that with him we shall gain more by patience and calm than by blowing off steam. The latter would, I believe, only fan the embers of neutralism. We always have the Crown Prince and Phoui as restraining influences, through their effectiveness in this respect has definite limits.

I had a long and cordial conversation with Dufour the other day about Franco-American relations in Laos. We agreed that the mutual suspicion and recriminations which have complicated our relations in Saigon had not raised their ugly heads here and that we would see to it they did not do so. I trust Guibaut, who is expected shortly, will be as cooperative.

The situation in the North shows no significant progress. Negotiations with the Pathets are momentarily at a standstill but, in view of Katay's known faiblesse for this sort of exercise and of the Indians' passionate sponsorship thereof, may be revived and lifted to exalted and ominous levels at any time. The Indians continue to block effective ICC action while they chase the negotiations will-o-the-wisp. Meanwhile, though the Lao military shows increasing impatience and from time to time mutters "coup d'etat", the aversion of the Government to take responsibility, coupled with the recent full-scale onset of the rainy season, will probably prevent any major operations, popular, guerilla or military, in the two provinces. A certain amount of sporadic and desultory shooting, sufficient to keep everyone in bad humor but insufficient to settle anything, will probably take place.

I continue to believe that, in the absence of military action, the only chance of getting the problem of the two provinces satisfactorily settled, and I fear it is a slim one, is for Nehru to persuade Chou En-Lai, or US-UK-France to persuade the Russians, that two Lao provinces are not worth a sour note in the honeymoon. Is this too



small an issue to inject into the series of high-level diplomatic negotiations which appear to be impending?

II. Thanks to the interest of all you pioneers who have visited us, our staffing and housekeeping problems are decidedly looking up. The arrival of Wendell and Max Finger has made a world of difference and even FOA is beginning to get a few more hands though far too few. As of the moment our housing is just as overcrowded and indecent as when you were here—perhaps more so because there are more of us—but now at least we have the prospect of some relief when the compound begins to open up next month, and of real elbowroom when the projected prefabs materialize in three or four months (?). I regret myself there need be so many Americans here—a tight little team of twelve all told would be my preference—but we keep discovering new fields in which the Lao are incompetent, fields moreover in which some competence is essential if the cold winds from the north are to be kept off. If all the sweet talk being bandied about the world these days should produce a real detente, we could demobilize some of our cohorts here in a year or so. This year, however, is the time when each man and each ton of rice is worth ten later on.

Morale among the Americans is holding up fairly well, but it has worn quite a bit thinner than when you were here and can be expected to wear thinner still before the housing problem is licked. I feel more positive than ever that one year should be the limit of assignment here, at least of all our first contingent who bore the heat of the day.

. . . . .

By the way, what has happened to the Lao proposal to raise our respective Legations to Embassies? It is too bad the prolonged debate about the role of the Souvannouvong family in Lao diplomatic life caused us to be approached last, but I should hope we on our side would not delay too long.<sup>5</sup>

Do drop me a line when your alarms and excursions leave you time enough to do so.

With all the best to you and yours,

Sincerely,

Charlie

. . . . .

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<sup>5</sup>See the memorandum, *supra*.

**300. Memorandum From the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Deputy Regional Director for Far Eastern Operations, Foreign Operations Administration (Morrison)<sup>1</sup>**

*Washington, June 10, 1955.*

SUBJECT

FY 1955 DFS Obligation of Funds for Laos and Cambodia

I should like to make clear the position of FE:PSA with respect to the obligation of FY 1955 military assistance funds for Laos and Cambodia.

1) I fully understand that in its management of United States aid funds the Foreign Operations Administration is bound by Congressional standards for valid obligational documents. Such documents may take the form of procurement authorizations and project agreements, or, in exceptional cases where detailed expenditure plans are lacking, of blanket intergovernmental agreements involving a lump sum up to a stated maximum granted in a specified period. The latter method has already been used in Viet-Nam.

2) Believing that there was insufficient information on costs and requirements in Laos and Cambodia to justify obligating before June 30 the entire amounts tentatively allocated in FY 1955 (\$40 million for Laos, \$29 million for Cambodia), FOA informed the OCB Working Group on Indochina on May 23 of its proposal to obligate funds sufficient only to carry the Lao and Cambodian armed forces through August, relying upon an uncertain Congressional reappropriation of FY 1955 funds to cover requirements of the last four months of the calendar year. Department of State representatives present at the meeting were opposed to the proposal. You replied that receipt of the State letter requesting support of the Lao armed forces and high-level representation on the obligation question would be required to change FOA thinking. The meeting was left at that.

3) At a meeting on May 27 attended by the Under Secretary, Mr. Murphy, Mr. Robertson, and myself, the stated requirements were met. As you know, the letter to Governor Stassen was signed and dispatched. Mr. Nolting was also requested to inform FOA of the Department's view that the total allocation for FY 1955 for both Laos and Cambodia should be obligated before June 30 in order to insure our ability to provide necessary military support throughout Calendar 1955. It is my understanding that Mr. Nolting did this.

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<sup>1</sup>Source: Department of State, Central Files, 751J.5-MSP/6-1055. Secret. Drafted by Young and Byrne.

4) However, FOA apparently prefers to proceed with its proposal, defining the portion of the programs which will depend upon a Congressional reappropriation as the common-use element. This segment, set at approximately 25 percent of the total military assistance programs, is \$10 million for Laos and \$8 million for Cambodia.

5) I also understand that FOA representatives in an informal mark-up session apprised members of the Senate Foreign Relations Committee of the proposal for a reappropriation for the Lao and Cambodian common-use programs and that in consequence Senator George and others suggested that the total carry-over of FY 1955 funds be raised from \$150 million to \$200 million.

6) Aware of the above facts and what I believe to be the FOA position, I still consider that there is no reason not to obligate the entire FY 1955 allocations through intergovernmental agreements with Laos and Cambodia phrased in such manner as to make \$40 million and \$29 million respectively the maximum amounts which will be granted the two countries upon proper justification.

7) I do not agree the Lao program is a "horse-back" estimate of the Country Team. It seems to me now to be based on information and procedures comparable to what I have witnessed in recent years in the Korean, Japanese, Philippine, Thai, and Vietnamese programs. We had the Korean budget last year. We have the Lao budget now. Both were carefully screened. I submit that information received from Laos in recent weeks is at least as detailed as that previously received from Viet-Nam, where more than five times \$40 million was obligated through an intergovernmental agreement. The Lao seven-months military budget presented the Country Team on May 24 indicated that \$43.3 million would be required to support the Lao armed forces in Calendar 1955.

Commenting in Vientiane telegram 740 of June 3,<sup>2</sup> the American Missions judged this an honest piece of work based on 1954 known prices, but deemed savings of slightly more than \$4 million could be made through improved procurement procedures, reductions in contemplated construction and security stockpiling, and elimination of a 10-percent troop pay increase in line with the policy adopted for the Vietnamese Army. On the basis of this budget, the Mission reiterated its recommendation that a total of \$40 million be allocated for Laos for FY 1955. This would require the obligation of nearly \$26 million, in addition to the \$14.3 million actual disbursements, before June 30.

8) You have often stated that the common-use segment could not be obligated for Laos and Cambodia, since there were no detailed programs screened by competent authorities, specifically by a

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<sup>2</sup>Not printed. (*Ibid.*, 751J.5/6-355)

MAAG. I wonder whether this can still be said of Laos. I have on my desk a copy, received by pouch, of the Lao military budget, which contains common-use items and which was screened by MAAG/Saigon. I shall send this budget to FOA for study.

9) Although no itemized budget has been submitted for Cambodia, it seems certain that the amount tentatively allocated will be insufficient to cover requirements of the Cambodian National Army in this calendar year. Information from the field indicates that approximately \$45 million, as opposed to the \$29 million planned by the United States, will be needed above the Cambodian contribution. Refined cost studies have been deferred only because of the imminent establishment of a United States MAAG. I should like also to point out that the Secretary told the Cambodian Government during his visit to Phnom Penh in February that American aid in FY 1955 would be roughly \$40 million. Any reduction or seeming reduction in this figure would greatly harm our political position.

10) I will admit that, before receipt yesterday of Vientiane telegram 760,<sup>3</sup> I was prepared to agree to the FOA proposal *provided* that assurance could be given the field and the Department that, assuming a Congressional reappropriation, \$10 million and \$8 million would be obligated for Laos and Cambodia respectively in FY 1956 from the FY 1955 carry-over. I stressed the necessity of such an assurance because past experience indicates that there will be demands for reobligation from other world-wide programs for sums appreciably greater than the \$200 million carry-over now contemplated.

11) Vientiane telegram 760, the arguments of which also apply to Cambodia, has confirmed my belief in our original position that intergovernmental agreements to obligate the entire amounts for Laos and Cambodia are mandatory. I believe the field has a thorough understanding of what is contemplated in Washington and rightly protests on the basis of its knowledge of the "disastrous" political and economic consequences in Laos if the hand-to-mouth procedure is followed. I urge FOA's careful study of this telegram, particularly the statement that the U.S. "policy of short tether . . .<sup>4</sup> may vitiate Lao cooperation," and that ending the hand-to-mouth policy is the only position "consistent with practical objectives here."<sup>5</sup>

<sup>3</sup>In this joint telegram, June 8, the Legation, USOM, and USARMA protested "in strongest terms" against consideration in Washington of a "continuation of hand-to-mouth military budget financing in Laos" and argued that securing Congressional reobligation of the balance of calendar year 1955 funds implied "uncertainties which will be disastrous to our policy in Laos." (*Ibid.*, 751J.5-MSP/6-855)

<sup>4</sup>Ellipsis in the source text.

<sup>5</sup>On June 15 Morrison returned this memorandum to Young and noted their meeting on the afternoon of June 10 (of which no further record has been found) had cleared up "misunderstandings on this problem." (Memorandum from Morrison to Young, June 15; Department of State, Central Files, 751J.5-MSP/6-1555) See the editorial note, *infra*.

**301. Editorial Note**

According to State-FOA telegram 547 to Vientiane, June 15, the Legation was authorized to inform the Lao Government that the United States accepted \$40 million as a planning figure for Lao military support. Of the \$40 million, \$30 million would be obligated prior to June 30 (the end of the fiscal year) and the remaining \$10 million would be assured by the relevant Washington agencies either from a carry over of FY 1955 funds or by other means. (Department of State, Central Files, 751J.5-MSP/6-1255)

The Lao Government accepted these terms on June 28 with minor reservations and the Legation considered this as constituting official acceptance. (Telegram 821 from Vientiane, June 28; *ibid.*, 751J.5-MSP/6-2855)

The final texts of the defense support note, July 6, in both French and English, and the Lao reply, July 8, with an English translation, are contained in despatch 7 from Vientiane, July 14. (*Ibid.*, 751J.5-MSP/7-1455)

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**302. Editorial Note**

On July 5 Minister Yost presented the Lao Government a check for \$12 million for support of the Lao Army bringing the total United States aid for maintenance of Lao armed forces in 1955 to \$35 million. A text of the press release announcing this transaction is in telegram 12 from Vientiane, July 5. (Department of State, Central Files, 751J.5-MSP/7-555)

303. **Memorandum of a Telephone Conversation Between the Secretary of State and the Assistant Secretary of Defense (Robertson), Washington, July 12, 1955, 6:36 p.m.<sup>1</sup>**

TELEPHONE CALL FROM MR. ROBERTSON

R. said he spoke to Radford re the cable from Vientiane.<sup>2</sup> R. said they have both planes and Marines and can give you any support you want. He (Radford) thinks this is a situation we ought not let go by in silence—the world should know this situation exists. The Sec. asked if we have any carriers around there, and R. said we give them to the French to have them in those waters for security and they won't use them. The Sec. said why don't we take them back, and R. said he thinks we should—they are neutralists. The Sec. said wonderful—re the Radford response and said now it is a political decision. R. agreed. The Sec. said why don't we tell our fellow at Bangkok (not Vientiane) if we have ascertained that we can make a military force available and it is a matter for political decision in the light of developments and then it will leak out. Vientiane will learn it all right.

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<sup>1</sup>Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Phyllis D. Bernau.

<sup>2</sup>Apparent reference to telegram 41 from Vientiane, July 13. In this communication the Legation provided a summary prepared by the military attaché on recent fighting between the Pathet Lao and the Lao Government as follows: on July 3, the Pathet Lao launched a general attack (3 battalions of approximately 1,800 men and mortar support) on the heights surrounding the government-held town of Muong Peun in Sam Neua province. The Pathet Lao gained control of a northern semicircle of high ground around the town by driving back Royal Lao Army outposts. On July 7 the Royal Army commander at Muong Peun reported that his post was under attack and requested reinforcements, which were airdropped on July 8 and 9. After July 8, however, the fighting subsided with the exception of minor patrol clashes on July 10. The attaché at Vientiane believed that as of July 12 the Pathet Lao were awaiting resupply. The attaché also observed that the Pathet Lao, who were supported by Viet Minh cadres, could have destroyed the Royal Army at Muong Peun, but they failed to press the attack. (Department of State, Central Files, 751J.00/7-1355)

304. Memorandum From the Secretary of State's Deputy Special Assistant for Intelligence (Howe) to the Special Assistant for Intelligence (Armstrong)<sup>1</sup>

Washington, July 13, 1955.

SUBJECT

Wednesday Secretary's Meeting<sup>2</sup>

Among other items, I reported on the Pathet Lao situation and specifically that the USARMA had reported that no Viet Minh units had apparently participated in the recent incident and that the incident had apparently been blown up by the press. When Robertson's turn came, he referred to the item and, in a fashion which could hardly be termed friendly, said that "his intelligence" disagreed with my report and that there were some thousand Viet Minh involved. The Secretary inquired what was "his intelligence" as distinct from mine. Robertson said that Wisner, a principal officer in his brother's intelligence agency, had told him this. In the confused discussion on the substance which followed, it did not come out as clearly as it should have that my report dealt with participation of Viet Minh *units* whereas Robertson's report probably referred to Viet Minh characters in the Pathet Lao provinces and involved in the whole movement. The Secretary asked that we prepare before his departure this afternoon a roundup on this situation coordinating with CIA, Army and FE. This we did per the attached.

I called Wisner who denied that he could have talked to Robertson on this subject as he had no information on it. He said his conversation with Robertson had been very brief and had referred principally to his, Wisner's, concern about the Peiping reference to the incident which Robertson said he was already aware of (presumably by your report).

F.H.

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<sup>1</sup>Source: Department of State, INR Files: Lot 58 D 776, Indochina. Secret.

<sup>2</sup>On July 13, from 9:17 to 9:50 a.m. (Dulles' Appointment Book; Princeton University, Dulles Papers)

**[Attachment]****Paper Prepared in the Office of the Secretary of State's  
Special Assistant for Intelligence<sup>2</sup>***Washington, July 13, 1955.***SITUATION IN NORTHERN LAOS***Summary Statement*

The July 7 incident at Muong Peun has been exaggerated in reports issued by the Lao Government and reported in the Press. These reports represent a continuation of Laotian effort to persuade world opinion of Pathet Lao violation of the Geneva Agreement by preventing restoration of Royal authority in the two northern provinces. If the action was initiated in [by?] the Pathet Lao, as seems probable, it represented a continuation of probing pressure tactics to weaken the resistance of the Lao Government to Communist political pressures for the formation of a coalition government. There is no evidence of direct participation in the incident by Viet Minh army units as claimed by the Laotians, although the Viet Minh controls the Pathet Lao movement and has advisers and political organizers within its ranks.

*The Action at Muong Peun*

The July 7 incident at Muong Peun in Sam Neua province of northern Laos was a continuation of the pressure maintained since Geneva by the Pathet Lao against the Royal Government of Laos. There are no indications that a major military campaign against Laos is imminent, but it is probable that sporadic fighting will recur in the two northern provinces of Phong Saly and Sam Neua.

Pathet Lao objectives appear to be to secure firm control of these two provinces and to maintain sufficient pressure on the Lao Government so that political and military talks between the two sides will result in (a) expulsion of all Laotian military and civil officials from the two provinces and (b) eventual participation in a coalition cabinet.

The US Army Attaché reports, probably from official Lao sources, that the Pathet Lao forces involved are estimated from 1500 to 1800. . . .

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<sup>2</sup>Secret. Prepared by OIR/DFR in consultation with the CIA and G-2 and submitted to Hoover (Dulles left for Paris at 3:45 p.m. for tripartite talks preparatory to the Four-Power Geneva Summit Conference, July 18-25; Dulles' Appointment Book; Princeton University, Dulles Papers). According to a marginal note on a covering memorandum by Howe, Hoover did not see this paper.



*Pathet Lao-DRV Relations*

The rebel Pathet Lao movement and its guerrilla forces represent virtually a creation of the Viet Minh and are believed immediately responsive to its direction. The DRV has provided instructors and other specialists to the Pathet Lao, whose total forces in the two provinces are estimated at 6290. A G-2 report estimates that there are at least 250 cadres serving as organizers and advisers with the Pathet Lao, and that there may be as many as 1000 Viet Minh scattered throughout Laos.

The Lao Government has claimed that 3 DRV battalions are supporting the attack on Muong Peun, but US officials in Vientiane report on indications to support this charge. . . .

*International Response*

Responsive to Canadian initiative, the ICC for Laos has reportedly called on both sides to stop sending reinforcements, halt patrol activity and observe a cease-fire, and provide facilities for an ICC investigation. Both sides are said, in press reports, to have agreed. The military clash has interrupted the intermittent military and political talks between the Lao Government and the Pathet Lao, which had been resumed late in June in an effort to demonstrate to the Indian Chairman of the ICC the intractability of the Pathet Lao.

DRV propaganda has given consistently heavy play to Laos in recent weeks, charging Lao Government and US efforts to sabotage the Geneva Agreements. Peiping has supported, with equal vehemence, but in less volume, the DRV attacks, charging (as of July 12) that the US is responsible for the "strained situation" by (1) inclusion of Laos in the Manila Pact's "area of protection," (2) intending to sign a military agreement with Laos similar to the recent Cambodian MAAG agreement, (3) airdropping "bandits" into Pathet Lao regrouping areas (a probable reference to reinforcement by air of the Muong Peun garrison which began on July 8), and (4) seeking "to drag the SEATO countries into the fighting."

**305. Letter From the Acting Assistant Secretary of Defense for International Security Affairs (Davis) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, July 21, 1955.*

DEAR WALTER: I refer to the attached copy of a letter pertaining to the supervision of the U.S. military aid program for Laos which was signed by the Secretary of Defense and forwarded to the Secretary of State on 16 February 1955.<sup>2</sup>

The problem in this case has been to determine how, in accordance with the responsibilities of the Secretary of Defense for the supervision of military aid programs as outlined in Section 524 of the Mutual Security Act of 1954,<sup>3</sup> the U.S. could provide supervisory personnel for this purpose without being accused of violating the Geneva Accords.

In considering this problem the following factors were deemed pertinent:

(a) For reasons of political expediency the U.S. agreed to continue with a military aid program for Laos subsequent to the Geneva Conference.

(b) The Geneva Accords prohibit the introduction of military personnel into Laos.

(c) The use of civilian personnel, with military backgrounds, is considered as the only possible means of providing the required supervision.

(d) The number of supervisory and supporting personnel will have to be kept to a minimum to avoid the possibility of the U.S. being accused of violating the Geneva Accords and due to the extremely limited facilities in Laos.

On the basis of the above factors, the Department of Defense informed the Department of State by the reference letter that it would furnish the necessary civilian supervisory personnel provided the Department of State or the then Foreign Operations Administration would assume responsibility for the administrative support of these personnel. This was considered logical as it was visualized that a civilian MAAG, in effect, would not be established; the supervisory personnel would be attached to either the Legation or the USOM in order to avoid duplication of administrative facilities and personnel; and that personnel selected by the military should not be sent to Laos until adequate facilities were guaranteed for them.

Several meetings have been held by representatives of the Department of Defense with representatives of the Department of State

<sup>1</sup>Source: Department of State, Central Files, 751J.5/7-2155. Top Secret.

<sup>2</sup>Document 275.

<sup>3</sup>For text of the Mutual Security Act of 1954, see 68 Stat. 832.

and the FOA on this matter with indefinite results. Further, the Department of State has not replied to the Defense letter of 16 February—thus no official acceptance or rebuttal of the Defense proposal has been received as of this date.

In the interim period, agency representatives in the field have provided recommendations as to the types of personnel required for this mission. The Department of Defense has indicated tentative acceptance of responsibility for recruiting all of these personnel except the clerical help as it was considered that the clerical help should be provided by the Department of State or the FOA as administrative support.

During the interim period, the Department of Defense has alerted the Department of the Navy as Executive Agency and the Department of the Army as action agency of the probable requirement for civilian personnel with military backgrounds. The Department of the Army has initiated a preliminary survey to determine the availability of personnel but has not established contact with these people to date as it is deemed necessary to have a firm position on the required administrative support before such contact is made.

In conclusion, it is considered that the Department of Defense has taken appropriate action in this matter and cannot proceed further until an acceptance or rebuttal of its proposal is forthcoming from the Department of State. An early reply would be appreciated.<sup>4</sup>

Sincerely yours,

A.C. Davis  
Vice Admiral, USN

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<sup>4</sup>On August 8, Robertson replied that the Department of State had accepted the proposal that the Department of Defense would furnish a civilian supervisory group at Vientiane and it had proceeded with discussions with ICA (which replaced FOA on July 1, 1955) on that basis. ICA had agreed to attach the group to the U.S. Operations Mission at Vientiane "for political coloration purposes" on the understanding that its chief would be directly responsible to the head of the Country Team. The remaining problem to be settled was the unwillingness of either Defense or State to pay for administrative support services for the group. Robertson noted that the Department of State did not budget for support of other-agency personnel in the field and he trusted that Defense would reconsider its position "in order that large-scale United States military assistance to this outpost of the free world may be adequately supervised." (Department of State, Central Files, 51J.5/7-2155)

According to a letter from Gray to Dulles, October 3, the Department of Defense accepted responsibility for all expenses, administrative or otherwise, of the supervisory group. (*Ibid.*, 751J.5/10-355)

306. National Intelligence Estimate<sup>1</sup>

NIE 63.3-55

*Washington, July 26, 1955.*PROBABLE DEVELOPMENTS IN LAOS TO JULY 1956<sup>2</sup>

## The Problem

To analyze the present strengths and weaknesses of Laos; and to estimate probable future developments and trends to July 1956.

## Conclusions

1. Laos is a primitive, sparsely populated kingdom which emerged as a political and administrative unit only after World War II. In 1953 Laos realized its independence within the French Union. Since January 1955, the US has provided assistance essential to balance the Laotian budget and international payments position and to maintain its armed forces. (Paras. 8, 11, 40-43)

2. There is a large measure of unity in non-Communist political circles in Laos. Except for the current rice shortage, there are few pressing economic and social problems which are readily exploitable by the Communists. Nevertheless, the country is in a poor position to deal with the Communist threat because of popular apathy and rudimentary communications and transportation, and because of long dependence on the French for most important administration and security functions. (Paras. 8, 13, 40)

3. The Pathet Lao, a small group of radical Lao nationalists taken over and supported by the "Democratic Republic of Vietnam" (DRV), poses the immediate Communist threat to Laos. At Geneva, the Pathet Lao was afforded recognition and was permitted to re-

<sup>1</sup>Source: Department of State, INR-NIE Files. Secret. National Intelligence Estimates were high-level interdepartmental reports appraising foreign policy problems. NIEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental working groups coordinated by the Office of National Estimates of the CIA, approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the members of the NSC. The Department of State provided many of the political and some economic sections of NIEs.

According to a note on the cover sheet of this NIE, the following intelligence organizations participated in the preparation of this estimate: CIA, and intelligence organizations of Departments of State, the Army, the Navy, the Air Force, and the Joint Staff. All members of the IAC concurred with this estimate on July 26 with the exception of the representatives of the AEC and FBI who abstained on the grounds that the subject was outside their jurisdiction.

<sup>2</sup>This estimate supersedes portions of NIE 63-7-54 on Laos. [Footnote in the source text. For text of NIE 63-7-54, November 23, 1954, see *Foreign Relations, 1952-1954*, vol. XIII, Part 2, p. 2286.]

group its forces in the two northern Lao provinces of Phong Saly and Sam Neua pending a political settlement. Since then it has prevented the Lao government from reestablishing administrative control over these two provinces. The Pathet Lao, with DRV support, is using the time gained from prolonged negotiations with the Lao government to strengthen its armed forces and its political control in the northern area of Laos. However, the Pathet Lao military forces, without reinforcement by DRV units, will probably not develop during the period of this estimate the capability to seize Laos by force. (Paras. 19, 23, 29)

4. Pathet Lao, in its negotiations with the Lao government, will continue to seek participation in a coalition government for all of Laos. It will probably also continue its propaganda to have its area and candidates included in the national elections scheduled for December 1955. The Pathet Lao is unlikely to accept any proposal which weakens its control of Phong Saly and Sam Neua. Unless directed to do so for reasons of Bloc strategy, the Pathet Lao is unlikely to launch attacks southward from its present areas or to initiate general guerrilla warfare throughout Laos during the period of this estimate. However, the Pathet Lao possibly reinforced by infiltrated DRV regulars, will probably continue its military efforts to force the small isolated Royal Lao Army garrisons to withdraw from Sam Neua and Phong Saly. (Para. 30)

5. The Laotian government will probably continue efforts to counter the Pathet Lao by improving Lao military and security forces and by seeking to obtain full support of the major non-Communist powers. We believe that during the period of this estimate, the Lao government will probably continue to exclude significant Pathet Lao influence in the other ten provinces. Furthermore, we believe the major non-Communist political parties will probably win a substantial majority in the national elections scheduled for December 1955. (Paras. 18, 27)

6. The Lao government almost certainly will not be able to solve the Pathet Lao problem by force during the period of this estimate. Despite its numerical strength, the Lao Army does not have the logistic and command capabilities to conduct a large-scale military operation. Moreover, the French are unlikely to provide such support. In any case, in the unlikely event that the Lao government should attempt to regain control of the two northern provinces by force, the DRV would probably covertly provide military units sufficient to prevent the destruction of the Pathet Lao. Although the Lao government may be able by covert means to develop an anti-Communist resistance effort in Pathet Lao territory, such resistance will probably not weaken Pathet Lao forces significantly or threaten Communist control of the northern provinces. (Paras. 31, 38, 45)

7. In the longer run, if the Pathet Lao is not suppressed by force, the best that the Lao government can hope to accomplish is to increase its military and police effectiveness and popular support sufficiently to prevent the spread of Pathet Lao influence. The long-range prospects for achieving this limited objective appear slightly better than even if Laos receives timely economic, technical, and military assistance. The chances would be greatly reduced if South Vietnam fell under DRV control. (Para. 32)

### Discussion

[Here follow sections I, "Introduction," and II, "Government and Politics."]

#### *III. The Pathet Lao*

18. The government, unless it regains administrative control in the two Pathet Lao provinces, probably will not attempt to hold elections there, and non-Communist candidates in the remaining ten provinces will probably win a large majority of seats in the National Assembly. However, if the major non-Communist groups fail to cooperate, Communists or Communist sympathizers may win some seats. In any event, we believe that the post-election government will be controlled by a coalition similar to the present Cabinet grouping and that it will follow similar foreign and domestic policies.

19. The principal internal threat to the Royal Lao government is the Communist-controlled Pathet Lao movement. It began in 1949 as a splinter of the Free Laos movement when a group of the more radical nationalists led by Prince Souphanouvong joined the Viet Minh in Tonkin. The Prince was probably motivated by ambition for the throne and an intense hatred for the French. Although this Lao "independence" movement had virtually no popular support among Laotians, the Viet Minh integrated this group into the DRV united front in 1951 as the "Neo-Lao Itsala Front." The executive arm of this front was called the "Pathet Lao."

20. When substantial DRV regular forces entered Laos in 1953 and again in early 1954, they brought with them a small number of Laotian military units and installed the prefabricated "Resistance Government of Pathet Lao" in northern Laos. At the Geneva Conference, the Communists exaggerated Pathet Lao strength (at that time Pathet Lao forces numbered about 2,500 poorly armed men) and won the right for the Pathet Lao forces to regroup in the two northern provinces pending a "political settlement." Although at Geneva the Lao government asserted its right to administer these two provinces and the conference "took note" of this declaration, the Pathet Lao has been able to establish effective control over all Sam Neua and

Phong Saly, except for several small isolated pockets held by some 2,500 regular troops of the Royal Army. The Communists have since stubbornly maintained this control insisting that such was the intent of the Geneva accords. Long political negotiations between the two sides under the auspices of the International Control Commission (ICC) for Laos have produced no settlement.

21. Despite intensive efforts by the Pathet Lao, assisted by the DRV, to indoctrinate propagandize the Lao population of Sam Neua and Phong Saly, the movement probably has won few willing adherents and for the present at least has little popular support. There have been reports of widespread confiscation of land and property in these two provinces and of severe measures against local officials accused of being disloyal to the Communists. The small Communist cadres, which probably remained behind in some of the other provinces when the Pathet Lao troops regrouped in the north, have apparently generated little popular support for their cause in the other Lao provinces. The Vietnamese taint associated with the Pathet Lao movement has hampered Communist efforts because Laotians generally fear and dislike Vietnamese, whether Communist or non-Communist. Moreover, the aggressive tactics of the Communist movement are substantially more alien to the Lao people than to the Vietnamese.

22. Using the respite afforded them by the Geneva Agreements and by the subsequent negotiations with the Lao government, the Pathet Lao has strengthened its military forces. With direct Viet Minh aid in equipment and advisory personnel (believed attached to all Pathet units), the Pathet Lao has built up an estimated armed strength of 6,000, organized into twelve infantry battalions and one heavy weapons battalion. Four infantry battalions are deployed in Phong Saly and the remainder in Sam Neua.

23. The effectiveness of these forces has apparently increased in recent months as a result of intensive training and indoctrination. However, a shortage of rice, coupled with a general lack of ideological motivation, may have resulted in poor morale among some of the units. Moreover, some of the troops are reportedly forced conscripts from areas which the Pathet Lao occupied prior to its regroupment in Sam Neua and Phong Saly.

*Government Relations with the Pathet Lao*

24. Since the Geneva Conference, Lao government relations with the Pathet Lao have been tense, and on several occasions actual fighting has occurred. Following repeated efforts by the ICC, a cease-fire was finally concluded between the two sides on 9 March 1955. However, sporadic small-scale fighting has continued around Royal Laotian Army posts in Sam Neua and Phong Saly, and political nego-

tiations which began in January between the government and the Pathet Lao are at a stalemate.

25. Faced with its own military inadequacies<sup>3</sup> and with the threat of DRV reinforcement of the Pathet position if the Royal Lao Army attempts to assert its control over the two provinces, the Katay government has sought by negotiation to reach some compromise settlement. Although Premier Katay has probably become increasingly aware of the Communist motivation and allegiance of the Pathet Lao, he apparently is still willing to continue negotiations in the hope that if DRV control of the Pathet Lao can be eliminated these "wayward brothers" can be brought back into the fold. Moreover, he probably hopes that by demonstrating the intransigence of the present Pathet Lao position, the ICC will be influenced to support the Royal Lao government. The Pathet Lao's ultimate objective is the formation of a coalition government throughout Laos. In the most recent renewal of intermittent political talks between the government and the Pathet Lao, the government has finally acceded to Pathet Lao demands to discuss election procedures prior to settlement of the problem of restoring Royal administration in the two provinces.

The Lao government has considered other methods of regaining control of the two provinces. Plans for covert stimulation of popular uprisings in the Pathet Lao area have been made, but numerous Lao leaders, including Prime Minister Katay, fear that success might induce the DRV to intervene, or that failure might force the Lao government to commit its regular forces to defend the loyal partisans. Meanwhile, the government has appointed two high-ranking military officers as governors of the two provinces. These officers, accompanied by lower-level officials, have now installed themselves in the small areas of Sam Neua and Phong Saly still occupied by the Lao government.

27. We believe that the Lao government will continue to seek a resolution of the Pathet Lao problem by negotiation, perhaps accompanied by the covert activation and support of anti-Pathet Lao guerrillas in Sam Neua and Phong Saly. It is unlikely that the Lao government will attempt to seize Sam Neua and Phong Saly by force, particularly so long as such a move is deterred by the presence of the ICC, is actively discouraged by France and the UK, and lacks the full support of the US.

28. In the absence of direct military action by the Lao government, the Pathet Lao will probably tighten its control over Sam Neua and Phong Saly. The capability of Pathet Lao security forces will probably be improved, primarily as a result of DRV material and advisory assistance. Moreover, sizeable DRV military units readily

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<sup>3</sup>See paragraphs 32-37. [Footnote in the source text.]



available to support the Pathet Lao will continue to be stationed on the Laos-Tonkin border. Elements of these units might be infiltrated to support the Pathet Lao if the Communists consider that their control of the provinces is threatened.

29. The Pathet Lao will probably continue to seek to develop popular support and guerrilla bases throughout Laos, and to weaken and discredit the Lao government and its leaders. Although it will probably have some success in these efforts, the Pathet Lao almost certainly will not develop sufficient popular appeal or military strength during the period of this estimate to gain control of Laos.

30. Pathet Lao in its negotiations with the Lao government, will continue to seek participation, in some manner, in a coalition government for all of Laos. It will probably also continue its propaganda to have its area and candidates included in the national elections scheduled for December 1955. The Pathet Lao will not be willing to accept any proposal which weakens its control of Phong Saly and Sam Neua. Unless directed to do so for reasons of Bloc strategy, the Pathet Lao is unlikely to launch attacks southward from its present areas or to initiate general guerrilla warfare throughout Laos during the period of this estimate. However, the Pathet Lao, possibly reinforced by infiltrated DRV regulars, will probably continue its military efforts to force the small isolated Royal Lao Army garrisons to withdraw from Sam Neua and Phong Saly.

31. The Lao government almost certainly will not be able to solve the Pathet Lao problem by force during the period of this estimate. In the unlikely event that the Lao government should attempt to regain control of the two northern provinces by force, the DRV would probably covertly provide military units sufficient to prevent the destruction of the Pathet Lao. Although the Lao government may be able by covert means to develop an anti-Communist resistance effort in Pathet Lao territory, such resistance will probably not weaken Pathet Lao forces significantly or threaten Communist control of the northern provinces.

32. In the longer run, if the Pathet Lao is not suppressed by force, the best that the Lao government can hope to accomplish is to increase its military and police effectiveness and popular support sufficiently to prevent the spread of Pathet Lao influence. The long-range prospects for achieving this limited objective appear slightly better than even if Laos receives timely economic, technical, and military assistance. However, the chances would be greatly reduced if South Vietnam fell under DRV control.

[Here follow sections IV, "Civil and Security Functions," V, "Economic Conditions," and VI, "Foreign Relations."]

307. Memorandum From the Counselor of the Department of State (MacArthur) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald)<sup>1</sup>

*Washington, August 24, 1955.*

BILL: At the restricted OCB luncheon meeting today<sup>2</sup> I took up with Deputy Secretary of Defense Robertson and General Erskine and General Cabell the question of the Thai Government providing two helicopters to the Laotian Government. I said that I had discussed this problem with Secretary Dulles last evening and that he was personally much interested in this project.<sup>3</sup> I said we envisaged this as being publicly presented as a Thai initiative and that we had in mind the furnishing of the helicopters by the Thai Government to the Laotian Government . . . . While everybody agreed to the desirability of this project, and General Cabell strongly supported, General Erskine said it seemed to him there were two problems involved: (1) availability of helicopters, and (2) if we were going to undertake a commitment to replace the two Thai helicopters if they should be lost, we should have to have funds available for this purpose. He did not know where the funds could be found.

With respect to availability of helicopters, I said this was not, I believed, very pertinent. While I recognized they were in critical short supply, the commitment would be to replace them and if it took us a few months to do so, I did not think this would raise a real problem with the Thai Government since the very fact they they were willing to loan them indicated that they did not have an overriding need for them at this juncture. With respect to funds to back up such a commitment, it was agreed that the appropriate people in the Department of State would get in touch with Mr. Gordon Gray's office to examine the possibilities.<sup>4</sup> (To avoid this being kicked around at the lower level, I would suggest that you see Mr. Gordon Gray personally on this matter and that prior to such a meeting you might consult with Mr. Nolting as to the possibilities for funds to back up this commitment.) I also told the Defense representatives

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/8-2455. Top Secret; Limit Distribution.

<sup>2</sup>There is no record of this discussion in either the OCB minutes or in the preliminary notes of OCB luncheon meetings. (*Ibid.*, OCB Files: Lot 62 D 430) Apparently topics discussed at the "restricted" meeting were off the record.

<sup>3</sup>A brief report is in a memorandum from MacArthur to Sebald, August 24, not printed. (*Ibid.*, Central Files, 751J.00/8-2455)

<sup>4</sup>According to telegram 158 to Vientiane, September 1, the Department of Defense agreed to replace the two Thai helicopters should they be lost or damaged in Laos. (*Ibid.*, 751.5622/9-9155) This eventually paved the way for the Thai loan of helicopters, pilots, and maintenance support to Laos.

that we would be sending a telegram to Ambassador Yost<sup>5</sup> outlining how we hoped to deal with the situation by having the Thais provide the two aircraft as set forth above, and asking his general reaction as well as to how he thought the ICC would react.<sup>6</sup> It was agreed that State should send forward such a telegram this afternoon. I made clear that the telegram would indicate that we wished Ambassador Yost's views and it was not to be discussed with the Laotian Government at this juncture.

DMacA

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<sup>5</sup>Telegram 131 to Vientiane, August 24, not printed. (*Ibid.*, 751.5622/8–2455)

<sup>6</sup>In telegram 228 from Vientiane, August 28, the Embassy suggested that in light of an earlier ICC decision that the Royal Government had considerable freedom in importing arms for its own defense, it would be preferable to import the helicopters directly for the Ministry of Defense with the disclaimer that they would not be used for offensive purposes. (*Ibid.*, 751.5622/8–2755)

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### 308. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, August 25, 1955—5 p.m.*

217. Following is summary current status and future prospects Pathet Lao problem:<sup>2</sup>

1. All leaders Royal Government are now fully aware that Pathets are committed instruments of Viets and ChiComs, that intention of their masters is to retain control 2 Lao northern provinces for use as base against remainder Laos and as bargaining counter in Vietnam settlement, and that, unless there is radical change in this intention, no agreement with Pathets is possible.

2. Government continues political and military negotiations with Pathets solely to satisfy ICC, world opinion and particularly Indians. Since, however, they felt it would be dangerous to make further substantive concessions to Pathets, and Indian ICC chairman is still pressing for such concessions from both sides and taxing government with indifference, government may fail to satisfy him of its desire for settlement. Meanwhile Crown Prince will make personal plea to Nehru in Delhi first week September.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/8–2555. Secret. Repeated to Paris, New Delhi, London, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>A more informal assessment of the situation is contained in a letter from Yost to Young, September 1. (*Ibid.*, PSA Files: Lot 58 D 207, SEA, Lao Correspondence (1955))

3. While ICC continues to postpone date when they will consider possibilities of bilateral negotiation exhausted, it would not appear, in view imminent Lao elections, negotiations could be prolonged beyond end September. Indians and Canadians have agreed that, if negotiations break down, ICC would give problem to Geneva Powers. What is not yet clear is (a) whether Poles will agree to this procedure, (b) whether if they do Indians, in effort to obtain ICC unanimity, will propose "compromise" unacceptable to Royal Government or (c) whether, regardless of Polish attitude, Sen could be persuaded join Canadians in recommending immediate reestablishment Royal administration in 2 provinces. In any case it seems extremely probable that any solution proposed by ICC would be rejected by one or both parties and problem would be thrown into lap of Geneva Powers, either by ICC or by Royal Government.

4. Meanwhile fighting in 2 provinces is being stepped up, in first instance by Pathets with view either to reducing area held by Royal forces or to driving them out altogether, in second instance by government which is reinforcing its garrisons in order to maintain and consolidate their position and improve supply lines. Should bilateral negotiations break down, fighting would probably be further intensified. While approximately  $\frac{1}{3}$  of Royal Army is already in 2 provinces, government believes it could with further reinforcement hold principal positions against Pathets, but probably could not do so if covert Viet participation is substantially increased. Viets undoubtedly have capability driving government forces out of 2 provinces whenever they wish.

5. Government intends to proceed with December 25 elections in 10 provinces even if no settlement with Pathets is reached. In this case Pathets will probably urge abstention from elections, though they may well same time (a) provoke disorders wherever they are able, (b) clandestinely back candidates susceptible to their influence and (c) hold separate elections in 2 provinces they occupy.

6. In summary, situation likely to confront Laos in October or November involves (a) intensified fighting in two provinces and possible expulsion Royal Forces, (b) breakdown bilateral negotiations and reference Lao problem to Geneva powers where it would be likely to languish indefinitely, (c) electoral campaign in full swing, denounced by Pathets as farce in violation Geneva accords and interrupted by Pathet-provoked disorders.

*Comment:* Since strength Pathet-Viet forces and attitude UK, France and India presumably preclude reconquest two provinces by force, only foreseeable means of avoiding these eventualities would be radical shift in policy Communist powers toward Lao problem. While such shift in near future seems improbable, it does not seem completely inconceivable in view (a) relative unimportance two Lao

Northern provinces and (b) Nehru's expressed interest in Laos and Cambodia.

Pressure on Communist powers could be exerted through following channels: (1) Indian would be most efficacious if Nehru would be sufficiently peremptory. Indians, however, are not enthusiastic about present Lao Government. It seems very doubtful Nehru would risk jeopardizing his overall relations with ChiComs by being as stern as situation probably demands. Nevertheless Laos, UK, US and France might well urge him to do so. (2) Geneva machinery will probably be that preferred by UK and France. In this case also mild degree of reassurance likely to be exerted would almost certainly be inefficacious. (3) Manila Pact machinery should be used, if UK and France will go along, for deterrent warning [garble] Pathet-Viets intensify military operations, but it would not be helpful in political settlement. (4) Most valuable vehicle of pressure, in absence of effective Indian, would probably be projected high-level negotiations with Communist powers. It is recognized raising Lao problems in this framework might facilitate Communist efforts bring about discussion other Far Eastern issues, which we would consider premature, and in particular provide new opening for linking Laos and Vietnam. One means of avoiding this gambit might be to put Laos forward in Far East, in somewhat same way Austria was put forward in Europe, as preliminary test Communist sincerity in their alleged adherence to principles peaceful co-existence and non-interference internal affairs other states, test on outcome of which our willingness to negotiate other issues might depend.

I believe prospects in Laos are sufficiently serious to warrant resort to all four of these means of pressure as situation develops during next two or three months. Unless they are used effectively, probability is that (1) two provinces will be lost to Laos for indefinite future and "independent" regime or government established there, (2) this regime will increasingly work to subvert Lao authorities and people in rest of country, (3) free world will lose face in Laos and in area generally, (4) disturbed and unstable Laos will constitute source of infection for neighboring South Vietnam, Cambodia and Thailand, (5) temptation to Royal Government leaders to make hazardous pilgrimage to Hanoi and Peking will be greatly enhanced.

While I do not consider loss two provinces by any means necessarily entails loss rest of Laos, I consider it would constitute most grave obstacle to restoration stability in Southeast Asia.

Yost

309. **Memorandum From the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)**<sup>1</sup>

*Washington, September 2, 1955.*

SUBJECT

Developments in Laos, August 15–September 2, 1955

*Government–Pathet Lao Negotiations*

With the principal object of educating the Indians on the ICC, the Lao Government is patiently continuing negotiations with the Pathet Lao. Chief matter at issue is the elections scheduled for December 25: The Pathet Lao insist upon clearly unnecessary changes in the electoral law as a prerequisite for their turning over administration of the two provinces to the Royal Government.

It is expected that negotiations will break down, and the Indian Chairman has set September 24 as the deadline for a settlement. After that date the ICC intends to recommend terms, which it is anticipated will be unacceptable to one or both sides. Though uncertain of the Indian attitude at that point, the Canadian Ambassador is determined to present a resolution on the Government's right to exercise its authority in the two provinces, force it to a vote, and refer the entire matter to the Geneva co-Chairmen.

Doggedly optimistic, the Indian Chairman is determined to explore every means of reaching a solution. To this end, he talked with the Pathet Lao leader, Prince Souphannouvong, coming away with three main and characteristically Indian impressions: 1) The Pathet Lao chief was completely "sincere"; 2) force would not achieve a settlement; and 3) Viet Minh influence with the Pathet Lao was exaggerated. The Indian Chairman is arranging a meeting between the Lao Prime Minister and Souphannovong.

*Military*

Throughout the negotiations the Pathet Lao have continued their small-scale attacks against National Army posts in Sam Neua, presumably with the aim of pushing Government forces out of the province or at least into the triangle which the Pathet Lao are offering the Government in the current military talks. Although ordering strong resistance, the Government apparently does not want at this time to revive the issue in the SEACDT.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/9–255. Secret. Drafted by Byrne.

*Ambassador Yost's Prediction*

In a telegram of August 25,<sup>2</sup> Ambassador Yost speculated that the situation likely to confront Laos in October or November was one involving 1) intensified fighting in the two provinces and the possible expulsion of the Royal forces; 2) a break-down in Government-Pathet negotiations and reference of the problem to the Geneva powers where it would probably languish indefinitely; and 3) an electoral campaign in full swing, denounced by the Pathet Lao as a farce in violation of the Geneva Agreements and interrupted by Communist-provoked disorders.

*Crown Prince's Visit to India*

On September 18 the Lao Crown Prince will visit India and will undoubtedly make a plea for Indian support in obtaining Communist adherence to the Geneva Accords. We are suggesting that the Crown Prince try a secondary tack: He might state his willingness to see a reduction of Western, i.e., American, influence in Laos, if India could assume some or all of the financial responsibilities now borne by the U.S., or if India could use its influence to obtain Communist pledges of nonintervention in Laos, thus decreasing the external threat and concomitantly the need of American aid.<sup>3</sup>

*Acceleration of the Police Program*

In order to insure a non-Communist election victory, the Lao Government and our missions in Vientiane have recommended that the police program be accelerated so that a 2,000-man force (1,000 new recruits) would be ready by the end of October. Interested Washington agencies have approved the speed-up, and the Department of Defense and ICA are taking steps to ship the required equipment to Laos immediately. MDA markings will be removed from redistributable equipment in Viet-Nam, and civilian carriers used to transport the items to Laos.

*Helicopters*

Because of serious communications difficulties in the two northern provinces which are characterized by inaccessible terrain, the Department has recommended that two helicopters be provided the Lao Government for liaison and supply of commando posts. The Thai Government is willing to lend two such craft, if the U.S. guarantees replacement should they be lost or damaged in Laos, and furnish pilots and maintenance. The Department of Defense has now agreed

<sup>2</sup>Telegram 217, Document 308.

<sup>3</sup>In the margin of the source text at this point Young wrote the following: "I am not sure yet this is sound. KTY"

to a contingency guarantee of replacement by the addition of two helicopters to the Thai MDA program.

As a result of conversations with the Canadian Ambassador on ICC Laos, we do not anticipate difficulties in the importation of these helicopters or of the police equipment, despite the restrictions of Article 9 of the Geneva Agreement on Laos.

### *Rice*

Because of the Thai refusal to advance the \$3 million credit required by the Japanese to finance the purchase of rice for Laos, negotiations on the triangular rice deal have come to nought. Consequently, the ICA today authorized the use of Lao program dollars for the direct purchase of 10,000 tons of Thai glutenous rice to meet the Lao shortage.

The Cambodian Government has not come forward with a firm request for additional rice, and there are no plans for a similar Cambodian dollar purchase of rice in Burma.

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### 310. Telegram From the Embassy in Thailand to the Department of State<sup>1</sup>

*Bangkok, September 23, 1955—4 p.m.*

856. Reference: Vientiane's 328, September 20, repeated Bangkok 251.<sup>2</sup> Embassy has for some time been concerned with problem implicit reference telegram: Under what circumstances should US encourage Thailand (1) provide direct armed assistance in Laos, (2) plan for such contingency.

At recent briefing on Laos situation given by Army Commander-in-Chief Sarit<sup>3</sup> and staff it was painfully apparent Thais have no practical plan providing assistance to Laos. Sarit personally favors forward strategy for Thai forces emphasizing he does not consider Mekong as effective barrier invasion Thailand. Previously Sarit had made it clear Thai would take dim view strategic withdrawal ("another Pusan") from Thailand by SEACDT forces and that Thai have no desire retreat to Kra Isthmus for purpose "protecting Malaya for British".

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/9-2355. Top Secret. Repeated to Vientiane.

<sup>2</sup>Not printed. (*Ibid.*, 751J.5/9-2055)

<sup>3</sup>Sarit Thanarat, Commander in Chief of the Thai Army.



Other important members government, particularly Prime Minister, would under appropriate circumstances probably favor forward strategy. . . .

Embassy not competent comment possible military advantages which would seem derive from forward strategy by Thai in Laos. However, from political point view we consider vitally important maintain impression in minds of Thai, as well as Lao, that US and SEACDT will take strong measures in effort prevent military conquest of Laos by Pathet Laos/Viet Minh (open participation Red China would create entirely different situation). Failure do so would stimulate latent neutralist tendencies in Thailand. Capabilities for effective defense Thailand itself might thereby be seriously if not critically reduced.

From military point view Laos probably most difficult spot in treaty area in which honor commitments implied in Manila pact. Although Communist tactics in Laos probably subordinate to overall strategy international communism, possibilities undermining morale non-Communist nations this area as result Communist military conquest of Laos might under certain circumstances be tempting to Communist leadership.

In last analysis only practical source prompt armed assistance for Laos would be Thailand, US assistance probably being limited largely to air and logistic support. Consequently we inclined believe by encouraging and assisting Thai to plan forward strategy US would:

(1) Insure maximum readily available support to Laos. Moreover, Thai participation might be more easily obtained in early phases conflict when military threat to Laos and potential threat Thailand would probably appear be of relatively manageable proportions.

(2) End create impression in mind Thai and Laotians of US intention provide substantial support in event armed attack.

(3) Involve Thai Government and Thai national prestige in manner which would make it more difficult to defer or reconsider decision actively to resist armed Communist aggression against Thailand rather than seek accommodations with Red China and its satellites.

If we encourage bilateral Thai-Lao talks, Thai may, in order test US intentions, suggest their SEACDT "obligations" require such plans be coordinated only under SEACDT. This indicates problem might be met (a) by pointing out bilateral talks would be only on contingent basis and without prejudice such plans SEACDT might evolve, and (b) by fact Thai might well be attracted by opportunity extend Thai influence in Laos.

As possible approach this problem Embassy submits for consideration Department and Embassy Vientiane following program:

a. Thailand invite Laotians use Thai military training facilities in Thailand and provide Thai field manuals and training materials which have been developed with JUSMAG assistance.

b. Thai inform Laotian Government Thailand would sympathetically consider request from Lao for intervention Thai forces and for certain logistic support from Thailand in event emergency.

c. Thai-Lao staff talks be initiated near future on contingent planning basis with view providing Thai participation and support in Laos under appropriate circumstances.

d. Thai be encouraged unilaterally develop contingent plans provide military support in Laos irrespective receptiveness Laos to Thai suggestions bilateral planning.

e. JUSMAG provide guidance Thai these matters.

f. If and when feasible these plans be coordinated with SEACDT.<sup>4</sup>

Despite inherent difficulties we consider it important US policy be developed cover situation and that JUSMAG receive guidance which would enable JUSMAG advise Thai on contingent planning basis recourse Thailand should follow in event emergency in Laos.

**Anschuetz**

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<sup>4</sup>The Embassy in Vientiane endorsed the program proposed by the Embassy in Bangkok and noted that the best time for an approach to the Lao Government would be in October "if and when political negotiations with Pathets break down". (Telegram 358 from Vientiane, September 28; Department of State, Central Files, 751J.5/9-1855)

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### 311. Memorandum of a Conversation Between Secretary of State Dulles and Foreign Minister Pearson, Ottawa, September 26, 1955<sup>1</sup>

I spoke to Mr. Pearson about the ICC recommendation with reference to the Pathet-Laos situation.<sup>2</sup> I expressed the hope that he

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<sup>1</sup>Source: Eisenhower Library, Dulles Papers, General Memoranda of Conversations. Secret; Personal and Private. Drafted by Dulles.

<sup>2</sup>The draft "outline of settlement" proposed by the Canadians and Indians was based on four points: 1) restoration of Royal Government authority by appointment by the Royal Government of two governors and one or two high officials for the northern provinces; 2) Royal Government responsibility for election preparations and conduct with safeguards for Pathet Lao participation; 3) guarantee of democratic freedoms; and 4) protection from reprisals. The Indians had wanted a fifth principle proposing integration of Pathet Lao forces into the Lao Army, but Yost successfully argued against this and the Indians agreed to language about integration into the Lao national life. (Telegrams 299, 315, and 327 from Vientiane, September 13, 16, and 19; Department of State, Central Files, 751J.00/9-1355, 751J.00/9-1655, and 751J.00/9-1955, respectively)

would look it over very carefully, because we had the impression that the net result was to turn over these two provinces to the Communists and enable them to organize a vote in the provinces in a way which might enable them in turn either to take over or seriously penetrate the Central Government at the forthcoming elections.

. . . . .

JFD

### 312. Telegram From the Embassy in Laos to the Embassy in Burma<sup>1</sup>

*Vientiane, October 7, 1955—5 p.m.*

7. Reference: Our telegram 403 to Department repeated Rangoon 6.<sup>2</sup> Following is background Royal Government-Pathet Lao negotiations scheduled Rangoon October 9.

Points at issue are:

1. Re-establishment Royal administration in two northern provinces. ICC on June 15 declared right of RG to administration two provinces may be deduced from recognition by Geneva powers of unity of Laos and sovereignty of RG over entire country but stated that, in view conditions prevailing two provinces, RG could not establish administration there effectively without political settlement with Pathets envisaged in Article 14 of Geneva Agreement.

Pathet Lao have paid lip service to RG sovereignty over two provinces, which constitute re-groupment one of PL fighting units, but have made mockery of it by demanding RG name all present incumbents (PL) to administrative positions. RG understandably rejected this but has offered some posts to PL.

ICC will probably propose RG name two provincial governors and half of other officials two provinces, including all such as may be necessary to carrying out RG tasks effectively. We would consider this satisfactory minimum acceptable to RG provided other terms this settlement satisfactory.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/10-755. Secret; Priority. Repeated to the Department of State as telegram 409, which is the source text.

<sup>2</sup>In telegram 403, October 5, the Embassy reported that Katay and Souphanouvong had agreed to meet in Rangoon on December 9 in an attempt to reach a political settlement. The ICC planned to sit in on the negotiations and present its revised "outline settlement" either before or after the meeting. (*Ibid.*, 751J.00/10-555)

2. Elections. PL have demanded sweeping changes in electoral law, including women suffrage and modification eligibility rules for candidates. RG has replied it is too late to change electoral law before elections but PMS offered modify eligibility rules for candidates. Most significant concession was offer accept PL statement in lieu of primary school certificate as condition of reliability. ICC will probably accept RG position on this, though perhaps suggesting certain administrative procedures for promoting fairness in elections, which we believe RG would accept. Probably ICC will also recommend RG have sole responsibility for conduct elections.

3. Integration of PL's forces. Canadians and Indians originally considered proposal to integrate PL troops (perhaps 3,000 of estimated 6,000 strength) into Lao National Army. We most strongly opposed this and as result discussions here and in Ottawa believe Canadians and Indians have accepted idea of integration into national community and not National Army. We consider this crucial.

We believe little chance negotiations will succeed. Main purpose of RG is convince Indians of good faith and desire reach peaceful settlement without being driven to such serious concessions as would make country easy prey to PL takeover (e.g., integration of large number PL troops into army).

We doubt negotiations will last more than two days, but if they do, would appreciate telegraphic reports from Embassy Rangoon. . . .

For additional background see Lao Government White Book of May, 1955. We sent French text to Embassy Rangoon in July and believe British Embassy Rangoon has English translation thereof.

Yost

**313. Telegram From the Commander in Chief, Pacific (Stump)  
to the Chief of Naval Operations (Burke)<sup>1</sup>**

*Honolulu, October 11, 1955—2:20 a.m.*

122209Z. Embassy Bangkok 856 of 23 Sept<sup>2</sup> passed CINCPAC by CNO 242053Z. CINCPAC considers highly desirable US encourage Thailand to provide direct armed assistance in Laos should conditions warrant. My draft plan 49A-55<sup>3</sup> envisages Thai participation

<sup>1</sup>Source: JCS Records, CCS 092 Asia (6-25-48) (2). Top Secret.

<sup>2</sup>Document 310.

<sup>3</sup>Not found.

probably on magnitude of providing 1 Regimental Combat Team in Laos together with certain air support and permitting of US to utilize bases and staging areas in Thailand. This is considered fair estimate as to degree Thai participation provided US introduces ground forces in Laos, however, it may be questionable that Thais would commit ground forces in Laos proper were US to provide only limited air support. Should US participate in defense of Thailand on scale my 49A-55, it is entirely possible that Thais might commit up to 3 Regimental Combat Teams; however, their major contributions would probably be along lines of holding critical areas such as lines of communication removed from the actual combat area at least until such time as a coordinated counter-offensive could be directed at the Pathet Lao and/or Vietminh aggressor.

I am gratified to see Thai thinking, at least at Sarit level, concerning forward strategy. Likewise their views concerning strategic withdrawal are understandable, however, such could probably be made more palatable if they were prevailed upon along lines that such was in best long term interest of recovering Thailand from enemy. Unfortunately Thai planning capability now sorely lacking in developing unassisted suitable plans for forward strategy. This can of course be remedied by US military "assistance".

CINCPAC sees no objection to Thai-Lao discussions for reasons advanced under Embassy Bangkok 856, paras (1) and (3) but considers reasoning under (2) as unrealistic.

Defense of Laos as well as defense Cambodia, South Vietnam and Thailand, together with supporting action, will be discussed at November staff planners conference under SEACDT<sup>4</sup> and will later be correlated into a combined defensive strategy. However, it will be some months before such planning is finalized on even a planning study basis.

Consider desirable therefore that US not only encourage, but sponsor bilateral Thai-Laos talks substantially as recommended in Embassy Bangkok 856, paras a-f inclusive. Should such course be elected on US part, CINCPAC is prepared to provide interested parties including JUSMAG Thailand with necessary guidance.

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<sup>4</sup>The conference was held at Pearl Harbor; see Document 74.

**314. Memorandum From Patricia M. Byrne of the Office of  
Philippine and Southeast Asian Affairs to the Director of  
the Office (Young)<sup>1</sup>**

*Washington, October 14, 1955.*

SUBJECT

Current Status of the Lao Government-Pathet Lao Dispute

1. According to press reports, the conversations in Rangoon between Lao Prime Minister Katay and Pathet Lao chief Prince Souphannouvong, undertaken at the behest of the ICC, have broken off, to be resumed in Vientiane. We have had nothing official, either from Rangoon or Vientiane, on this.

2. The only result of the Rangoon talks, so far as we are aware, was a cease-fire declaration.<sup>2</sup> This, generally speaking, contained nothing new, since the two sides had already reached an agreement on cessation of hostilities on March 9 and, of course, the principal achievement of the Geneva Conference was supposedly just that. There is, however, one new element in that the Royal Government has for the first time agreed not to reinforce its garrisons in the two provinces. Although this seems unfortunate from our point of view, the Royal Government's representatives have stated that there had been no intention to reinforce in any case. It should be noted that the cease-fire agreement is contingent upon agreement on the other major issues (administration of the two provinces, elections, integration).

3. Last official reports before adjournment of the talks indicated that the Pathet Lao remained intransigent on the first and all-important question of restoration of the Royal Government's administration.<sup>3</sup>

*United States Views:*

4. We have consistently opposed any settlement proposal which would not effectively restore the Government's administration and permit it to conduct free elections throughout the country, including Phong Saly and Sam Neua. We have also opposed any integration of Pathet Lao troops except for a token number *after* the Government

<sup>1</sup>Source: Department of State, Central Files, 751J.00/10-1455. Secret.

<sup>2</sup>Text of the cease-fire declaration was transmitted in telegram 413 from Rangoon, October 11. (*Ibid.*, 751J.00/10-1155) By the terms of the agreement, the cease-fire would come into effect within 10 days of October 11, the date of signature of the agreement, and, to expedite the arrangement, a neutral zone would be created; sending of reinforcements into the two provinces would be prohibited; and a joint military committee of both sides would be set up to implement the cease-fire.

<sup>3</sup>Reports on the stalemate at the talks are in telegrams 420 and 429 from Rangoon, October 13 and 14. (*Ibid.*, 751J.00/10-1355 and 751J.00/10-1455)

was firmly in the saddle in the two provinces and could minimize the subversive capability of the very few hundred soldiers who might be taken into the National Army after rigid screening for professional qualifications.

5. We have no details on the latest Indian draft settlement presented to the two sides in Rangoon, but . . . proposals on reestablishment of the Government's administration and conduct of elections are favorable to the Government, and it appears that any integration of Pathet Lao troops into the Army is to take place after elections.

*Outlook:*

6. Communist sweetness and light plus the statement of a middle-ranking Pathet Lao defector that the Pathet Lao were prepared to make "any concessions" to participate in the elections may possibly mean the Communists will accept the latest Indian draft proposal, continuing their subversive activity through ostensibly legal means.

7. Nevertheless, the past performance of the Pathet Lao, their reported fierce opposition to the Government's administration proposals in Rangoon, and our assessment that they will do nothing to diminish their control over a classic Communist forward base seem to augur either interminable negotiations in Vientiane or outright rupture of the talks.

8. It appears that the Indian "take it or leave it" concept, i.e., rejection of their proposed settlement would result in a referral of the problem to the Geneva co-Chairmen, has died a quiet, unpublicized death. Thus, indefinite negotiation in Vientiane without a real break might not lead to a referral to the Geneva co-Chairmen. It seems fairly certain, however, that an open and clear break would.

9. While the U.S. is hostile to a reconvening of the Geneva Conference, it recognizes that a referral of the problem to the co-Chairmen may be a necessary step in the "exhaustion of local remedies for redress of grievances," after which other means of settling the dispute over the de facto partition of Laos, perhaps under the aegis of the Manila Pact, might be sought.

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### 315. Editorial Note

In a memorandum to Murphy, Sebald suggested that the Department of State raise the question of bilateral military talks between

Thailand and Laos (see Document 310) at a Department of State-Joint Chiefs of Staff meeting on October 14. (Sebald's memorandum, October 13, is in Department of State, Central Files, 751J.5/10-1355) At the meeting, the issue was discussed as follows:

*"Military Cooperation between Thailand and Laos*

"Mr. Sebald discussed the desirability of encouraging military cooperation between Thailand and Laos and outlined the program contained in Bangkok's telegram 856. He asked for JCS concurrence to a telegram to Bangkok which would express our agreement in principle to this program.

"Admiral Radford said he personally saw no harm in encouraging the Thais and Laotians to get together. Admiral Burke questioned a sentence in Bangkok's 856 which reads 'create impression in mind Thai and Laotians of US intention provide substantial support in event armed attack'. He felt it was most unwise to create any 'impression'. We should know what we are going to do in this area and be ready to back it up. Mr. Murphy fully agreed with Admiral Burke's comment. Admiral Radford said he regarded the Laotian situation as a test of SEATO. If we do nothing affirmatively SEATO will collapse. If we take a strong stand he feels we will be able to control the situation. General Taylor wondered whether we should engage our prestige with ground forces in this area and seemed to have serious reservations about the advisability of extensive commitments here. Admiral Radford replied that our prestige was already engaged. Admiral Radford said the Joint Chiefs would take a further look at this problem." (Department of State, State-JCS Meetings: Lot 61 D 417)

On the next day, the Department of State, with Department of Defense approval, sent the following telegram to Bangkok and Vientiane:

"Your 856 repeated Vientiane 181.

"Concur in principle recommendations a, b, c, d, e. Addressees should coordinate manner and timing approaches to Lao Thai authorities and other details implementation. Impending visit Lao military mission to Thailand may give opportunity express views to two governments. No impression should be given Thai or Lao authorities that US does or does not intend provide military forces.

"Transmit details your jointly recommended plan action soonest before any approaches made to Thai or Lao in order fullest Washington support can be rendered." (Telegram 1248 to Bangkok, 283 to Vientiane; *ibid.*, Central Files, 751J.5/9-2355)



316. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>*Vientiane, October 15, 1955—7 p.m.*

447. Since Rangoon delegation's return, I have talked with Katay, Sen, Bridle and Kirpal. Following is a summary of impressions.

Katay, who during past nine months had swung from view Pathet leaders only erring brothers to view they are 90 percent communist stooges, was swayed by Souphannouvong's unexpected cordiality and apparent conciliatoriness to believe Prince wants settlement. On other hand, Katay (1) believes Phoumi (leader Pathet Vientiane delegation) is opposed to settlement and (2) recognizes Peking or Hanoi may veto settlement. He therefore concludes settlement is possible, but not probable. He says agreement must be reached by October 31 if elections are to take place in two northern provinces, and that elections will proceed in remaining ten provinces whether or not agreement is reached. He said Souphannouvong agreed meet next time in Vientiane if further meeting two leaders required. Contrary to previous intention, he does not plan RG appeal to Geneva powers until after elections, since he does not wish to provoke possible interference with elections.

Katay excuses his principal concessions at Rangoon as follows. Bxd [*Ban?*] on reinforcements to two provinces preceded by sufficient reinforcement ANL units there; troops in neighboring Luang Prabang and Xien Khouang provinces can be moved in rapidly if Pathet attacks occur. Agreement to submit to Bureau National Assembly Pathet request for authority their candidates to file after October 10 deadline is meaningless since Bureau will certainly not agree.

Sen, with irrepressible optimism or wishful thinking maintains Rangoon meeting "65 percent successful" and that gap between two parties not wide. He recognizes Souphannouvong presumably checking now with Viets but hopes two delegations can be brought together in Vientiane within next few days and will press them hard to do so. He believes "final" deadline for agreement is November 12. He obviously will not support ICC report or appeal to Geneva powers before that date, and not even then if faintest glimmer of hope of settlement remains.

. . . . .

. . . ANL leaders do not consider cease-fire will stick period.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/10-1555. Secret. Repeated to London, Paris, New Delhi, Ottawa, Bangkok, Saigon, and Phnom Penh.

Our tentative conclusions are following:

1. Rangoon exercise was helpful in that RG has clearly demonstrated, to Lao people and to other governments, conciliatory spirit, even going further than some of its friends thought wise. British and Canadians more than satisfied and Indians have no complaints.

2. Rangoon exercise was harmful in that Pathets have once again successfully stalled, escaped onus for rupture or deadlock without making any real concessions or permitting issue to come to head in such way as to make ICC decision and report inevitable. It is now impossible to escape additional two weeks to one months shilly-shallying, and no assurance ICC will act even then.

3. As long as negotiations continue, there will always be some danger perilous RG concessions. In view influence Crown Prince and others, as well as imminent election deadlines, we consider such concessions unlikely. We will make ourselves heard if necessary and will urge any further negotiations be confined to Vientiane.

4. Had Pathets really desired participate in elections, we feel they would have agreed earlier in order permit longer active campaign. Barring change in orders from Pekin-Hanoi, we expect them continue to stall, avoid break but refuse permit effective restoration Royal Administration in two provinces.

5. As indicated Embtel 437,<sup>2</sup> we continue to believe prompt high-level action required to prevent de facto partition of Laos, which becomes more and more confirmed by time, and possible out-break sizable hostilities in two provinces.

6. From point of view critical nature Lao situation, we would continue urge Western powers take initiative in raising question along lines suggested Embtel 437. We realize however there may be wider considerations which would make such initiative injudicious. In that case we urge Western power be at least prepared, in case Soviets raise Vietnam issue, to respond with aggressive presentation Lao case as one both more immediate and more critical than Vietnamese and as requiring prior settlement as test of Communist sincerity.

7. Unless hostilities should break out, we doubt that ICC will report, and thus create further occasion for high-level discussion, before end of year.

. . . . .

Yost

<sup>2</sup>Dated October 12, not printed. (*Ibid.*, 751J.00/10-1255)

317. Letter From the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Ambassador in Laos (Yost)<sup>1</sup>

*Washington, October 27, 1955.*

DEAR CHARLIE: . . .

. . . . .

The decision not to take up other matters with the Russians in Geneva probably came to you as quite a disappointment. The Secretary's view was not based on the relative merits of any particular problem such as Laos or the Near East but on the sheer strain and difficulty of dealing adequately with non-agenda items during an international conference. However, we have prepared briefing papers which Doug MacArthur has in case the subject comes up with the British and French Foreign Ministers.

We are trying to do some long-range thinking here on what our policies should be with respect to the two principal problems: (1) recapturing control of the two northern provinces; and (2) maintaining the government's control of the other ten provinces. Our first priority should be on the latter in case of doubt. I suppose this is much the same as Communist reaction; that is, preserve what you have and do not risk it in trying to get something you don't have. As to the two northern provinces, I see no other choice but maintaining diplomatic pressure on the Communists to implement the Geneva agreement. So far as I am concerned the ICC approach has not only failed but has done a grave disservice in restraining and inhibiting a more forthright diplomatic and propaganda approach. I would very much appreciate your views and recommendations on a long-term policy for Laos.

On the economic side, it is gratifying that the railroad and ferry system between Laos and Thailand has been completed. We all hope this will reduce inflation and costs. As you know, there will be considerable pressure from Capitol Hill to cut back the aid programs, but we are confident we can maintain the level necessary for the attainment of U.S. objectives. With very best regards,

Sincerely,

**Kenneth T. Young, Jr.**<sup>2</sup>

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<sup>1</sup>Source: Department of State, PSA Files: Lot 58 D 207, SEA, Lao Correspondence (1955). Secret; Official-Informal.

<sup>2</sup>Printed from a copy that bears this typed signature.

### 318. Telegram From the Embassy in Thailand to the Department of State<sup>1</sup>

*Bangkok, November 4, 1955—1 p.m.*

1275. Reference: Deptel 1248, October 16, repeated Vientiane 283.<sup>2</sup> Discussions held November 1 and 2 by representatives JUSMAG, Embassies and Service Attachés Bangkok and Vientiane regarding proposed stimulation joint Thailand–Laos planning for Thailand forward military strategy. Following considerations and recommendations regarding method presentation submitted subject Ambassador Yost's concurrence and/or comment:<sup>3</sup>

#### *A. Timing and tactics in initial approach:*

With Laos electoral campaign scheduled begin mid-November, and with break-off of RG–PL political negotiations anticipated at that time, it is politically and psychologically important that Laos Government be made aware as soon as possible of Thailand's willingness to help (and U.S. support herefor) in case of developing trouble.

Discussion pointed up delicate problem whether Thailand or Laos Government should make first approach. Thailand initiative might be regarded with suspicion by Laos as indicative ambitions toward hegemony; on other Laos might be reluctant approach Thailand "hat in hand" for fear this would encourage Thailand place too high price on their cooperation. On balance, Laos approach to Thailand favored since Laos are most immediately menaced. However, we recognized that, if Laos should be reluctant break ice, procedure should be reversed and Embassy Bangkok would encourage Thailand Government to make first approach. In any event, it is important to ascertain Thailand receptivity before we discuss matter with Laos since Thailand rebuff, altho perhaps unlikely, would have unfortunate impact on Laos. Proposed procedure should also be explained to Thailand to ensure they do not make uncoordinated approach to Laos.

#### *B. General assumptions regarding joint planning:*

Planning cannot be predicated on any precise definition of military circumstances in which Thailand assistance would [be] requested. It can only be presumed that military situation would be getting out of hand, and that Laos would assert Geneva Agreements abrogated, thus opening door to Thailand assistance. However, desired ob-

<sup>1</sup>Source: Department of State, Central Files, 751J.5/11-455. Top Secret. Repeated priority to Vientiane.

<sup>2</sup>See Document 315.

<sup>3</sup>According to telegram 552 from Vientiane, November 5, Yost concurred with the recommendations set forth in telegram 1275. (Department of State, Central Files, 751J.5/11-555)

jectives, both political and military, will not be achieved unless planning takes account of possible necessity substantial movement Thailand forces into Laos to counter large-scale Vietminh activity, which is chief concern Laos Government. Thailand Government should therefore be encouraged eventually to discuss problem with Laos in these terms as well as on basis modest assistance (e.g., one Regimental Combat Team), which may be initial disposition of Thailand.

Thailand will undoubtedly attempt draw U.S. into commitment provide forces, possibly by proposing matter be taken up initially or concurrently by SEACDT military advisors. We will, as instructed reftel, avoid giving and [any?] impression U.S. does or does not intend provide military forces. Appears our best counter to SEACDT gambit is argument matter in hand is urgent whereas SEACDT mechanism entails great delay; we not adverse to eventual consideration by SEACDT but urge joint Laos-Thailand contingent planning proceed without prejudice to such plans as SEACDT might develop.

While we hope be able persuade Thailand proceed without assurance of direct U.S. military support, question of U.S. logistical support will probably be unavoidable. Operation of substantial Thailand forces could not be undertaken effectively without U.S. logistic support and Thailand can be expected insist on indication our intentions in this regard before proceeding. Important therefore that we be in position inform Thailand, if necessary, that U.S. prepared give sympathetic consideration to question of logistic support for planning purposes in joint staff talks.

We recognize that planning on this basis runs risk of encouraging Laos, particularly irresponsible combat commanders, to trigger action against Pathet Laos. Vientiane may wish consider question of how such possibility can best be averted. However, we believe that, in approaching both Laos and Thailand, emphasis should be placed on importance getting joint staff planning underway and on contingent nature such plans; on appreciation fact that Thailand military aid to Laos (aside from training) and U.S. provision logistic support can be finally decided only at time emergency in light circumstances then obtaining.

We should also be able inform Thai that United States military advice in forward strategy planning can be made available. Assume that JUSMAG will receive directive through Defense channels to provide such advice if required, JUSMAG advice to be coordinated CINCPAC contingent planning.

*C. Possibilities for training:*

As long as Lao Army organized on French military system, Lao officers trained in Thailand would be unable transmit fruits of staff training to others, and could only gain general military background

individually. View extreme scarcity Lao officers, such general training would not appear justified.

Relatively small-scale training by Thai of Lao technicians could however be offered, e.g., in ordnance and signal schools, particularly in use and maintenance United States equipment. Simple Thai training manuals for technicians could moreover be used in Laos. Thai Army could put on crash training program in technical fields for Lao trainees with JUSMAG assistance. This would have propaganda as well as practical advantages, and French should not be object to Thai training of individual technicians. Thai presumably would be happy to have Lao officers in Thailand for training, and there may have already been some discussion this matter with Lao (Vientiane's 469 to Department<sup>4</sup>).

*D. Position of French:*

Question of French posture in general set-up was recognized as thorny, but one for consideration Washington and Embassy Vientiane. Since Lao unable go beyond first principles of military planning without French advisors, French would inevitably be involved. Although individual French advisors probably disposed be helpful, French Government reluctance become further involved in Indochina might motivate obstructionist tactics.

*E. Recommendations:*

We recommend that Department authorize Embassy Bangkok/JUSMAG and Vientiane proceed as follows:

1. Embassy Bangkok and JUSMAG to discuss general proposition with Thai Government to ensure Thai receptivity Lao approach.

(a) Explain that, if Thai agreeable, Embassy Vientiane prepared encourage Lao approach Thai Government, but that it may subsequently prove preferable reserve procedure.

(b) Inform Thai Government that United States military prepared assist Thai in planning forward strategy.

(c) Inform Thai Government, if necessary, that United States prepared give sympathetic consideration, in terms contingent planning, to Thai requirements for logistic support deployment and operation Thai forces in Laos.

(d) If Thai propose that planning be done by SEACDT rather than on bilateral basis, respond as indicated section B above.

2. If Thai receptivity established, Embassy Vientiane discuss matter with Lao Government with view to their approaching Thai to request staff talks re (a) what facilities Thai military establishment can now offer Lao and (b) development contingent plans for Thai military intervention and logistic support if requested by Lao Gov-

<sup>4</sup>In telegram 469, October 20, Yost reported that Souvanna Phouma informed him that the Royal Government intended to send a number of Lao officers to Thailand for training in the next year. (*Ibid.*, 033.51J92/10-2055)

ernment. Inform Lao that Thai aware our proposals and are receptive; also that United States would give full support staff planning and training project.

F. Suggest Department repeat this message as well as reference telegram and Embassy telegram 856 to CINCPAC.<sup>5</sup>

Chief JUSMAG concurs.

**Anschuetz**

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<sup>5</sup>Document 310.

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### 319. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, November 10, 1955—4 p.m.*

574. Reference: Bangkok 1275 to Department<sup>2</sup> and our 552 repeated Bangkok 385.<sup>3</sup> Re two problems mentioned our reference telegram:

1. We consider French would have to be informed of these plans immediately after they had been raised with Lao Government and latter had concurred. It would be extremely difficult, if not impossible, for planning of this kind to be carried on by Lao General Staff without French being aware and, if not in agreement, creating difficulties. On other hand, if they are informed and are convinced through merely contingent planning to provide help in case of Viet-Pathet aggression, we believe they will agree and will cooperate. It is probable British should also be informed to forestall misunderstanding.

2. As Department is aware, there are, in connection with military situation two northern provinces, two closely related problems we must face: (1) How to aid and prepare RG to meet probable increase Viet-Pathet military pressure, aimed first at clearing ANL out of two provinces and perhaps later at infiltrating farther south; and (2) How to ensure that our aid does not encourage RG itself to initiate military action which we would consider rash or ill-advised. As to (1) two most important immediate steps we can take are contemplated provision additional air transport and facilitation Lao-Thai military

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/11-1055. Top Secret. Repeated to Bangkok.

<sup>2</sup>*Supra.*

<sup>3</sup>See footnote 3, *supra.*

planning and cooperation. As to (2), as we have reported, RG is already seriously contemplating military action to suppress Pathets in January or February. It would probably, though not certainly, be possible to forestall this action through concerted pressure principal SEATO powers, which British and French are very likely to exert in any case. Very serious question arises, however, whether, if all means of pacific settlement have failed, and pertinent provision of Geneva Agreements thus complied with, RG should be restrained from reasserting its rightful authority within its own territory by only means available, i.e., force of arms. To prevent it from doing so would be to undermine its faith in efficacy of SEATO and to weaken its morale and will to resist Communism, as well as to perpetuate serious security threat to SEA of course highly pertinent questions are (a) whether ANL capable of suppressing Pathets (b) whether, if attempts to do so were made, Vietnamese would intervene in force. These questions should be very carefully studied during next few weeks, and our policy coordinated with British and French to prevent conflicting advice be offered RG as occurred last March.

However, we believe these considerations should not prevent or delay Lao-Thai military planning. Our first responsibility, and that of SEATO, is to prepare to cope successfully with increased Viet-Pathets pressure in Laos which is all too likely. While such preparations will inevitably and rightly give Laotians increased confidence, they will also provide us with increased leverage for insisting on and enforcing caution on Lao part, if we deem caution to be necessary.

Yost

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### 320. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

*Washington, November 18, 1955—10:09 a.m.*

1593. Bangkok 1275 repeated Vientiane 244 CINCPAC unnumbered;<sup>2</sup> Vientiane 574 repeated Bangkok 397 CINCPAC unnumbered.<sup>3</sup> We fully agree desirability beginning joint Thai-Lao military staff planning soonest, chiefly for substantial psychological benefit two countries directly involved. Defense planning patently cannot

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/11-455. Top Secret. Drafted by Byrne and cleared in PSA, FE, and with the Department of Defense in draft. Also sent to Vientiane and repeated to CINCPAC.

<sup>2</sup>Document 318.

<sup>3</sup>*Supra.*



effectively be undertaken in single units; Thai-Lao coordination would encourage feeling solidarity and later fit into broader SEATO strategy.

We therefore concur 1) Embassy Bangkok and JUSMAG first discuss general idea with Thai Government, to be followed by Vientiane approach to Lao Government; 2) small-scale training Lao technicians in Thailand; 3) informing French as soon as Lao Government has agreed to project.

In response almost inevitable Thai use SEATO gambit obtain U.S. commitment on forces, we believe to your argument urgency Lao problem might be added fact Thai-Lao planning and SEATO planning not mutually exclusive and it highly probable bilateral product would eventually be integrated into over-all Southeast Asia strategy.

We cannot at this time make commitment to Thais on U.S. logistic support and military advice in forward strategy planning. Defense does not wish take decision before receipt CINCPAC comments. We do not however see that absence CINCPAC views and possible subsequent JCS consideration need delay initiation Thai-Lao planning. If Thai raise matter logistic support, you might reiterate U.S. unable give blanket commitment logistic support before knowing feasibility plans and magnitude program and that requirements rising from Thai-Lao planning must be considered in light worldwide demands and level appropriations from Congress. Nonetheless U.S. membership SEATO presupposes strong concern in defense of area.

It appears to us advantages planning to both Thai and Lao military for getting project under way even without answers all possible questions. While both parties have natural desire know exact extent U.S. protection, neither has right put price on joint planning designed for their own good.

With respect possible Lao National Army action suppress Pathets (Vientiane 574), we recognize harmful effects on morale of constant restraint Army when Lao have clearly just case. Nevertheless we continue agree your estimate Army could not clean out provinces alone and would undoubtedly provoke Viet Minh infiltration if attempted do so. General reluctance most Manila Pact members commit ground forces Indochina will make it exceedingly difficult obtain their concrete support in event any hostilities Laos, but if such hostilities result from Royal Government initiative foreign support virtually impossible. In these circumstances failure Lao Government restrain Army would be dangerous Laos and free world. Since we cannot encourage and do not wish unnecessarily discourage Lao Government, we should perhaps remain silent this score for present.

Defense concurs without prejudice subsequent CINCPAC and/or JCS views.

Hoover

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321. Telegram From the Army Attaché in Laos (Gordon) to the Department of the Army<sup>1</sup>

*Vientiane, November 20, 1955.*

MC 95-55 (Army message). Department of State for Walter S. Robertson. This matter urgent.

Subject: Proposed ANL airborne attack on PL supply depots.

Subsequent to receipt this office information confirming previous reports exact loc, type, size and security measures provided for all major ordnance supply depots Sam Neua Province, this ARMA advised CG, ANL, to plan employ his six parachute commandos striking all 10 known arms and munitions depots simultaneously and destroy by demolition and fire.

If successful, this operation would, with one stroke, reduce PL operating capacity to negligible for remainder dry season and very probably result in total collapse PL military effort in Laos. Viet Minh not estimated capable moving in time to prevent.

CG, ANL, receptive to idea and this ARMA requested him not divulge plan to other nations especially French, to which he agreed.

French will not supply airlift under present policy. Suggest employ CAT or similar organization under direct contract to Royal Government.

This for your initial information and reaction ASAP, as PL will soon learn of defector reports re total lack security Lao army and government. If reaction favorable, recommend immediate placing nearest qualified airborne OPNSO on TDY this office to study problem carefully and advise ANL covertly.

The destruction PL movement would allow reduction any force basis and subsequent multi-million dollar savings to us in support for Laos in ensuing years.

Am[bassador] absent for approximately 3 days. Will obtain his concurrence or non-concurrence immediately upon his return. Recommend you proceed with consideration on assumption he will concur. Signed Gordon.

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/11-2055. Top Secret; Priority. Sent to the Army for G-2 and G-3 and repeated to CINCPAC, USARPAC, and the Department of State, which is the source text.

322. Telegram From the Department State to the Embassy in Laos<sup>1</sup>

*Washington, November 23, 1955—12:17 p.m.*

462. ARMA telegram 95-55 November 20.<sup>2</sup>

1) We understand Army has replied Gordon to effect subject his message is one which should be handled by Ambassador and Department and that Army taking no action.

2) It is important for us to know if Chief Staff Lao Army has acted upon Gordon's advice in any way by preparation planning or actual implementation.

3) Department is of course sympathetic with assumed result of operation ARMA has advised. Our reason for not having already instructed you advise along similar lines was that neither Embassy nor Department has assumed chances success were as good as those implied reftel. We here still do not have information which would support such assumption of success.

4) It may be events have altered situation and time has actually come to encourage plan such as ARMA has, regrettably without Blancke's indicated knowledge, put forward to Chief Staff.

5) We would like your full views including comments on the cease fire agreement reached by the two parties at Rangoon.<sup>3</sup> In interim we cannot take further step regarding any type CAT contract since ARMA may have connected in Lao minds our support of his proposed operation with CAT, and to support one might imply support of both.

Dulles

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/11-2055. Top Secret; Limit Distribution. Drafted by Hoey; cleared in PSA and FE; and approved by Robertson. Also sent to CINCPAC. Paragraph 1 was cleared with the Department of Defense.

<sup>2</sup>*Supra.*

<sup>3</sup>See *infra.*

**323. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Washington, November 27, 1955—8 a.m.*

647. Reference: Deptels 442<sup>2</sup> and 462.<sup>3</sup>

1. Defense Minister assured me again this morning that RG and ANL have no plan or intention to take any military action except in response to Pathet-Viet initiative. He maintains PL are preparing offensive which he believes might occur either shortly before elections or in January. He continues express confidence that, if attacked, ANL could reoccupy large part of two provinces, if Viets do not intervene in force. He claims however time working in RG favor since auto-defense organization in two provinces constantly improving and PL morale declining. He therefore does not wish to precipitate events.

I did not refer specifically to operation suggested by USARMA since I did not wish to indicate further US interest in it at this time. I believe it can be stated definitely however that no operation of this kind will be undertaken at least until after elections. This judgment is based not only on Minister Defense's assurance but on fact Katay and Crown Prince not expected to return to Vientiane before December 25 and operation this magnitude and significance would not be launched without their joint consideration and approval. Nevertheless I shall ask Gordon, upon his return from Bangkok tomorrow, to make clear to Sounthone his suggestion was purely personal and does not have Embassy concurrence at this time.

2. I hope that in light of these precautions Department will see fit to authorize CAT contract as recommended Embtel 644.<sup>4</sup> If PL should launch sudden offensive, absence of adequate airlift could have disastrous results. Moreover I believe dependence of RG on CAT support will give us increased leverage to block any large-scale operation of which we disapprove.

3. Defense Minister today confirmed my surmise that, while RG is continuing military negotiations with PL at ICC behest, it has no intention of accepting fixed demarcation line or neutral zone unless and until there appears to be real prospect of acceptable political settlement.

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/11-2755. Top Secret. A handwritten note at the end of the source text indicates this telegram was repeated to Saigon, Bangkok, and CINCPAC.

<sup>2</sup>Printed as telegram 1593 to Bangkok, Document 320.

<sup>3</sup>*Supra*.

<sup>4</sup>In telegram 644, November 26, the Embassy suggested that the Royal Government of Laos negotiate a standby contract with CAT. (Department of State, Central Files, 751J.5/11-2655)

4. As to ANL capabilities, USARMA has for some time believed that their build up in two provinces, plus development auto-defense, gives them substantial edge over present PL forces and supports firm RG judgment they could, if adequate airlift available, reoccupy major centers in two provinces within thirty days. As previously reported, General O'Daniel was convinced ANL could take Sam Neua town and that possession airstrip there would greatly increase its capability to occupy remainder of province. USARMA will report more fully on these matters.<sup>5</sup>

5. Re likelihood Viet intervention, we do not consider situation has changed essentially since Secretary's visit Vientiane last February. Particularly if RG is careful not to initiate military action but merely to respond vigorously to PL attacks, we doubt that Viets would intervene overtly or on large-scale. Increased infiltration would certainly occur but, if ANL advance took place as rapidly as expected, it could occupy provincial centers before additional Viet strength could make itself felt. (This assumes such strength not already in state of preparedness in conjunction with possible PL offensive, of which however we have no evidence.) Present situation in two provinces would then be reversed with ANL holding major part and PL fringes. Even if Viets should intervene in sufficient force to throw back ANL, we doubt very much they would pursue beyond limits two provinces. Most unfavorable result would thus be total loss two provinces, which almost certain in any case if no action is taken. Moreover Viets would have been obliged to drop veil and openly take over two provinces, which would substantially weaken their credit with other Asians. Actually, as morale PL rank and file declines and more defections occur, Viets will in any case be obliged increase their forces in Laos if two provinces are to be held.

6. On other hand, we must recognize Indians, Canadians, British and French all strongly opposed to military action by RG and suspicious of its intentions. They will continue to advise RG refrain from military action unless attacked even if this means loss of two provinces, and are likely, as they did last March, to make very strong representations if hostilities seem imminent.

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<sup>5</sup> Apparent reference to ARMA MC 99-55, November 26, in which the Attaché in Vientiane reported that Pathet Lao battalions were encountering difficulties in maintaining strength above 75 percent in the face of a constant trickle of deserters and defectors and that 25 percent of their forces was required for transport and guard duty given increasing local resistance. In general, the attaché believed Pathet Lao morale to be at its lowest since July and Lao National Army morale to be good. The only problem the Attaché foresaw was the Lao Army's total dependence on air resupply by the French. With assured airlift, concentration, and noninterference by the Viet Minh in North Vietnam, the attaché believed that the Lao National Army could drive out or destroy the Pathet Lao. (Department of State, FE/SEA Files: Lot 58 D 266, Army-M Navy Messages, 1955)

7. It seems to us, particularly in light Soviet behavior at latest Geneva conference and ChiCom line re Laos reported Hong Kong's 1072 to Department,<sup>6</sup> any prospect of satisfactory political settlement ruled out for foreseeable future. Only slim hope would be strong Indian démarche to Peking, which also seems practically out of question. It would therefore appear only possibility of recovering two provinces and eliminating PL territorial base would be by military action. Otherwise we are almost certain to be confronted, as Pearson says, with "five Indochinese states." Unfortunately our allies seem increasingly reconciled to this situation.

8. Despite difficulties and risks, we believe there is reasonable prospect partition of Laos can be avoided by prompt resolute action and security whole of Southeast Asia thereby reinforced. At present situation is not analogous to Germany, Korea, and Vietnam though in course of time, if let slide, it is almost certain to become so. We therefore recommend: (a) Continuing to advise RG not to initiate military action in such way as to put itself in the wrong, (b) Not discouraging RG from its present intention after the elections, if no political settlement is in prospect, to respond to PL attacks by taking the offensive, (c) Very discreetly to assist RG to prepare for such action, and (d) To take line with British, French, Canadians, etc., that we are urging RG not to take military offensive but would not feel justified in advising them not to resist with all means at their disposal if attacked. In last connection it could be pointed out the better RG is able to resist attacks the less likely SEATO would have to become involved.

9. In line this proposed policy I should reluctantly have to discourage, at least at this time, operation suggested by USARMA. I should, however, welcome brief detail to his staff of CINCPAC officer who could assist in assessing ANL capabilities and in advising us and them re conduct any operations which they may contemplated and we may favor. "USARMA will shortly make more specific recommendation this respect."<sup>7</sup>

10. Also I should urge promptly proceeding with CAT arrangements proposed Embtel 644. It seems in any case absolutely essential to enable ANL to meet likely PL offensive, whether or not we desire counter-offensive to take place.

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<sup>6</sup>In telegram 1072, November 24, the Consulate at Hong Kong summarized strident commentary in the Chinese *People's Daily* of November 22 in which the commentator attacked the United States for instigating the Royal Lao Government to contravene the Geneva Accords on Laos. (*Ibid.*, Central Files, 396.1-GE/11-2455)

<sup>7</sup>In telegram MC 101-55 from Vientiane, November 28, Gordon recommended with Yost's concurrence that the possibility of an airborne raid on Pathet Lao munition depots should be studied by a qualified airborne officer because it provided the only real opportunity of destroying Pathet Lao military forces in northern Laos without engaging in painful, lengthy, and expensive jungle warfare. (*Ibid.*, 751J.5/11-2855)

11. We leave to Department's judgment repetition this message wherever seems appropriate.

Yost

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324. Telegram From the Department of State to the Embassy in France<sup>1</sup>

*Washington, December 13, 1955—7:22 p.m.*

2269. As step in direction providing Laos with foreign military assistance in event aggression and for substantial psychological benefit foreseen, U.S. has suggested initiation joint Thai-Lao military staff planning. Such planning will be defensive in character with eventual aim permitting Thai forces by mutual consent to move if necessary into Lao territory to block Communist offensive. View scarcity Lao officers and fact Lao Army organized on French system, training in Thailand would be limited small number Lao technicians. While talks would at first be on bilateral basis, it logical expect resultant plans would later be coordinated into broad SEATO strategy.

U.S. role presently confined getting Thailand Laos together in project normally undertaken as matter of course by neighboring countries and which this instance heretofore delayed only by peculiar political evolution in area. Although U.S. may eventually be required provide logistic support, no commitment will be made unless justified after review Thai-Lao plans. We are sensitive possibility Lao Government may be encouraged by contingent planning with Thai initiate military action against Pathets at time or in manner prospects success unfavorable, but believe it could be made sufficiently clear to Lao by Thais that Thai military support such circumstances not automatic but directed toward countering aggression.

Bangkok and Vientiane have ascertained respective Governments both receptive joint planning project. Lao have communicated formal request Thai Minister Vientiane and Phibun has requested Foreign Office views. Thai Foreign Office believes necessary first obtain SEATO approval in principle in order avoid possible resentment other members and anticipates some may consider combined planning breach Geneva Agreement or new irritant to Indians. Embassy Bangkok views these Thai reservations as at least partly motivated by desire involve U.S. directly in military planning.

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/12-1355. Top Secret; Priority. Drafted by Byrne; cleared by PSA, FE, and in draft by the Department of Defense; and approved by Robertson. Also sent to Bangkok, Vientiane, and CINCPAC.

Yost has informed French in Vientiane in order obtain support for planning which French military could hamstring if they so desired. French Political Counselor welcomed project but high-ranking Military Mission official chary, fearing contravention Geneva.<sup>2</sup>

Above for background Embassy Paris use if French raise.

*For Bangkok:* Suggest you tell Thais if you have not already done so that we informing French of project, explaining French assistance may be necessary in preparation certain aspects plans owing their continued backstopping Lao Army.

*For Bangkok and Vientiane:* We are repeating CINCPAC 222345Z November.<sup>3</sup> Concur views therein with exception recommended presence CINCPAC representative during Thai-Lao discussions. We consider such proposal would probably be rejected for political reasons by two sovereign states. Moreover might unnecessarily involve U.S. and imply greater direct support than we now willing give. We therefore propose MAAG/Thailand and USARMA/Vientiane attempt keep U.S. informed through normal contacts. Copies any resultant Thai-Lao plans would be transmitted CINCPAC. Defense informed and requests CINCPAC's views. Department also desires comments Bangkok Vientiane.

Re Bangkok 1620<sup>4</sup> and 1653<sup>5</sup> repeated Vientiane 314 and 318. Do not see any advantage but rather disadvantage informing SEATO this juncture proposed Thai-Lao contingent planning. Combined talks will get farther faster if not entangled at this time in SEATO political problems. Seems to us time consult SEATO would be when and if significant plans produced. Secretary has spoken along similar lines to Prince Wan.<sup>6</sup>

Request Bangkok inform Thais combined military planning clearly not violation either cease-fire agreement or Lao unilateral declaration at Geneva since would involve neither introduction foreign military personnel nor establishment bases Lao territory and would

<sup>2</sup> Reported in telegram 713 from Vientiane, December 8. (*Ibid.*, 751J.5/12-855)

<sup>3</sup> Not found.

<sup>4</sup> In telegram 1620, December 8, the Embassy in Bangkok reported that Thai Under Secretary of State Dilokrit suggested that Thailand should inform SEATO of the proposed Thai-Lao contingency planning. (Department of State, Central Files, 751J.5/12-855)

<sup>5</sup> In telegram 1653, December 10, Dilokrit again raised the question of informing SEATO of Thai-Lao planning and suggested that other SEATO members would resent Thai failure to inform them of a "project such obvious concern to SEATO." Dilokrit also pointed out that Great Britain and France might well regard the planning as in contravention of the Geneva Agreement and that a leak would provide a propaganda bonus or a pretext for aggression for the Communists. The Embassy believed that, although these Thai concerns might be sincere, Thais were motivated in their desire to involve SEATO by a wish to involve the United States in the proposed contingency planning. (*Ibid.*, 751J.5/12-1055)

<sup>6</sup> See vol. xxii, p. 842.



be purely defensive in nature. With respect Indian angle, Thais will recognize Indians, who strongly oppose SEATO, will be somewhat less annoyed if project presently confined bilateral basis than if it has SEATO blessing. We believe combined planning of great value and assume Thais share our view. On this assumption seems desirable Thailand avoid delay inevitably involved in obtaining SEATO prior approval and instead proceed soonest respond Lao request. Thai informing member Governments individually as proposed Bangkok 1653 would cover Thai rear but should be delayed until project clearly fait accompli. Resultant plans could be submitted military advisers and reference might also be made in Thai country report for March SEATO meeting. Imminence this meeting further counsels speed.

Suggest future telegrams this subject be repeated Paris if appropriate.

Dulles

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**325. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)<sup>1</sup>**

*Washington, December 14, 1955.*

**SUBJECT**

Bilateral Thai-Laos Military Planning

1. The American Embassy, Thailand has proposed, for consideration, a program for bilateral Thai-Lao planning to assist the Laotians in resisting Pathet Lao/Viet Minh aggression.<sup>2</sup> In discussing these proposals it was indicated that Thai Army Commander in Chief Sarit and other important government officials would probably favor such a forward strategy for Thailand, for military and probably political reasons. The Department of State, CINCPAC and the American Embassy, Vientiane are generally agreed that the United States should encourage and support bilateral Thai-Laos planning for the defense of Laos as long as such planning is in keeping with the principles of the Southeast Asia Collective Defense Treaty (SEATO) and the attainment of U.S. objectives in the area. It is recognized that the defense of Laos, including Thai participation, is largely dependent upon U.S. logistic support.

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<sup>1</sup>Source: Washington National Records Center, OASD/ISA Files: FRC 60 B 1025, 092.2 Laos. Top Secret.

<sup>2</sup>See telegram 2269, *supra*.

2. The Joint Chiefs of Staff generally concur in the views expressed by the Department of State, CINCPAC and the Embassies and recommend that the United States encourage and support bilateral Thai-Laos planning for the defense of Laos, subject to the following conditions:

- a. The planning is in consonance with SEATO and U.S. objectives.
- b. The planning is directed toward the immediate threat but of such a nature that it may be subsequently integrated into SEATO planning.
- c. The planning will result in a practical plan that can be supported logistically by the United States.
- d. CINCPAC is represented during planning discussions in order to influence resulting plans as to feasibility, practicability and suitability.
- e. The plans as developed do not include employment of U.S. forces other than those which may be required by provision of U.S. logistic support to Thai and Lao forces.

3. It is envisaged that Thai participation in the defense of Laos would probably be limited to one RCT, supported logistically by the United States. The determination of the level and source of U.S. logistic support should await CINCPAC recommendations, following his review of the planning results. However, it is not believed that the solution to the logistic support problem need delay the initiation of planning discussions.

4. It is recommended that the Secretary of Defense:

- a. Note the above conclusions.
- b. Request the Department of State to send the substance of the draft message in Appendix "A",<sup>3</sup> to the American Embassies at Bangkok and Vientiane.
- c. After obtaining State Department concurrence, send the substance of the draft message in Appendix "B"<sup>4</sup> to CINCPAC.

5. The Chairman, Joint Chiefs of Staff, did not participate in the action of the Joint Chiefs of Staff outlined in this memorandum.

For the Joint Chiefs of Staff:

**N.F. Twining<sup>5</sup>**

*Chief of Staff, United States Air Force*

<sup>3</sup>Attached but not printed, Appendix A reiterated as Department of Defense conditions acceptance of bilateral Thai-Lao military staff planning as cited by the JCS in paragraph 2 above.

<sup>4</sup>Attached but not printed. In this telegram CINCPAC was authorized to provide representation and guidance to joint Thai-Lao military planning as requested by the Ambassador in Thailand.

<sup>5</sup>Printed from a copy that bear this typed signature.

326. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, December 14, 1955—6:39 p.m.*

582. Department telegram 532 to Vientiane repeated Saigon 1964 Bangkok 1807 CINCPAC Paris unnumbered.<sup>2</sup> We wish clarify our views over-all problem Lao Army air support requirements. We strongly favor CAT contract authorized reference telegram to become operative in event military emergency but for political reasons prefer other measures in interim to attempt find solution air support problem.

We continue believe 1) so far as possible Lao foreign assistance needs should be filled by Asians rather than by U.S.-linked CAT, which also in Asian eyes heavily involved KMT irregulars; 2) it politically unwise be responsible for introducing into Laos foreign competitor at possible ruin Lao national airline if new airline facilities not militarily necessary; 3) perhaps most important, steps should be taken not only fill Laos' immediate needs but also plan for long-term objective give Laos some degree air self-sufficiency.

We therefore informing Defense our concurrence CINCPAC recommendation for 700-man Lao Air Force within present force level and requesting it reconsider allocation four C-47's Laos in view overriding political considerations. . . . If Embassy succeeds obtaining reduction Air Laos charter fees, if necessary by threatening introduction CAT, only major "peacetime" disadvantage using local airline, i.e., exorbitant cost, would be removed.

In side-talks with French during NATO meeting Paris we expect make strong *démarche* on fulfillment French military responsibilities Laos, specifically provision air support even in combat situations and training Lao Army. We not sanguine results however.

Meanwhile CAT standby contract will give Laos emergency protection it needs while keeping CAT in background now and permitting attempt establish nucleus of C-47's for long-range Lao Air Force project.

**Hoover**

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/12-1455. Secret. Drafted by Byrne, approved by Hoey, and cleared in substance with Robertson. Repeated to Saigon (with instructions to pass to MAAG), Bangkok, CINCPAC, and pouched to Paris and Phnom Penh.

<sup>2</sup>In telegram 532, December 7, the Department authorized the Embassy to proceed at once in assisting in negotiations of a standby contract between CAT and the Government of Laos. (*Ibid.*, 751J.5/12-755)

327. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

Vientiane, December 15, 1955—5 p.m.

750. Reference Department telegram 545.<sup>2</sup>

1. In our view little help can be expected of ICC in removing Pathet Lao threat. Canadians have tabled resolution calling for re-establishment Royal Administration in North (Embassy telegram 746<sup>3</sup>) but there is little chance Indians will support strong or effective recommendation. Most probable action is inconclusive report to Geneva co-chairmen.

2. Royal Government convinced ICC can serve no useful purpose in either of its main functions:

(1) Expediting political settlement.

(2) Enforcing military terms Geneva Agreement. Nevertheless, RG not likely brusquely ask ICC to leave but will increasingly tend ignore ICC and perhaps gradually encourage its withdrawal. Royal Government would certainly welcome prompt reduction in size ICC, which occupies badly-needed housing and office space. (We are inclined agree RG estimate and consider their gradual approach wise under circumstances.)

3. ICC itself not likely take any steps reduce or eliminate Commission Laos unless similar steps taken Vietnam. Poles obviously want remain, as indicated in Cambodia. Indians appear ready hang on and keep trying; Bridle is probably still several months away from exhausting his patience. Views of both might however, change with clear demonstrations ICC impotency. For present, both still appear to feel ICC can reduce likelihood, frequency and duration of conflicts between armed forces. To our mind, this will be true only if Canadians push freedom to investigate in PL area (Embassy telegram 740<sup>4</sup>).

4. We believe Pathet Lao after December 25 elections will tend to consolidate and formalize separate status and may even set up "government" in their area. They are boycotting elections, which they argue are being so conducted as to exclude PL "in violation Geneva Agreement". PL have already warned that northern provinces as [are?] their exclusive "regroupment zone". PL may try by military action push ANL out of areas ANL occupies in two provinces. ANL

<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-1555. Secret; Priority. Repeated to Ottawa, New Delhi, London, Paris, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>In telegram 545, December 8, the Department requested the Embassy's views on the political situation in Laos in conjunction with the preparation of NIE 63.3/1-55, *infra*. The Department specifically requested information on the ICC situation, election prospects, Communist bloc posture regarding Laos, and views of Lao political leaders. (Department of State, Central Files, 751J.00/12-855)

<sup>3</sup>Dated December 14, not printed. (*Ibid.*, 751J.00/12-1455)

<sup>4</sup>Dated December 12, not printed. (*Ibid.*, 751J.00/12-1255)

in effective counter to PL attack Muong Peune area last week (Embassy telegram 739<sup>5</sup>) casts doubt PL capability do so unless substantially reinforced by DRV, which, however, may be taking place.

5. RG post-election plans not yet clear. Highly probable RG will declare current elections are political settlement envisaged at Geneva and call on PL troops to accept reintegration into national community. Next step would be continued propaganda efforts demoralize PL and encourage defections, which have been significant in past two months. Coupled with increased guerrilla activity in PL area such efforts could appreciably weaken PL, whose rank-and-file have reportedly become increasingly demoralized in past few months. Nevertheless, doubtful such efforts alone can eliminate PL control its present sectors since DRV would be likely supply support necessary to hold area against this type erosion.

6. Prime Minister and Minister Defense seriously considering eventual military action to settle question but for political reasons contemplate responding to PL attack rather than taking military initiative. Decision far from firm, however, and has not been raised before whole Cabinet. Possible that even in absence Cabinet decision ANL, if attacked, would launch vigorous counter-offensive and might in process capture major points two provinces. Chances success would, of course, be increased by action mentioned foregoing paragraph. On other hand, strong Anglo-French-Indian pressure on RG might inhibit other than purely defensive military action.

7. It is uncertain to what extent RG will be prepared after elections to continue efforts toward peaceful settlement. It will probably try avoid onus of showing unwillingness to negotiate on any terms and may consider reasonable ICC suggestions; however, it will probably refuse even to begin bilateral negotiations without prior PL commitment on re-establishing Royal Administration, which unlikely. It is conceivable RG may eventually offer hold "complementary elections", with PL participation, to elect additional deputies, but this also unlikely unless military operations definitely vetoed.

8. In December 25 elections, our present guess is that Katay and Phoui and their followers will win at least two-thirds Assembly seats. Phoui according to his brother Ngon content let Katay remain as Prime Minister, and probability is new government will not differ substantially from present government. On one hand, it will be pro-Western and susceptible to Western guidance if exercised with discretion. On other hand, it will not be free from opportunism and, if Western support should slacken or Peking play PL card with skill, could be enticed into flirtation with other side. With adequate West-

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<sup>5</sup>Dated December 13, not printed. (*Ibid.*)

ern aid it will continue to be able maintain internal security outside of two northern provinces.

9. Department undoubtedly far better situated judge overall Communist bloc posture than we. In our view DRV will continue support PL covertly and increasingly, with men and matériel, but will during next six months stop short of overt, large-scale intervention even at risk of seeing PL driven into the hills, particularly if SEATO intention hold umbrella over Laos made clear.

10. We continue feel only possibility peaceful re-establishment Royal administration in North lies in change in policy toward Laos by Moscow and Peking. Department is in best position to judge whether high-level Western approach to bring about such change is feasible and could conceivably be effective.

Yost

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### 328. National Intelligence Estimate<sup>1</sup>

NIE 63.3/1-55

*Washington, December 20, 1955.*

## PROBABLE DEVELOPMENTS IN LAOS TO JULY 1956

### The Problem

To estimate probable trends in relations between the Royal government and the Pathet Lao over the next six months with particular reference to the military intentions and capabilities of the two sides. (A discussion of the political, economic, and military situation in Laos is contained in NIE 63.3-55, dated 26 July 1955.<sup>2</sup> The present paper updates the basic discussion of Royal government-Pathet Lao capabilities, and the activities of the International Control Commission. Although the conclusions of NIE 63.3-55 remain valid in all im-

<sup>1</sup>Source: Department of State, INR-NIE Files. Secret. According to a note on the cover sheet, the following intelligence organizations participated in the preparation of this estimate: CIA, intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff. All members of the IAC concurred with this estimate on December 20 with the exception of the AEC and the FBI who abstained on the grounds that the subject was outside their jurisdiction.

<sup>2</sup>Document 306; a note on the source text indicates that this NIE supplemented NIE 63.3-55. According to a letter from Armstrong to Allen Dulles, December 7, the Department of State believed that "the rapidly developing situation in Laos" required updating NIE 63.3-55. The Department requested this estimate on an emergency basis. (Department of State, INR Files: Lot 61 D 67, NIE TS)

portant respects, this estimate provides further elaboration of its conclusions, particularly paragraph 6.)

### Conclusions

1. The government of Laos is concerned that unless it soon suppresses the Pathet Lao a de facto partitioning of the country may occur. It is becoming increasingly impatient with a policy of inaction as a result of prolonged and fruitless negotiations with the Pathet Lao. However, the Royal government could probably be induced to postpone action for some time as a result of pressures from the Western Powers or the International Control Commission, and in the belief that Pathet Lao morale is declining. Its eventual course is likely to be influenced largely by its ability to obtain reliable air transport and by its estimates of the Viet Minh reaction and the prospects for U.S. or SEATO support. However, even lack of airlift or Western support may not deter the Royal government from launching an offensive. (Paras. 10, 23-24)

2. We believe that against Pathet forces alone, Royal government forces have the capability to contain Pathet attacks and, with adequate air transport, to occupy the main centers and lines of communication in the provinces of Sam Neua and Phong Saly. (Para. 17)

3. We believe that the Communists are determined to maintain their position in Sam Neua and Phong Saly provinces, and that Viet Minh troops will intervene to the extent necessary to maintain the Pathet Lao. Following the 25 December elections, which it is boycotting as illegal, the Pathet Lao may formalize its separate status by setting up a government in its areas of control. However, a serious Pathet Lao effort to drive the Royal troops out of Phong Saly and Sam Neua provinces appears inconsistent with general Communist policy in Asia, since it would require participation in combat areas of Viet Minh forces which would be susceptible to detection. Nevertheless, Pathet Lao-Viet Minh forces might undertake such action in view of the probable Communist estimate that military action limited to the two disputed provinces will not elicit effective Western reaction and might therefore demonstrate to the Thai and South Vietnamese that SEATO is an uncertain guarantee against Communist military pressure and subversion. (Paras. 16, 21)

4. We believe that, under the circumstances now existing, the most likely development will be a gradual build-up in the scale and intensity of hostilities in northern Laos over the next six months. There appears to be little likelihood of an effective cease-fire. Each side will attempt to consolidate and extend its position; but, barring unauthorized action by Royal Lao military commanders, neither side is likely to launch a large-scale offensive. There will probably be an

increase in the size of the forces involved, including increased Viet Minh support of the Pathet Lao. In this situation there will be serious danger of sizeable Royal Lao forces being cut off and captured by more experienced Pathet-Viet Minh formations. The government might then feel compelled to request military assistance from SEATO or the US to maintain its position in the disputed provinces and to prevent a decline in anti-Pathet resolution through Laos. (Para. 27)

5. If increased military action led to a defeat for Royal government forces or their ejection from the disputed provinces, morale in the rest of Laos, particularly in government circles, would decline. The Thai might feel that failure to suppress the Pathet was due in part to indecision by the US; and, barring a US security commitment, concern over their own security would increase. South Vietnamese apprehensions would also increase, although Diem would feel that Communist violations of the Geneva Agreements would reduce foreign criticism of his refusal to discuss elections with the Viet Minh. India's acquiescence in the de facto partitioning of Laos might be interpreted by the Communists as evidence that Nehru was unwilling to make an issue of gradual Communist advances in Southeast Asia. The Communists and some Southeast Asian governments would also tend to conclude that SEATO was not prepared to act. (Para. 28)

6. In the event of large-scale hostilities, the ICC would probably demand a cease-fire with a withdrawal of both sides to previously held positions. The question of which side initiated fighting must inevitably be hazy under circumstances prevailing in the area. The Indian ICC representatives will almost certainly insist that the status quo be preserved in the two provinces until the two sides are able to reach an agreed political settlement. The Indians remain sensitive to US involvement and would probably construe any US supply operations to Lao forces in the two provinces, under conditions of enlarged fighting, as violations of the Geneva Agreements. (Para. 29)

### Discussion

[Here follows section I, "Current Situation."]

#### *II. Future Developments*

20. The relative military weakness of the Pathet Lao and the probable reluctance of the Viet Minh to become engaged on such a scale as to risk SEATO or US intervention will probably serve to limit Communist military action to the disputed provinces of Laos. A continuation and expansion of local Pathet Lao attacks appears likely over the next few months. Such attacks might be designed to increase pressure for a resumption of negotiations, to raise the morale of their own forces, to counter the activities of government forces, or



to underline Pathet Lao claims that the December election is illegal in the absence of a political settlement. Following the elections, which it is boycotting, the Pathet Lao may formalize its separate status by setting up a government in its areas of control. The Communists may also anticipate an eventual stiffening of the Western position in Laos and may desire to consolidate their own position before effective Western measures to bolster the Royal government can be implemented.

21. A serious Pathet Lao effort to drive the Royal troops out of Phong Saly and Sam Neua provinces appears inconsistent with general Communist policy in Asia, since it would require participation of Viet Minh forces in combat which would be susceptible to detection. However, Pathet Lao-Viet Minh forces might undertake such action in view of the probable Communist estimate that military action limited to the two northern provinces will not elicit effective Western reaction and might therefore demonstrate to the Thai and South Vietnamese that SEATO is an uncertain guarantee against Communist military pressure and subversion.

22. The failure of the Royal government to seize the opportunity offered by the recent Pathet Lao attack to undertake a general offensive indicates that no such action is contemplated at least until after the elections on 25 December. The outcome of these elections is uncertain, beyond the probability that few candidates subject to Pathet Lao influence will be elected. Following the election, problems of party alignments and personal position may occupy the attention of government leaders for a brief period. However, concern with the Pathet Lao problem is almost certain again to become paramount. Basic government policy towards the Pathet Lao is unlikely to be affected by the election, although a diminution in Premier Katay's influence might result in a bolder policy.

23. If the Pathets do not launch an offensive, pressures from the Western Powers and the ICC plus the belief that Pathet Lao morale is declining, would probably induce the Laotian government to postpone action. We believe, however, that the Royal government will become increasingly impatient with a policy of inaction. Its eventual course of action is likely to be influenced largely by its ability to obtain reliable air transport from US or other sources, and its estimate both of Viet Minh reactions and of the likelihood of US, or SEATO support.

24. However, even lack of Western support or airlift may not deter the Royal government from launching an offensive. They might believe that Viet Minh intervention, if it occurred, would not extend beyond restoration of the Pathet position, and would have consequences no more serious than would a policy of inaction. They might hope that the Viet Minh could be forced to expose their role

in the maintenance of the Pathet movement. In addition, they could claim that Pathet Lao action had grossly violated the Geneva Agreements. They could then request the Geneva co-chairmen to act to preserve the territorial integrity of Laos; and even call upon SEATO or the US for direct military assistance.

25. Finally, given the presence of opposing forces without a defined front in the disputed provinces and the inadequacy of communications, it is possible that an action intended as a reconnaissance or a relocation of forces could be interpreted by the other side as a deliberate provocation and thus lead to a wider conflict.

26. The admission of Laos to the UN is likely to have implications for the developing situation. The Lao government, at least in the short run, may feel somewhat safer in pursuing a bold policy, believing that its access to the UN as a forum (and one potentially affording support) would be important if the Viet Minh should intervene in response to government initiated military action. The Chinese Communists, and even the Viet Minh, may be less inclined to risk world censure through large-scale intervention on behalf of the Pathet Lao.

27. On balance, we believe that, in the circumstances now existing, there will be a gradual build-up in the scale and intensity of hostilities in northern Laos over the next six months. There appears to be little likelihood of an effective cease-fire. Each side will attempt to consolidate and extend its position; but, barring unauthorized action by Laos military commanders, neither side is likely to launch a large-scale offensive. There will probably be an increase in the size of the forces involved, including increased Viet Minh support of the Pathet Lao. In this case, almost as much as in that described in paragraph 18, there would be serious danger of sizeable Lao forces being cut off and captured by more experienced Pathet-Viet Minh formations. The government might then feel compelled to request military assistance from SEATO or the US to maintain its position in the disputed provinces and to prevent a decline in anti-Pathet resolution throughout Laos.

28. If increased military action led to a defeat for Royal government forces or their ejection from the disputed provinces, morale in the rest of Laos, particularly in government circles, would decline. The Thai might feel that failure to suppress the Pathet was due in part to indecision by the US; and, barring a US security commitment, concern over their own security would increase. South Vietnamese apprehensions would also increase, although Diem would feel that Communist violations of the Geneva Agreements would reduce foreign criticism of his refusal to discuss elections with the Viet Minh. India's acquiescence in the de facto partitioning of Laos might be interpreted by the Communists as evidence that Nehru was unwilling

to make an issue of gradual Communist advances in Southeast Asia. The Communists and some Southeast Asian governments would also tend to conclude that SEATO was not prepared to act.

29. In the event of large-scale hostilities, the ICC would probably demand a cease-fire with a withdrawal of both sides to previously held positions. The question of which side initiated fighting must inevitably be hazy under circumstances prevailing in the area. The Indian ICC representatives will almost certainly insist that the status quo be preserved in the two provinces until the two sides are able to reach an agreed political settlement. The Indians remain sensitive to US involvement and would probably construe any US supply operations to Lao forces in the two provinces, under conditions of enlarged fighting, as violations of the Geneva Agreements.

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### 329. Paper Prepared by the Operations Coordinating Board<sup>1</sup>

*Washington, December 21, 1955.*

#### ANALYSIS OF INTERNAL SECURITY SITUATION IN LAOS (PURSUANT TO NSC ACTION 1290-d<sup>2</sup>) AND RECOMMENDED ACTION

##### *I. Nature of the Security Threat*

1. One-fourth or 600 miles of Laos' borders are contiguous with Communist territory (Red China and Viet Minh-controlled North

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<sup>1</sup>Source: Department of State, OCB Files: Lot 61 D 385, Laos Documents. Top Secret. According to a cover sheet to this analysis, the Board concurred with the analysis and recommendations set forth below at its December 21 meeting, with the following procedures:

*"Noted* that specific amounts of funds required will be subject to the normal programming and budgetary procedures.

*"Agreed* that implementation of recommendations should be carried out in the same manner as the implementation of courses of action in Outline Plans of Operations.

*"Noted* that while agency responsibilities for implementing specific recommendations are specified in the paper, the International Cooperation Administration will assume over-all leadership in the implementation of the program inasmuch as it has coordinating responsibility for the Mutual Security Program, and will make reports and recommendations to the Board from time to time as appropriate."

This analysis was sent to Ambassador Yost in Laos under cover of a letter from Hoover, January 13, 1956. (Department of State, Central Files, 751J.5/1-1356)

<sup>2</sup>Regarding NSC Action No. 1290-d, see *Foreign Relations, 1952-1954*, vol. II, Part 1, p. 844, footnote 10.

Viet-Nam), placing this country in an exceedingly vulnerable position. While external aggression on the part of the Chinese Communists or the Viet Minh would presumably bring to bear the forces of the Manila Pact powers, the chief immediate threat, the Communist-sponsored Pathet Lao logistically supported by the Viet Minh, is an internal one and must be countered by means available to the Lao Government.

2. Under the terms of the Geneva Agreement on the Cessation of Hostilities in Laos, the two northern provinces of Sam Neua and Phong Saly were designated as final areas of concentration for the Pathet Lao "fighting units," pending the reintegration of the Pathet Lao into the national community. Interpreting the Agreement as giving them full control of the two provinces, the Pathet Lao have steadfastly refused to permit the restoration there of Royal Government administration.

3. Armed strength of the Pathet Lao is estimated at 6,000 troops, organized in four battalions in Phong Saly and nine in Sam Neua. Small Viet Minh cadres are stationed in all Pathet Lao units presumably for the purpose of training and advising the Pathet Lao and of assuring that high-level Viet Minh orders are strictly executed. Although reliable information is lacking it is estimated that there are somewhat under 1,000 Viet Minh scattered throughout Laos. It is further estimated that up to six regiments (18,000 troops), including the 335th Division could be quickly deployed to Laos from adjacent Viet Minh territory. The common border with Communist-held territory provides the Pathet Lao with a base of operations for training, sanctuary, and reinforcement.

4. In addition to their concentrated strength in the two northern provinces, the Pathet Lao possess a cellular organization and arms caches in preparation for the penetration of the free areas; the precise extent of this covert subversive capability is unknown. Because the Communists may legally enter the Lao Government through elections, the Pathet Lao possess the capability of overt political activity in the elections tentatively scheduled for August 1955, and may present a full slate of candidates throughout the country. Moreover, the Pathet Lao also possess the capability of exercising subversive influence through exploitation of the political susceptibilities and the often naive good-will of Lao leaders and politicians, many of whom consider the Pathet Lao as misguided brothers in the fight for independence.

5. Latent threats to the internal security of Laos are the "Thai Nationality Autonomous Area" in southwestern Red China and the newly formed "Thai-Meo Autonomous Region" in Viet Minh territory adjacent to the northeastern Lao border. Establishment of these

groupings is a known Soviet technique for the infiltration of border areas outside Communist territory.

## *II. Existing Internal Security Forces and National Military Forces*

6. Primary Internal Security Forces. Both Lao police organizations, the National Police and the Gendarmérie, are new and have had insufficient funds to meet minimum needs of personnel and equipment. Strength of the police is 478, of the Gendarmérie, 539. The recently completed FOA-sponsored Engle-Page survey of these services concluded that they are not now capable of discharging their responsibilities for public safety or of successfully combating concerted Communist efforts at infiltration or subversion.

7. National Military Forces. Current armed strength of the Lao National Army is 25,000 organized into 18 infantry battalions, one parachute battalion, two armed reconnaissance companies, and about 25 commando companies. In addition there is a National Guard of 39 companies with a strength of 4,000. Poorly trained, logistically weak, and inadequately led, the Lao Army does not have the capability of suppressing well-organized and supported insurrection without foreign aid and leadership.

8. At present Laos is totally dependent upon the United States for financial support of its armed forces; it is entirely dependent upon French officers for training, actual direction of Army administration, and for advice in operations. For a variety of reasons, including lowered morale, the French Military Mission has been ineffective but is slowly improving.

9. Under the terms of the Geneva Agreement, France is permitted to maintain a 1,500 man training mission and a garrison force of 3,500. Actual French strength is approximately 1,150 in the training mission and about 1,000 in the garrison at the Seno Base. The introduction of all other foreign military personnel is prohibited.

10. In connection with the negotiation of an exchange of notes on military assistance, the Lao Government has been informed that the United States considers a well-organized Army of 23,650 (exclusive of police and gendarmérie) adequate for the maintenance of the internal security of Laos. Although the Government accepts this figure in principle, political and administrative difficulties preclude an immediate reduction, so that the current strength will be retained for several months during calendar 1955.

11. Laos maintains no navy or air force.

## *III. Evaluation of Internal Security Situation*

12. The Pathet Lao have the capability of maintaining their position in the two northern provinces and of gradually infiltrating the central Lao Government with the resultant danger of forcing it to

shift from its present pro-Western policy to one of neutralism or co-operation with its Chinese and Viet Minh neighbors. The longer the Pathet Lao occupy this territorial base the greater their capability for clandestine political and subversive action against the rest of Laos.

13. It is estimated that, barring a radical change in relations of the Sino-Soviet and Western blocs, the Pathet Lao will not initiate the use of violence but will continue indefinitely their efforts to maintain their position in the two provinces and to gain control of Laos by peaceful means so long as this course, as at present, appears to offer a good chance of success.

14. While the Lao Army is capable of preventing any expansion by force of Pathet Lao territory as long as large-scale Viet Minh support is not given the Pathet Lao, it could not now regain control over the two northern provinces. Police-type forces, for their part, are now incapable of countering Pathet Lao subversion and infiltration.

#### *IV. Inventory of Existing U.S. Programs Bearing on Internal Security*

15. Inasmuch as the Joint Chiefs of Staff set forth the view, not to be considered a recommendation, that the mission of the Lao National Army in accordance with U.S. policy should be the maintenance of internal security in Laos, and since Lao Army officers have accepted this concept, both economic and military assistance programs undertaken by the United States bear on the problem of internal security.

16. Economic and Technical Assistance. Aside from a United States-sponsored para-military training program for 200 Lao police and Gendarmérie in Thailand, which is now getting under way, there is no current program for assisting police-type forces in Laos. The recently completed Engle-Page survey of internal security forces in Laos recommended:

(a) Immediately combining police and Gendarmérie into one service under one ministry and increasing combined strength over 2 years from 1,000 to 4,000.

(b) Training personnel in civil police duties and para-military techniques.

(c) Providing the service with greater mobility and a radio communications system.

(d) Providing necessary arms, ammunition, office and laboratory equipment and housing.

17. The report also recommended that the United States furnish Laos with technical and economic assistance for carrying out such a program, provided the Lao Government gives adequate assurance of full support for the project.

18. United States technicians are proposed in the following fields: police administration and para-military training, communications, and counter-intelligence, plus one secretary and one translator.

19. The initial cost of increasing police personnel strength to 4,000 is roughly estimated at \$3 million and annual maintenance costs thereafter at \$5 million. Laos now contributes \$1 million for the police forces from its regular budget. Initial equipment required to get the project under way is estimated at \$107,000. Approval of the police training program has been given in principle by both Washington and the field.

20. Military Assistance. Prior to January 1, 1955, the Lao military forces received assistance through the French under the direct forces support program for the Associated States of Indochina. Since January 1, all forms of United States aid are given directly to Cambodia, Laos, and Viet-Nam. Under the FY 1955 program, it is estimated that Laos will be furnished \$10 million for importation of commodities for direct consumption by its armed forces and \$30 million in budgetary support for the military establishment. Similar support in FY 1956 is estimated at \$42 million.

21. Equipment for both the gendarmérie, still part of the Army, and the regular armed forces was given to Laos as part of the over-all MDA program for Indochina until negotiation of the Geneva Accords. Necessary replacement and maintenance equipment and supplies will henceforth be furnished directly, in so far as possible, from surplus stocks in Viet-Nam.

*V. Political Factors Bearing on Internal Security Programs and Feasibility of U.S. Assistance.*

22. Although the Lao Government has only recently begun to recognize the problem of subversion as distinct from the military threat posed by the Pathet Lao, it is expected that the proposed full-scale police training program will be welcome. Pathet Lao intransigence, accompanied by armed attacks on National Army posts in Phong Saly and Sam Neua, and reports of continued popular apprehension in other areas, particularly those formerly occupied by the Viet Minh, have begun to awaken the Royal Government to the internal security problem.

23. Seeing strength in numbers, the Lao Government, for such political reasons as the Pathet Lao control of two provinces and the elections tentatively scheduled for August 1955, wishes to delay reduction of its Army to the level deemed adequate by United States representatives for maintaining the internal security of Laos. The Legation at Vientiane has been instructed to urge the Government to reduce the Army while simultaneously building up the police services as suggested by the Engle-Page survey. The police program

would have the advantage of permitting United States training if conducted by non-military personnel, whereas training the National Army is the prerogative of the French Military Mission. The Lao Government has accepted the police project in principle.

24. Sharply aware of its vulnerability to Communist aggression and of its inability to counter such aggression alone, the Lao Government strongly relies on regional security arrangements, particularly the Manila Pact. With reference to the police training program, Thailand would be involved in the para-military training phase. Since Thailand is a member of the Manila Pact, because the Lao government is aware of the magnitude of United States financial and technical support of Thailand, and owing to ethnic and linguistic ties between the two countries, it is anticipated that Laos would be highly receptive to a regional arrangement which would improve its internal security capability without detracting from its sovereignty.

25. In any discussion of foreign assistance to Laos, French sensitivity to possible charges of violation of the Geneva Accords or to any real or imagined threat to the French position must be considered. Assurance that the police program is strictly a civil undertaking should lay the Geneva spectre to rest. The threat to French "presence" is more serious, but it is possible that French objections to a large-scale internal security services program would be pro forma, inasmuch as the Geneva Agreement prohibition against the introduction of foreign military personnel other than a specified number of French eliminates the possibility of American training of the Lao National Army.

#### *VI. Recommendations*

26. In recognition of the urgency of the situation confronting the Kingdom of Laos and the importance of this territory to the relative security of Southeast Asia as a whole, it is recommended that the following measures be implemented on a priority basis by services or agencies concerned:

27. That the agreed recommendations contained in the ICA police survey be implemented. In connection with this program any para-military training to be provided police services should be limited to that appropriate to armed police, constabulary, or gendarmérie and not be so extensive as to lead police-type forces into duplicating the role of the armed forces.

Responsible Agency: ICA

. . . . .

Timing: Immediately



Cost: \$4,000,000, of which \$2,000,000 is presently programmed and \$2,000,000, including hard goods, not presently programmed.

28. That the Army be reduced to the United States-recommend level, with a concomitant build-up of police services, and that military end-items be provided to police services as required.

Responsible Agencies: State, Defense, ICA

Timing: As soon as possible

Cost: As determined in regular programming process.

29. That the USIA program for Laos give appropriate emphasis to the development of public support for the internal security forces.

Responsible Agency: USIA

. . . . .

Timing: Continuing.

30. Recognizing that recovery of the two penetrated provinces through military action is unlikely: (1) Continue to exert moral and political pressure on the Communists through the ICC, the Indian Government, the signatories to the Geneva Agreements, and eventually the United Nations; (2) Encourage and support continued discreet reinforcement of Royal forces in the two provinces, with a view to holding these Government-occupied areas and possibly extending them.

Responsible Agency: State

. . . . .

Timing: Continuing.

31. While this study is designed to focus directly on increasing the effectiveness of internal security forces and to exclude related matters, it is believed that the following measures, under the present economic assistance program, may have a favorable effect on the internal security situation: (1) Relief to the needy, which is urgent; (2) Transportation and communications to assist in political control; (3) Village programs; (4) Agricultural aid.

Responsible Agency: ICA

Timing: As soon as possible.

32. Recognizing the potential of the tribal groups in northern Laos, influence the Lao government to establish friendlier relations with these elements. Concomitantly, influence the tribal elements to accept the authority of the Lao government. With the accomplish-

ment of the above, furnish covert armed support to selected tribal elements and to other carefully selected local civilians in the two disputed provinces.

Responsible Agency: State

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Timing: Continuing.

**330. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, December 27, 1955—6 p.m.*

806. Department pass Defense and CINCPAC. Saigon pass Admiral Radford and CHMAAG. In conversation with Admiral Radford<sup>2</sup> and myself today both Crown Prince and Defense Minister played down prospect of substantial offensive or counter offensive by Royal Forces in Sam Neua and Phong Saly.

Savang laid emphasis on efficacy of expanding guerilla and auto defense operations which he claims have already interdicted all but one Viet supply route into Phong Saly and which he believes will in near future render Viet position in Sam Neua equally uncomfortable and precarious. He spoke of utilizing against Viets same methods they employed against French and referred to support of RG by local population and mounting PL defections. He pointed out government would be in better position to take energetic action now that elections completed successfully,<sup>3</sup> and mentioned ANL offensive as possible alternative to auto defense. He expressed view however such offensive would provoke Viet intervention which would oblige RG to call upon SEATO for assistance, would risk broadening scope of conflict and would be very costly to Laos.

Souvanna was reticent about military plans but expressed hope that, in view RG election victory and Laos admission to UN, ICC would now take more forthright position in its support. If not, he said, Laos would be able to appeal directly to UN. Both Savang and Souvanna referred to reported information inside Red China of irreg-

<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-2755. Secret; Priority. Repeated priority to Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Radford was on an inspection tour of military installations in the Far East.

<sup>3</sup>Regarding the election, see Document 332.

ular Thai and PL military unit and expressed apprehension re ChiCom intentions.

Since Crown Prince and Souvanna have recently been most ardent high-level proponents of vigorous ANL military action after elections, this caution and emphasis on auto defense represents volte-face which harks back to last summer's policy. As recent military developments in two provinces have been favorable and encouraging, I surmise their shift rests on political grounds and arises at least in part from strong ICC and British pressure. Reversion to more aggressive line might occur if PL should step up attacks or if ICC should prove as irresolute and impotent after elections as it was before. However, fact must be squarely faced that government of country so vulnerably placed and intrinsically weak as Laos will be peculiarly susceptible to great power pressures. If British, French and ICC insist on necessity for great caution, and we feel it unwise to urge boldness, policy of caution is almost certain to prevail.

Embassy of course, strongly favors psychological war, auto defense and commando operations but we are far from being as optimistic as was Savang this morning that they alone will clear Lao-Viets out of two provinces.

Yost

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**331. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, December 30, 1955—4 p.m.*

814. Department pass Defense and CINCPAC, Saigon pass CHMAAG. In conversation yesterday Crown Prince explained more fully what he now has in mind concerning military operations in north (reference Embtel 806<sup>2</sup> repeated Bangkok 482, Saigon 225).

He believes that, after brief further preparation, Phongsaly will be ripe to fall into RG hands solely through auto-defense and commando operations. He claims takeover could already have been carried out by Colonel Ouan (Commander Luang Prabang Military District) but for timidity and non-cooperation Defense Minister and General Staff whom he accuses being under influence French advisers. On other hand, he considers political considerations (family connections) make inexpedient changes in General Staff at this time.

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/12-3055. Top Secret. Repeated to Bangkok, Saigon, and Paris.

<sup>2</sup>*Supra.*

He therefore proposes for present to bypass them. He considers prolonged delay would cause painfully built-up auto-defense apparatus to wither on vine, as well as affording Lao-Viets opportunity to chew it up piecemeal. He therefore proposes advise Katay within next few days to instruct Ouan directly to go ahead and to provide him with necessary funds outside regular ANL budget. Ouan estimates needs at 2 million kip per month for six months. He also desires additional 2000 rifles (about 2000 already distributed). . . .

As to Samneua, he contemplates proceeding in more or less same manner but recognizes (1) preparations will require more time and (2) more intervention of regular ANL troops may be needed. In both provinces Savang does not believe auto-defense operations, if handled quickly and well, can be suppressed by Viet reinforcements except on scale which would constitute overt invasion. He considers Viets would be unlikely undertake such invasion to put down popular uprising.

I shall talk this situation over with Katay shortly.

Obviously, it would be preferable handle these matters through Defense Minister and General Staff but sympathize with Savang's reluctance to allow French to exercise virtual veto, as they may be able to do through this channel. Souvanna will probably not remain in new government but, in view their connections with Sananikone and Voravong families respectively, General Sounthone and Colonel Phoumi are well entrenched. We are convinced, however, some way must be found to move this operation forward promptly and will submit recommendations in near future.

Yost

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### 332. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, December 31, 1955—7 p.m.*

822. While Lao elections turned out more or less as expected<sup>2</sup> and on the whole satisfactorily, there were shifts in relative strength

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-3155. Secret. Repeated to Bangkok, Paris, Saigon, and Phnom Penh.

<sup>2</sup>The results of the election were as follows: National Progressive Party (Katay) 19 seats (17 in previous Assembly); Independent Party (Phoui) 10 (11 in previous Assembly); Democrats (Voravongs) 4 (3 in previous Assembly); National Union (Bong Souvannavong) 2 (3 in previous Assembly); and nonaffiliated 4 (none in previous Assembly). More information and analysis of the election is in despatch 98 from Vientiane, January 19, 1956, not printed. (*Ibid.*, 751J.00/1-1956)

of major political elements which will cause friction and agitation until necessary adjustments have been made.

1. Position of Katay is considerably strengthened by:

- (a) Increase number Progressive Party seats;
- (b) Elimination all but two or three Souvanna supporters within party;
- (c) His personal victory in Pakse;
- (d) Relative weakening of Independents, second major party;
- (e) Enhanced power to attract non-affiliated deputies and minor parties.

2. Position of Phoui is considerably weakened by:

- (a) His failure to obtain first place in Vientiane;
- (b) Probable decline in number Independent Party seats and shakiness some of his supporters;
- (c) Probability Voravongs and Bong Souvannouvong will seize occasion opening new Assembly to revive campaign against Phoui for alleged responsibility Kou Voravong assassination.

3. While it was anticipated Bong would win one of four Vientiane seats, it was not expected he would lead the field. Though most observers consider him merely disgruntled and ambitious opportunist, who would behave if adequately rewarded, he has circulated violently anti-American propaganda along PL lines and Hanoi radios already hailing his victory as "heavy anti-American vote." He will have only one other doubtful member his party in Assembly but common hostility to Phoui may enable him form working alliance with Voravongs whose Democratic Party also slightly strengthened in elections.

Views differ how these developments will affect composition new government. Phoui is bitter and fears Katay may throw him overboard and form government with Voravongs and Bong. (He blames Bong victory on Army vote which he claims manipulated by Bong, working through some agents responsible for Chinaimo coup of June 1954, and by Colonel Phoumi of Voravong clan.) Crown Prince considers Katay will not wish subject his government to vicious Bong-Voravong attacks and hence will exclude Phoui but will be able to obtain necessary two-thirds majority solely from Progressive Party and several non-affiliated Deputies. On other hand Nhouy considers maintenance Katay-Phoui coalition would provide strongest most responsible government and will advise Katay in this sense. Katay, who just returned yesterday from Pakse and whom I saw this morning, is not committing himself. He did however indicate that (1) there are enough Progressive and "friendly" Deputies to provide two-thirds majority and (2) Phoui's present position is weakened.

*Comment:* As Department knows, we have never been enthusiastic about Katay and consider him shifty and lacking in principle. For

this reason it is unfortunate that restraining influence heretofore exercised by Phoui and Souvanna, and through them by Crown Prince, will be substantially weakened. On other hand it has been clear for past year that popular support of Souvanna and Phoui was evaporating rapidly, due to their long tenure of power and association with French, and that Katay is only leader presently able hold disparate elements together and provide effective government. We have backed him for this reason. He fully recognizes essentiality to Laos of American aid and, if handled discreetly, will follow generally pro-Western line as long as aid is forthcoming. His expanding business interests will incline him toward maintenance status quo. His attitude towards Viets and PL is firm, though he would probably make deal, as recommended by ICC, if he felt terms were favorable.

We should like to see Phoui retained in government but realize this might provoke bitter rehash Kou Voravong affair<sup>3</sup> which could fatally divide nationalist parties at critical time. Insofar as we can influence Katay we believe our objectives should be:

- (1) To encourage government as broadly based as possible (including important members Phoui's party if not Phoui himself); and
- (2) To reduce role of Bong to smallest possible proportions. Re latter, Katay has in past and again today assured me that Bong is not dangerous and that he, Katay, can control him. We do not intend to count on this.

Yost

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<sup>3</sup>Apparent reference to Kou Voravong assassination; see footnote 2, Document \*

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**333. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, January 6, 1956—5 p.m.*

848. Department pass Defense and CINCPAC. Saigon pass CHMAAG. Reference Embtel 814 repeated Bangkok 489, Saigon 226, Paris 106.<sup>2</sup> During call on Crown Prince with Ambassador Reinhardt at Luang Prabang yesterday, Savang again requested prompt aid for auto-defense and asked we discuss matter further with Ouan which I did. Prince said he had gone over plans briefly with Katay and latter approved in principle.

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/1-656. Top Secret. Repeated to Bangkok, Saigon, and Paris.

<sup>2</sup>Document 331.

Both Prince and Ouan spoke in highly optimistic terms of progress auto-defense in Phongsaly so far, claimed all PL supply routes from north Vietnam and China have been interdicted with one exception, and insisted, if necessary aid provided within one month, province can be completely cleaned out within four or five. . . . Ouan outlined his needs and I pointed out some can and should be met from stocks already in Vientiane.

*Comment:* While not as sanguine as Prince and Ouan, I consider these operations offer prospects substantial returns and should be supported, at once in Phongsaly and as soon as feasible in Sam Neua. However, support should be supplied to fullest extent possible through Defense Ministry, and supplemented directly to Ouan only where serious delay would otherwise occur. We have already discussed auto-defense with general staff and find them not so much opposed as preoccupied with other plans. I shall take matter up with Katay upon his return next week to ascertain whether he fully supports Crown Prince's plans and whether he can overcome Defense Ministry bottlenecks. . . .

Yost

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### 334. Editorial Note

The International Control Commission for Laos (ICC) adopted a resolution on January 7, drafted and sponsored by Indian Commissioner Sen with the help of Canadian Commissioner Bridle, by a vote of two (Canada and India) to none (Poland abstained). The ICC in the resolution reiterated the intention of the Geneva Agreement to preserve the unity of Laos and the sovereign right of the Royal Government to establish its administration in the two northern provinces. The ICC then recommended that the parties observe strictly its suggestions for effective cessation of hostilities, that without further delay the Royal Government's administration be established in the two northern provinces with concurrent measures to bring the Pathet Lao "without discrimination into the national community;" that within 28 days the Royal Government and the "fighting units of the Pathet Lao" enter into consultations to carry out these recommendations and reach a political settlement as envisioned in the Geneva Agreement; and finally that both parties indicate their acceptance of the resolution by January 18. Text of the resolution was transmitted in despatch 89 from Vientiane, January 5, and modified by telegram

852 from Vientiane, January 9, neither printed. (Department of State, Central Files, 751J.00/1-556 and 751J.00/1-956)

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335. **Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, January 9, 1956—11:42 a.m.*

674. Joint State-Defense message. Following is substance JCS views Thai-Lao military planning as modified by Defense (JCS concurred in CINCPAC's original request CINCPAC representation at combined talks, whereas Defense agrees with Department's view, now shared by CINCPAC, that for political reasons MAAG/Thailand and USARMA/Vientiane rather than CINCPAC should keep U.S. informed this stage through usual contacts):

Defense agrees desirability beginning bilateral Thai-Lao military staff planning soonest, subject following provisions: Planning should be 1) in consonance SEATO and U.S. objectives; 2) directed toward immediate threat but subject later integration into SEATO planning; 3) result in practical plan which U.S. can support logistically; 4) MAAG/Thailand and USARMA/Vientiane will keep CINCPAC informed of Thai-Lao progress in development combined plans and forward copies when available to CINCPAC for information; 5) plans must not include employment U.S. forces other than those which may be required by provision U.S. logistic support.

Determination here of level and source U.S. logistic support will await CINCPAC recommendations after review plans but should not delay initiation planning. End Summary.

Request Vientiane apprise USARMA of requirement keep CINCPAC informed. MAAG/Thailand already instructed by CINCPAC.

Classification JCS views precludes downgrading this message. Future communications this subject however should be classified "Secret—Limit Distribution".

**Dulles**

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/1-956. Top Secret. Drafted by Byrne, cleared by PSA and Defense (in substance), and approved by Robertson. Repeated to Bangkok, Paris, London, and CINCPAC.



**336. Memorandum From the Director of the Office of Intelligence Research (Evans) to the Secretary of State's Special Assistant for Intelligence (Armstrong)<sup>1</sup>**

*Washington, January 10, 1956.*

**SUBJECT**

Auto-defense Forces in Northern Laos

As the result of your inquiry of DRF this morning, Barbara Fagan<sup>2</sup> has explored the nature of the Laotian auto-defense forces with PSA and has come up with the following answer.

The term "auto-defense," originally called "popular uprisings," refers in Laos to the organization by Lao army agents and certain tribal leaders of selected civilians in Phong Saly and Sam Neua into small resistance groups to undertake small-scale actions against specific targets in Pathet Lao occupied areas. The resistance groups are furnished food, clothing, money and arms as necessary by the army. Originally such "popular uprisings" were conceived as a small-scale civilian undertaking which would not directly involve the Royal Army, although guerrilla contact with Army commandos was to be maintained. In practice some Lao Army regulars in civilian clothing play a direct role in organizing the auto-defense.

Crown Prince Savang has been, since the spring of 1955, the principal advocate of the development of this semi-guerrilla type force. At the present time, Savang is urging use of the auto-defense forces as an alternative to major offensive action by the Lao Army as a means of disrupting Pathet Lao supply and communication lines in the disputed provinces and of preventing Communist consolidation of political control over the local population.

Considerable hit-and-run activity was reported particularly in Phong Saly this past summer, but since then little has been reported concerning the current activities of "auto-defense" units until the recent report (Vientiane 806, December 27<sup>3</sup>) that guerrilla and auto-defense operations have interdicted all but one Pathet Lao supply route into Phong Saly.

. . . not all communications concerning "auto-defense" have been made available to DRF.

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<sup>1</sup>Source: Department of State, INR Files: Lot 58 D 776. Top Secret.

<sup>2</sup>Intelligence Research Officer, Department of State.

<sup>3</sup>Document 330.

337. Memorandum From the Acting Deputy Director for Intelligence of the Joint Staff (Totten) to the Chairman of the Joint Chiefs of Staff (Radford)<sup>1</sup>

*Washington, January 24, 1956.*

SUBJECT

Auto-Defense Campaign in Phong Saly Province, Laos

ENCLOSURE

Map of Laos<sup>2</sup>

1. Beginning approximately in June 1955, the Royal Lao Government organized the first "Auto-Defense" forces for guerrilla action in the Pathet Lao re-groupment areas (Phong Saly and Sam Neua Provinces). These forces were recruited from the local population, and cadred by specially trained officers and non-commissioned officers of the Laotian National Army. Recruiting was facilitated by civilian resentment of Pathet Lao travel restrictions, forced labor, and confiscation of foodstuffs. Phong Saly was selected as the area of operations because of the relatively low Pathet Lao troop strength in that Province (only 3-4 Pathet battalions have garrisoned Phong Saly, as opposed to 9-10 battalions in Sam Neua). Under Colonel Ouane Ratrikoun, a very competent Army officer, the Auto-Defense Forces in Phong Saly number approximately 3,000 troops, located mainly in the northern and central areas of the Province (see map). The Auto-Defense Forces have a primary mission of village defense, but they have conducted some raids against Pathet units, and have cut some supply routes successfully.

2. We consider the Auto-Defense Forces worthy of our support because of their potential value in harassing the Pathet Lao, as well as their future value to any Laotian effort to re-establish Royal authority in the disputed provinces by force. The benefits to U.S. interests of successful anti-Communist guerrilla action by Asians are obvious.

3. In reference to your question as to the meaning of the last sentence of State's 715 to Vientiane,<sup>3</sup> we interpret it as follows: Since any enforcement of a demarcation line is virtually impracticable because of the rugged terrain, lack of roads, and intermingling of Army

<sup>1</sup>Source: JCS Files, CJCS 091 Indochina. Secret. Radford wrote the following note on a covering sheet: "These are the operations on which we were briefed in Vientiane. Perhaps Col. Totten would like to know that they are also being carried out in Sam Neua province—on a larger scale than in Phong Saly according to my recollection. R"

<sup>2</sup>Not reproduced.

<sup>3</sup>The last sentence of this telegram reads: "View difficulties policing prospective demarcation line, we trust Lao Government would be able continue auto-defense operations throughout province." (Department of State, Central Files, 751J.00/1-1856)

and Pathet Lao positions, it would not be feasible for the ICC to hamper Auto-Defense operations, even if a demarcation line were to be agreed upon. We agree with this assessment of the situation.

Very respectfully,

**Robert Totten**  
*Colonel, USAF*

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**338. Minutes of a United States-United Kingdom Foreign Ministers Meeting, Department of State, Washington, January 31, 1956, 10:30 a.m.-12:30 p.m.<sup>1</sup>**

ETW MC-3

[Here follow a list of persons present (19), a table of contents, and discussion on Vietnam (see volume I, page 628), Malaya, and neutralism (see Document 80). In addition to Foreign Secretary Lloyd, British officials included Ambassador Roger Makins, Sir Hubert Graves, and Sir Harold Caccia. Accompanying Secretary Dulles were, among others, Hoover, Ambassador Winthrop W. Aldrich, Robertson, Bowie, and Young.]

*Laos*

Mr. Robertson summarized the US viewpoint on Laos. The ICC resolution of January 7 while not perfect had the virtue of carrying out the intent of the Geneva agreement regarding the sovereignty and integrity of Laos. This resolution and its intent should be strongly supported. The Pathet Lao has not yet accepted it although they have passed the deadline set down by the Commission. Instead the Pathet Lao seeks a permanent division of Laos and the Communists are trying to connect a settlement in Laos with that in Viet-Nam. The US strongly believes there is no such connection. The sovereignty of the Government of Laos was recognized at the Geneva Conference and that should be firmly supported. The Canadians have done a stalwart job with the Poles always in the opposition and the Indians in the middle trying to win over the Poles. If the situation dete-

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<sup>1</sup>Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. No drafting information is given on the source text. The minutes were cleared at the Assistant Secretary of State level and distributed on February 7 on a need-to-know basis.

Foreign Minister Lloyd accompanied Prime Minister Eden to Washington for talks with Eisenhower, Dulles, and other U.S. officials, January 30-February 1. Briefing materials for these discussions are *ibid.*, Conference Files: Lot 62 D 181, CF 647.

riorates and the problem of the two provinces is not solved, there could be trouble if the Royal Government should seek a military solution. The Communists have been putting on a propaganda offensive in South Viet-Nam to accuse the Vietnamese and the US of all sorts of infringements of the Geneva Accords. Actually the real and flagrant violation of the Geneva Accords has been by the Communists in Laos. All possible influence should be used with the Commission to take a firm position on the observance of the Geneva Agreement. It would be helpful if the UK could persuade India along these lines.

. . . . .

The Secretary commented that he assumed Mr. Lloyd's immediately preceding remarks did not imply that the UK would favor a conference after Vietnamese elections in March. The Secretary repeated his statement that the resumption of a conference would have dangerous possibilities and he doubted whether the US would attend.<sup>2</sup> Mr. Lloyd assured the Secretary that he meant to imply no such thing. His view was negative regarding a conference but positive for genuinely free elections.

[Here follows discussion on SEATO (see Document 80), on China, and on Chinese representation in the United Nations (see volume III, page 286).]

<sup>2</sup>Dulles made the statement earlier in the meeting; see vol. I, p. 628.

### 339. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, February 3, 1956—10 a.m.*

967. Department pass Defense and CINCPAC. Joint Embassy-USOM-USARMA message. Reference: CINCPAC DTG 270405Z January.<sup>2</sup> Defense Minister yesterday urged in strongest terms, first to USOM Director and PEO Chief and later to myself, that US decision re ANL force level and 1956 calendar year budget be communicated to him. He said it is impossible to make any plans or proceed with necessary reorganization until these basic facts are known. I assured

<sup>1</sup>Source: Department of State, Central Files, 751J.5/2-356. Top Secret; Priority.

<sup>2</sup>Not found.

him that matter is being given our urgent attention but he was clearly deeply dissatisfied.

We believe time has definitely arrived when we should make up our mind on force level and communicate our decision to RG. This has most important bearing both on steadfastness of Royal Government and on effectiveness of ANL. As far as we are aware, no objection has been raised to 25,000 figure and we hope CINCPAC recommendation (see reference telegram) will be promptly approved.

Re Icato 490,<sup>3</sup> we feel strongly that it is neither wise nor practicable to withhold from RG tentative total US aid figure. Result would be to create so much uncertainty, not to mention ill-will, as to hamstring both ANL activities and reforms which we consider of highest importance. We believe therefore that we should at this time communicate to RG tentative total, with two reservations. First would be that stated amount would be available if further examination of budget and of more economical procedures makes it clear this amount will be required to support approved force level. Second would be that, if serious emergency unprovided for in budget should arise, we would give sympathetic and urgent consideration to request for supplementary aid. As to tentative total to be communicated, we suggest \$37.5 million, approximately equal to anticipated total expenditures under CY 1955 budget. Just as we feel it would have seriously deleterious effect on Lao morale to insist they reduce forces below present level at this time, so consider it would be equally harmful, while they continue to be engaged in active military operations against Communist Forces, to inform them of reduction in their military aid, unless and until we can demonstrate present amount is not required to maintain approved force level.

Study of ANL budget by very limited PEO staff presently in Vientiane is proceeding as rapidly as possible and further preliminary comments will be submitted within day or two. It will be weeks or months, however, before we know definitely whether savings can be effected over 1955 expenditures, and if so how much. For both military aid, political reasons we believe therefore we should without further delay, inform Lao Government along lines proposed preceding paragraph.

We also consider we should continue to keep in mind that, if hostilities in north should increase in scope and intensity, considerably larger aid to ANL budget might be required.

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<sup>3</sup>In Icato 490, January 6, ICA informed the USOM in Vientiane that the Director had approved a 1956 Defense Support program for Laos of \$30 million, but suggested that the figure not be revealed to the Government of Laos. (Washington National Records Center, ICA Message Files: FRC 57 A 248, Box 112, Vientiane)

I very strongly endorse this country team message and hope interested Washington agencies may be able communicate to us in nearest future decisions along lines our recommendations.

Yost

### 340. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, February 3, 1956—6 p.m.*

971. Department pass Defense and CINCPAC. Following is gist of conversation this morning with Crown Prince:

Savang expressed view that, in light PL reply to ICC January 7 Resolution,<sup>2</sup> political settlement of problem two northern provinces is indefinitely adjourned. Resolutions and correspondence will doubtless be exchanged for months but Chinese Communists have obviously decided not to restore provinces. Only hope of recovering them within foreseeable future is, therefore, by force.

I inquired whether by force he meant overt military offensive. He replied categorically in negative, stating such offensive would jeopardize Laos international standing and provoke Viet intervention. He referred exclusively to intensified auto-defense operation. At this point he made earnest and prolonged plea for prompt US aid for this operation, stating that:

- (1) Operation has been proceeding well so far,
- (2) ANL leaders in northern districts are creating effective organization,
- (3) Organization will wither away unless aid and guidance provided promptly and steadily,
- (4) What are required are firm political and military direction and additional equipment,
- (5) Former will be provided when new government is set up end this month and projected changes in general staff are carried out,
- (6) Equipment of character outlined to us by Colonel Ouan is immediately required. I told Prince his request is being sympathetically and urgently studied in Washington and I hoped to have reply very shortly.

In response to my query re his view of Chinese Communist intentions, he said he had heard rumors they would offer to restore northern provinces if RG would exclude US influence from Laos. He

<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-356. Top Secret. Repeated to London, Paris, Ottawa, New Delhi, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>See Document 334.

said he had nothing concrete on this point and that if such offer were made it would, of course, be rejected.

I asked how he felt about Chinese Communist proposal to hold new Geneva conference.<sup>3</sup> He replied Lao experience with first conference had been extremely unpleasant and he would not welcome another. If it took place presumably either PL would participate on equal basis with RG or Viets would represent PLs if either of these alternatives would be totally unacceptable to RG. RG position is Lao problem can be resolved simply by prompt and faithful execution of ICC January 7 Resolution. I said I was sure my government would not favor another Geneva conference at this time. Savang replied he was delighted to hear it.

Yost

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<sup>3</sup>See vol. 1, p. 628, footnote 2.

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**341. Memorandum From the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, February 4, 1956.*

**SUBJECT**

Vientiane 967, February 3,<sup>2</sup> re Lao Force Basis

In the telegram under reference Ambassador Yost and the Country Team make the completely justified and urgent request that Washington take the necessary decisions as soon as possible in order that the Lao Government may be informed of the National Army force level which the U.S. is prepared to support and the military aid it is prepared to grant during Calendar Year 1956.

The question of the force basis has been knocking around the Pentagon since mid-December. It involves increasing the JCS-approved level of 23,650 (you will remember the difficulties we had extracting this figure a year ago) to 25,000, a matter of 1,350 bodies. Strongly held opinion in Defense has broken down generally into the following categories: 1) Outright opposition, particularly owing to the estimate that the extra troops would cost the U.S. Government

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/2-356. Secret. Drafted by Byrne and cleared by Hoey.

<sup>2</sup>Document 339.

an additional \$2 million and were not militarily justified; 2) the desire to go along with the Ambassador on *political* grounds subject to the concurrence of the Department of State; and 3) the view that there was insufficient information available on which to base any decision at all. We learned early this week that, whereas previously it had been thought unnecessary to send a problem involving only 1,350 men to the JCS, the question was now being considered by that group at the insistence of Mr. Gray's office. On the basis of this information we sent a brief holding message to Ambassador Yost on the 31st.<sup>3</sup>

Late last night we were told that the JCS were unable to come to a decision yesterday and were to give the Lao force basis question top-priority consideration next Wednesday, February 8.

So much hassling over 1,350 bodies appears quite out of keeping when the area concerned is the scene of Communist armed action and where it is U.S. policy to prevent a fall to Communist domination. On the other hand, we are inclined to agree with the statement that available information is insufficient for a *military* decision. Agreeing that the 23,650 level should not be raised are a CINCPAC survey team and MAAG/Viet-Nam; CINCPAC himself recommends that the level be increased to 25,000. The Department is somewhat hampered in its justification of the 25,000 level by the fact that Defense can point to Embassy Vientiane's concurrence in the 23,650 figure on December 1 (with the reservation that the reduction be accomplished only when politically wise) and in the 25,000 level on December 19. The PEO . . . has not been in Vientiane long enough to do a thorough study.

It should also be noted that, although the approved force basis has since February 1955 been 23,650, the Lao Government has never been pressed into reducing sooner than it deemed advisable and in fact the U.S. has been supporting the forces in being (ranging from about 29,000 about a year ago to some 26,000-27,000 at the present time). There has therefore been no hardship on the Lao Government. Unless we are able to obtain approval of the 25,000 figure recommended by Ambassador Yost (and only a political justification seems feasible), Vientiane's raising the issue of a U.S.-approved force basis may result in more harm than good.

With respect to the aid figure, the only reason ICA suggested the field not inform the Lao Government of the \$30 million DS approval was that the amount was considerably lower than that desired by the Lao Government and knowledge thereof might damage its morale. Since the field wishes to communicate a total, interagency

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<sup>3</sup>Telegram 762 to Vientiane, January 31, not printed. (Department of State, Central Files, 751J.5/1-456)



agreement should be relatively easy to obtain. I should expect, however, that Washington's figure will be somewhat lower than the \$37.5 million recommended by Vientiane, since the total proposed thus far for Calendar 1956 is \$33.65 million (\$30 million DS already approved and \$3.65 million DFS in process).

*Recommendations*

1. That you telephone Admiral Radford before Wednesday, February 8, to set forth the Department's view that for political reasons the force level supported by Ambassador Yost is justified for Calendar Year 1956. Suggested points you might wish to make are as follows:

a. Laos is presently coping with the Communist Pathet Lao threat and fighting is likely to increase;

b. It is U.S. national policy to assist Laos to defend its independence against Communist encroachment;

c. A force level of 25,000 can be sold to the Lao Government and will enable us to insist on a reduction to that level and to use more effectively and economically U.S. military assistance funds. If the 25,000 figure is agreed upon, the Lao Government will be told it is valid for Calendar 1956 only and subject to review in the light of the political and military situation prevailing at the end of the year.

d. With respect to the Defense-estimated additional cost of \$2 million for the 1,350 men, we do not see how reducing from the present 26,000-27,000 level to 25,000 will cost us more money.

2. That you indicate to Admiral Radford the Department's concurrence in CINCPAC's recommendation that a 700-man Lao Air Force be developed within the 25,000 force basis.

3. That the field be informed of the approved force level immediately the JCS recommendation is known, whether or not it is favorable at this time, and that they also be given an aid figure for transmittal to the Lao Government. Meanwhile working-level representatives of the Department, Defense, and ICA will continue to attempt to reach an agreed position on the latter score.

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**342. Memorandum From the Joint Chiefs of Staff to the Secretary of Defense (Wilson)<sup>1</sup>**

*Washington, February 7, 1956.*

**SUBJECT**

Laos Force Basis, Calendar Year 1956

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<sup>1</sup>Source: JCS Records, CCS 092 Asia (6-25-48) (2). Top Secret.

1. This is in response to the memorandum by the Assistant Secretary of Defense (ISA), dated 18 January 1956, subject as above.<sup>2</sup>

2. In a memorandum dated 21 January 1955, subject: "Laotian Force Levels",<sup>3</sup> the Joint Chiefs of Staff informed you that, from a military point of view, they could not recommend MDAP support for Laos. Further, they recommended that any U.S. aid to Laos should be contingent upon the following:

a. Effectiveness of the Laotian armed forces in absorbing and assimilating the U.S. support provided.

b. Effectiveness and rate of progress of the French military mission in training Laotian personnel, both officers and enlisted, to man properly the forces to be supported.

c. Developments in the military and political situation in Vietnam.

3. The Joint Chiefs of Staff consider that their views as contained in the referenced memorandum are still valid. However, they consider, in view of the recommendation of the Country Team-Laos and of CINCPAC, that from a psychological, political, and morale aspect, the modest increase in the Laos Force basis from a figure of 23,650 to a figure of 25,000 is justified. The Joint Chiefs of Staff therefore recommend that this increase be allowed in the Lao national forces.

For the Joint Chiefs of Staff:

**Arthur Radford**<sup>4</sup>

*Chairman*

*Joint Chiefs of Staff*

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<sup>2</sup>Not printed.

<sup>3</sup>Document 264.

<sup>4</sup>Printed from a copy that bears this typed signature.

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### 343. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, February 9, 1956—6:45 p.m.*

811. Joint State-Defense-ICA message. Vientiane 967 passed CINCPAC.<sup>2</sup> You may inform Lao Government US prepared support

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/2-356. Secret; Priority. Drafted by Byrne and cleared by PSA, FE, Defense, and ICA. Repeated to Saigon to pass to MAAG and CINCPAC.

<sup>2</sup>Document 339.

force level 25,000 for Calendar Year 1956 in accordance CINCPAC plan. This would include development 721-man air force over three-year period. JCS concurrence modest 1,350-man increase given for psychological, political, morale aspects problem. Figure obtains this calendar year only and subject review in light political military situation prevailing later date. PEO meanwhile requested undertake thorough study force basis question. Lao Government should be urged reduce to 25,000 level rapidly as possible, with target date March 15.

With respect aid figure, Icato 490<sup>3</sup> suggested \$30 million not be revealed Lao Government only because amount considerably lower than that desired by Lao and knowledge thereof might damage morale. We recognize political and planning advantages communication definite calendar 1956 aid figure to Lao Government. We nevertheless reluctant authorize disclosure figure substantially greater than \$33.65 million already approved, particularly in absence detailed justification additional amount and in view Lao accumulation large sums unused dollar reserves.

Owing urgency matter reported by Country Team however Washington agencies agree your telling Lao Government US military support calendar 1956 will be \$37.5 million including \$2.5 million unexpended funds obligated CY 1955 and now in pipeline. You should add two reservations you recommend refel.<sup>4</sup>

FYI: Actual breakdown \$37.5 million as follows: \$30 million DS and \$3.65 million DFS already approved; \$2.5 million unexpended in calendar 1955 (in pipeline); \$.5 million carry-over 1955 Cambodian program; \$.85 million additional CY 1956 funds. We anticipate actual expenditures, barring greatly increased hostilities, will be below this figure owing reduction forces in being to 25,000 and more precise cost planning made possible upon arrival PEO controllers.

**Dulles**

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<sup>3</sup>See footnote 3, Document 339.

<sup>4</sup>Done on February 14, according to telegram 1021 from Vientiane, February 14. (Department of State, Central Files, 751J.5/2-1456)

344. Memorandum From the Secretary of Defense's Assistant (Special Operations) (Erskine) to the Director of Central Intelligence (Dulles)<sup>1</sup>

Washington, February 13, 1956.

SUBJECT

Support of Laos Resistance Forces

1. As you are aware, the Commander in Chief, Pacific, has recommended that higher priority and more support be accorded Central Intelligence Agency operations in Laos. The Joint Chiefs of Staff have studied CINCPAC's views and have recommended to the Secretary of Defense<sup>2</sup> that increased emphasis on CIA operations can provide a useful and timely mechanism for increasing U.S. efforts to bolster Lao resistance to Communism.

2. This recommendation is based on an estimate of low combat effectiveness of the Laos National Army, increasingly tenuous French support, disinclination of the United States to become openly and directly involved and the expressed confidence of Lao and other officials in the so-called "auto-defense" system.

3. As you know, representatives of this office have recently returned from the area where they discussed with CINCPAC and with military personnel on the ground the implications of increased CIA support to its operations in Laos. The following JCS comments represent as well the opinions of these observers:

"CINCPAC considers that Laos National Army conventional offensive military operations are inadvisable at the present time. In his opinion, the Pathet Lao threat could be neutralized if not defeated by timely, aggressive, coordinated and adequately supported resistance force operations. These operations should be designed to harass enemy lines of communication and arouse hill tribes and villages against Pathet Lao in occupied area.

"CINCPAC has further stated that Central Intelligence Agency progress in supporting the resistance forces is good; however, the urgency of present situation necessitates that higher priority and more support be accorded Lao CIA operations.

"CINCPAC comments that the most obvious shortcoming of the CIA operations appears to be lack of on-the-ground supervision at district and village level and the absence of organic air transportation. CINCPAC considers that this support action represents CINCPAC's priority requirement for Central Intelligence Agency support."<sup>3</sup>

<sup>1</sup>Source: Washington National Records Center, OASD/ISA Files: FRC 60 B 1339, 320.2 Laos. Top Secret.

<sup>2</sup>Memorandum from JCS to Wilson, January 26, not printed. (*Ibid.*)

<sup>3</sup>Quoted material is from the memorandum cited in footnote 2 above.

4. While it is agreed that these views on the efficacy of guerrilla and auto-defense operations in the province of Sam Neua and Phong Saly may be somewhat optimistic, it is considered that if these expanded measures can achieve some expanded degree of success, they should be fully supported. It is the view of the Department of Defense observers who recently visited Laos that the auto-defense technique will not permit a final disposition of the Pathet Lao in Phong Saly and Sam Neua, but will perhaps generate a situation in which the regular armed forces of Laos will ultimately be enabled to eliminate these groups. CINCPAC has, in subsequent discussions, informally supported this view.

5. We would be pleased to receive your views on this matter, and if you agree that it is feasible to expand your operations, to be informed in detail of the Defense support you require.<sup>4</sup>

**G.B. Erskine**  
*General, USMC (Ret)*

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<sup>4</sup>No CIA reply has been found, but see Document 351.

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**345. Memorandum From the Director of the Office of Philippine and Southeast Asian Affairs (Young) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald)<sup>1</sup>**

*Washington, February 20, 1956.*

**SUBJECT**

Current Situation in Laos

*ICC*

*Political Resolution*—On January 7 the ICC adopted (Canadian and Indian voting for, Pole abstaining) a resolution recommending that the Royal Lao Government and the Pathet Lao resume negotiations with a view to restoring the Government's administration in the two northern provinces without delay. Though not perfect, this resolution is favorable to the Lao Government and greatly improves its moral position. The Government accepted the recommendation on January 17, but the Pathet Lao, ignoring the ICC deadline of January 18, only acknowledged receipt of the document on January 25 and neither ac-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-2056. Secret. Drafted by Byrne.

cepted nor rejected it. Regarding the Pathet Lao reply as in effect a rejection, the ICC on February 15 sent a special report to the co-Chairmen of the 1954 Geneva Conference transmitting the resolution and correspondence relating thereto. On February 11 the Lao Government publicized the resolution and its reply, and USIA is giving the Lao propaganda effort full support.

*Cease-Fire Resolution*—To implement the ICC December 9 cease-fire resolution, already accepted by both the Lao Government and the Pathet Lao, the Indian Chairman has introduced in the Commission a further resolution calling for a demarcation line separating the opposing forces in Sam Neua. It would be a "purely military" line effective only "pending a political settlement", to be supervised by joint commissions, and subject to review generally at monthly intervals. This smacks distressingly of partition in the manner of Viet-Nam.

We have presented to the Canadians our strong opposition in principle to such a line as being inimical to the Lao Government's interests and directly in conflict with the Geneva Accords, which recognized the unity of Laos. Since it seems certain that a demarcation line will be adopted, however (the Indians regard preservation of a cease-fire as their main task in Laos), we have developed the following position: 1) The Canadian Commissioner should endeavor to insert language in the Indian draft making implementation of the cease-fire resolution specifically contingent upon Pathet Lao performance on the political resolution; 2) if the Canadians fail and a demarcation line is nevertheless adopted, the Lao Government, if it decides to accept it, should do so with strong and clear reservations fully safeguarding its future position. It seems less undesirable for the Lao Government to accept with reservations than to reject outright since in the latter event the Indians would simply state the Government and the Pathet Lao were equally at fault. External Affairs in Ottawa has already instructed the Canadian Commissioner to attempt to amend the resolution as we have suggested.

#### *Auto-Defense*

The Lao Government's program of arming civilians in the two Pathet Lao provinces and organizing small-scale commando action behind Pathet Lao lines is proceeding steadily and will shortly be stepped up. It is reliably estimated that the temporary demarcation line which may be drawn in Sam Neua Province will not hamper these operations.

#### *Formation of Lao Government*

The National Assembly resulting from the December 25 elections convened on February 12, and the new government is expected to be presented to the Assembly on February 20. It is certain that

Prime Minister Katay will succeed himself, and appears probable that the Cabinet will be a broad coalition containing both old faces and new. Inclusion of elements outside Katay's own party would bring in some of the strongest pro-Western and anti-Communist leaders.

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#### 346. Editorial Note

On March 13 Ambassador Yost sent Secretary Dulles at Bangkok the suggested text of a personal message to Crown Prince Savang Vatthana for his consideration; see Document 97. In telegram 343 from Saigon (where the Secretary was March 14-15), March 14, Dulles authorized Yost to deliver the message to Savang as a personal communication from Dulles. The Secretary made one deletion in the suggested text which is explained in footnote 4, Document 97. The message was delivered on March 15.

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#### 347. Editorial Note

In the aftermath of the National Assembly elections of December 25, 1955, Prime Minister Katay attempted to form a new government primarily from his own supporters, but it soon became apparent that he could not muster the two-thirds majority of National Assembly representatives required by the Lao constitution to take control. Katay then sought support from Souvanna Phouma and Phoui Sananikone and their followers. Even with the backing of this enlarged group, Katay failed to obtain the two-thirds majority. On February 23, 1956, Crown Prince Savang turned to Souvanna Phouma who, without the support of Katay and his followers, was equally unsuccessful. Katay and Souvanna then joined forces in a coalition, which was in turn opposed by another coalition, the newly formed "Lao Union for Public Welfare." The "Lao Union", led by Phoui Sananikone, Bong Souvannavong, and dissident Progressive Party member Quinin Pholsena, controlled 15 or more deputies and was thus able to block formation of a new government. After unsuccessfully offering members of the "Lao Union" cabinet posts and other concessions to win their support, Katay abandoned his efforts on March 14. Savang again turned to Souvanna. By sharing power with Katay and his followers and winning support from Independent,

Democratic, and nonaffiliated deputies, Souvanna was finally able to secure the necessary two-thirds of the National Assembly on March 21. The important members of this new government were as follows: Souvanna, Prime Minister, Minister of Foreign Affairs, Minister of Defense, and Minister of Information; Katay, Deputy Prime Minister and Minister of State; Nhouy Abhay, Minister of Interior and Social Welfare; and Leaum Insiengmay, Minister of Finance, Economy, and The Plan. Reports from the Embassy in Vientiane on the political crisis are in Department of State, Central File 751J.00. Analysis and an extensive narrative of the political crisis are in despatch 133 from Vientiane, March 30, not printed. (*Ibid.*, 751J.00/3-3056)

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348. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, March 31, 1956—3 p.m.*

1262. In discussing PL question yesterday, Souvanna revealed one of those astonishing vagaries which add so much piquancy to dealings with Southeast Asian statesmen. He said he had concluded best way to settle PL problem simply and quickly is to recall his brother Prince Petsarath. He said Petsarath enjoys confidence vast majority of PL and, if he returns to Laos and appeals to them, movement will simply dissolve. If Viets hereafter remain in naked occupation two northern provinces, they can be dealt with decisively by either diplomatic or military means. Having lit upon this happy solution PL problem, Souvanna has despatched Zieng Mao to Bangkok to discuss with Petsarath his early return. Only difficulty, Souvanna remarked, is that Crown is still unwilling to restore Petsarath's title, until after he returns, whereas Prince insists they be restored before he returns.

While somewhat handicapped by fact person under discussion was described by Souvanna as his "beloved brother", I raised following questions. Are PL leaders free agents who could respond to Petsarath appeal or have they not through passage of years become so committed to Communism that they are in fact only instruments of Viets and ChiComs? Souvanna replied that few hundred, including possibly Souphanouvong, might be too deeply committed to escape, but that vast majority, including some leaders, would respond to Pet-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/3-3156. Secret. Repeated to Bangkok, Paris, Saigon, and Phnom Penh.



sarath appeal. He emphasized traditional hostility between Laos and Annamites. Second, I asked whether Petsarath, in order assure success his mission, might not offer PL dangerous concessions. Souvanna replied Petsarath strong Nationalist and would not do so. Finally I inquired whether Petsarath, who is man of very strong character, would not after his return insist on playing major role in affairs of Kingdom and hence endanger precariously balanced political stability. Souvanna replied his brother would be quite content to live in retirement.

*Comment:* This conversation demonstrates that Souvanna remains dangerously naive not only about his own family, but about PL in general. If his naivete were compounded by Petsarath's ambition, situation might become extremely ticklish. Crown Prince has gone to Luang Prabang but, when I visit there for Lao New Year mid-April, I shall discuss this matter with him fully. I hope I have sown some doubts in Souvanna's mind and believe Savang will reenforce them emphatically.

Katay has also left Vientiane and is about to take holiday at Thai beach resort. It is not unlikely he will also see Petsarath. However, he has far more keen grasp of realities than Souvanna. While he has for some time contemplated eventually bringing back Petsarath, part of broad program of amnesty and reconciliation among Laos (and also presumably in order set up counterweight to Crown Prince), he has never given slightest indication of intention to use Petsarath in settlement with PL.

I shall also discuss this matter with Katay at earliest opportunity. I continue to believe that return of Petsarath at this time and under circumstances envisaged by Souvanna would be likely to aggravate, rather than relieve potentially serious political stresses existing within Laos.

Yost

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349. Memorandum for the Record by the Special Assistant to the Joint Chiefs of Staff for Mutual Defense Assistance Affairs (Cannon)<sup>1</sup>

*Washington, April 4, 1956.*

SUBJECT

Weapons for Auto-Defense Operations, Laos

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<sup>1</sup>Source: JCS Files, CJCS 091 Indochina. Top Secret.

1. The following information was furnished Admiral Radford this date, and a suggested draft of a radio to Ambassador Yost was prepared and also furnished the Admiral:

a. Representatives of CNO and CIA have stated that auto-defense forces in Laos have all the equipment they need for operations; that this equipment was borrowed from the Laos Army to be replaced by equipment to be furnished by the U.S.

b. They further stated that neither auto-defense nor Laos Army efforts and operations should have been adversely affected because of lack of equipment.

c. The CIA representative stated that in his opinion Ambassador Yost's views reflected in the radios was an effort to bring in U.S. equipment to replace Laos army stocks and to assure the Crown Prince of U.S. intentions to furnish this equipment.

2. A memo to the Secretary of Defense from CIA, dated 3 March 1956,<sup>2</sup> which was shown to me, stated:

"Top officials of the Laos government have been informed regarding intentions of the U.S. government to support Laos resistance operations".

I was informed that as far as is known this was the only promise made to the Laos government.

The memo further stated:

"It is contemplated that the weapons will be given directly to the Laos Army with the understanding that the Laos National Army would release corresponding numbers of older, heterogeneous, weapons to resistance elements. This would have the added attraction of commencing standardization of weapons within the regular forces of the Laos National Army."

**Robert M. Cannon**  
*Major General, USA*

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<sup>2</sup>Not found.

350. Despatch From the Embassy in Laos to the Department of State<sup>1</sup>

No. 140

Vientiane, April 6, 1956.

## SUBJECT

Prospects for Laos

The purpose of this report is to assess, in tentative and summary form, the viability and expectations of Laos as an independent nation over the next five years. To do so realistically it is necessary first to have clearly in mind certain basic factors.

[Here follows section I, "Basic Factors," which included subsections entitled "Demographic and Economic Resources," "Popular Attitudes," and "Security Problems."]

## II. Prospects

On the basis of the political, economic and security factors outlined above, one may venture very briefly to forecast probable lines of development in each of these fields over the next five years. Changes will in fact be revolutionary in their implications but, barring a Communist invasion and seizure of power, the backwardness and isolation of Laos may prevent these changes from having a revolutionary political impact within as short a time as five years.

*Political*

The elite will be multiplied several times, chiefly through recruitment of youth, the older generation responsible for the transition from colonialism to independence will have been largely superseded, and government will be dominated by men in their forties and thirties. It goes without saying that this elite will be strongly nationalistic and resentful of foreign interference, and that they will have taken over much more completely than at present the conduct both of government and business. On the other hand, they should not be xenophobic, unless foreign nations attempt to dominate them or are careless of their susceptibilities. Their orientation, like their education and their trade, will be toward the Free World, but with more emphasis on their Asian neighbors. If Communist pressure has relaxed or assumed more subtle forms, as seems probable, their attitude toward China and North Vietnam will be more friendly but, unless

<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-656. Secret. Drafted by Yost. Young suggested to Sebald that he read this "outstanding despatch", according to a memorandum from Young to Sebald, May 7. The following marginal note by Sebald was written on Young's memorandum: "This is an excellent despatch and could be used as a 'bible' for conducting our affairs in Laos. WS" (*Ibid.*)

the West treats them very crudely, they will sedulously endeavor to avoid any serious dependence on these too-powerful neighbors.

It is possible that a minority party inspired and financed by the Communists might so successfully infiltrate strategic positions in the administration as to take over the Government, but it is more probable that the attempt to do so would, if the majority of the elite felt themselves backed by the United States and their free Asian neighbors, produce a strong and successful reaction.

It seems improbable in any case that the Lao elite will avoid the coalescence of political forces into a single dominant party, which has characterized most countries in similar circumstances. There is every likelihood that, in order to reduce the political instability so signally exemplified in the political crises of October–November 1954 and February–March 1956, there will be a constitutional reform facilitating the designation of a Government and operating to encourage continuity once the Government is installed. These very reforms, while necessary, may contribute to the monopolistic position of the dominant party. With so backward an electorate and so small an elite, political manipulation is temptingly easy and, once it has been successfully practiced, tends to accumulate behind the triumphant manipulators most of the ambitious elements in the elite. Some of the younger element may resist but it is likely most of them will participate.

It is possible that the Monarchy may be able to play one clique off against the other to the point of preserving an effective and healthy opposition. It seems doubtful, however, that either the Monarchy or the minority cliques are sufficiently strong to compete successfully over the long run. Indeed, a rash indulgence in this technique might merely play into the hands of those leaders of the dominant clique who hope eventually to do away with the Monarchy altogether. As in other countries with an immature electorate, the Army, and to a lesser degree the police, may come to play a substantial, even possibly a predominant, role in these political maneuvers. A struggle among politicians for control of the Army has already begun and the Army may eventually be called upon either to confirm or to block the domination of the major political clique or, alternatively, either to defend or to overthrow the Monarchy.

#### *Economic*

As suggested in the first section, the very best that could be hoped for in the way of economic viability would be complete self-sufficiency in foodstuffs, and exports adequate to cover the most essential imports on current account. As to internal revenues, they might suffice for normal civil expenditures, but little or nothing for

the army and for investment only a fraction of what would be urgently required.

It would appear, therefore, that even after five years foreign aid would still be needed for whatever army was required, for most investment designed to improve the standard of living and to increase the self-sufficiency of the country, and for imports above a low minimum.

### *Security*

It is impossible to predict what the security situation will be in five years, but there are certain reasonable probabilities. If the regimes of China and North Vietnam remain unchanged, a serious threat, both of invasion and subversion, will continue to exist, whether or not it is being actively exerted at the moment. It can be assumed that, even if the world balance of power rules out an open invasion, the Communists will continue intense and covert efforts to organize and take over from within. Therefore, even if the internal situation is apparently calm and secure, need for a substantial army and police would continue to exist.

On the other hand, two probable developments might well have justified a substantial reduction in the size of the army. First, the problem of the two northern provinces will have been in some degree settled either by reconquest, recovery through negotiation, or de facto separation. Second, the security of Laos from external attack may be more firmly guaranteed, either by a reenforcement of SEATO or conceivably by some East-West arrangements.

### *Foreign Relations*

The essential problem in foreign relations for a small nation so vulnerably situated as Laos is whether to align itself with one or the other of the two great power blocs or to endeavor to remain unaligned and neutral. The latter alternative is for the moment ruled out for Laos since the immediate pressure of the Communist bloc, exerted through its Pathet Lao puppets, leaves Laos no choice save either to succumb or to seek security from the other side. Laos is now as firmly aligned with the Free World as the Geneva Accord permits it to be.

However, the continuance of that alignment depends to a considerable degree on the continuance of two conditions: (1) sufficient military and economic aid and effective military guarantees from the Free World, particularly the United States; (2) persistence of a Communist threat of the present military character. The first condition will presumably be adequately met, though it is probable our guarantees will have to be made more explicit and substantial. If this condition is not met, the Lao leaders may well feel they have to

come to terms with the Communists. The second condition, however, may be altered. Peking and Hanoi may well decide that their present strategy merely throws Laos into the arms of the West. They could easily abandon the Pathet Lao, assume a posture of Panch Shila<sup>2</sup> and peaceful coexistence, and limit their immediate pressure on Laos to a more subtle form of political and economic penetration. Such a shift would of course be welcomed by most Laotians and would contribute to the latent neutralism which is congenial to the Lao character and consonant with its power position. Alignment with a bloc of the non-aligned would doubtless appeal to many Laotians. It is probable that Laos will veer in the direction of neutralism, but also probable that it will not in the near future veer too far, first because Communist ambitions cannot be completely concealed and second because Laos' dire and extreme need for foreign aid cannot be satisfied by the non-aligned nations alone. However, it would be a mistake to expect Laos, once the problem of the two northern provinces is settled one way or the other, to stand in the forefront of an anti-Communist military alliance. Therefore Laos is unlikely to join SEATO unless Communist pressure of the current military character persists.

To speak briefly of Lao relations with particular foreign countries, French influence will continue to decline as Laotians are themselves able to assume more responsibilities and French military and economic aid dwindles. Participation in the French Union will probably come to an end. However, a cultural and sentimental attachment to France will remain.

Since Laos will continue to a great degree dependent on United States aid and support, relations with the United States should become even more close and friendly, if the United States behaves with tact and prudence. Should the Americans give the impression they are stepping into French shoes and trying to run the country, or should they attempt to commit Laos too openly to a military posture which the Lao Government would consider rash and provocative, relations would be seriously and perhaps fatally damaged.

Relations with Thailand are almost certain to become closer in every field, unless the Thais should give too crude expression to their ambition to dominate Laos. India can exercise a substantial influence if it chooses to extend political support and economic aid; if it limits its contribution to sanctimonious advice, its interference will be resented. There is almost certain, however, to be a Laotian effort to associate itself more closely with all the free countries of South and

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<sup>2</sup>Apparent reference to the Pantja Sila, or Five Principles, which were first set forth by President Sukarno of Indonesia in a speech of June 1, 1945, as nationalism, representative government, internationalism or humanitarianism, social justice, and belief in God. See *The Birth of Pantjasila: An Outline of the Five Principles of the Indonesian State* (Jakarta: Department of Information, 1960).

Southeast Asia, as a military counterweight to its Communist neighbors and as a political and economic counterweight to an excessive dependence on the West. Nevertheless, if the Communists play their cards cleverly, relations with China and North Vietnam will also be "normalized," economic and political contacts will be established, and an effort will be made by Laos, within certain limits, to appease and live with the tiger.

Ultimately it will probably become clear, though perhaps not within five years, that Laos cannot exist indefinitely as a wholly independent nation. She is at the same time too hopelessly weak economically and militarily, and too vulnerably close to very powerful and ambitious neighbors. To exist by virtue of subsidies five times her national revenues and by virtue of military pacts created and maintained by Western Powers is a necessary but temporary expedient, not a viable foundation for permanent national survival. The best long-term solution for Laos would be to become a part of a Southeast Asian federation, which would as a whole be economically viable, which would accord its constituents both substantial political autonomy and a common political framework, and which would rely for military security more on a worldwide equilibrium of forces than on local pacts of a military character. There is unfortunately no reason to believe such a federation is likely to emerge in the near future. In its absence closer relations with Thailand will certainly develop, but will be limited by well-founded Lao suspicions of Thai ambitions. In any case, the critical period of transition during which the prime object is to save the area from Communism will doubtless continue for some time, but in the long run Laos can continue to exist independently only as a part of a larger structure.

### III. United States Policy and Operations

What conclusions in regard to United States policy for Laos can be drawn from these basic factors and these prospects? Certain would seem to be quite clear.

#### *Independence and Association*

The keystones of United States policy toward Laos should be (1) the maintenance of its national independence and (2) its intimate association with international organizations and particularly with its free neighbors in Southeast Asia.

The first of these principles involves the continuance of United States military and economic aid and political support to Laos. This is indispensable. However, it must never be forgotten that the Lao insist on maintaining their independence not only from their Communist neighbors but from the West as well, including particularly

the United States. Communist propaganda has succeeded in creating a widespread climate of opinion, particularly marked in Asia, which is highly sensitive to suggestion of "United States domination." While the United States obviously cannot extend substantial aid without assurance that it is being used for purposes with which we are in sympathy, and that it is not being wasted, our presence, if it is to continue and to be effective, must be characterized by the greatest tact and prudence. We must give no solid grounds for allegations that we are interfering in Lao internal affairs, are dragooning the Lao Government into military pacts against its better judgment, are blocking "peaceful coexistence" with her Communist neighbors, or are expanding our presence and our numbers to a point beyond reason or necessity.

The association of Laos with international organizations has several facets. The closest possible association with the United Nations and all its agencies, as well as the Colombo Plan, is certainly desirable. On the military side, unless Communist military pressure should become more intense than at present, Laos is likely to be best satisfied by its present relationship to SEATO, in which it remains under the umbrella without having openly to participate. It would be counterproductive to endeavor to push the country into SEATO against its will. However, the Lao Government will probably wish to continue to coordinate its military planning with that of SEATO, through the intermediary of the Thais or otherwise, and to assure itself that effective help would be forthcoming in case of serious Communist attack. If it cannot obtain such assurance, not only will its interest in SEATO decline but so will its resistance to Communist blandishments. It behooves the United States, therefore, if we wish SEATO to serve as an effective instrument for maintaining the independence of Laos, to see to it that SEATO military planning is sufficiently precise to reassure the Lao Government that the umbrella would, if the storm broke, actually extend north and east of the Mekong.

In the long run, as suggested above, Laos can find a viable national existence only as a part of some closely knit regional complex, developing in the direction of federation. It should be United States policy to encourage all useful and feasible measures of association, economic, cultural, political and military, among the free nations of Southeast Asia.

#### *United States Military Aid*

The United States will throughout the period under review presumably have to continue to assume almost the whole burden of Lao military expenditures. It may also have to find some means of providing greater assurance of continuity in United States military aid. The only alternative to aid of this kind is a total capitulation to



Communism, for it can hardly be imagined that a wholly disarmed Laos could resist even the infiltration and subversion which Red China would probably prefer to open aggression.

There is reason to believe, however, that United States military aid can become both more efficient and cheaper. The Geneva Accord now forbids the training of the Lao by United States military personnel; the French training mission is not performing well and, while it may improve somewhat, is unlikely to be fully effective. . . .

Effective budgetary, fiscal and logistical controls by this Office should in any case result in large savings in the cost of the Lao forces. More important, a settlement of the problem of the two northern provinces, even a thoroughly unsatisfactory one provided it were more or less stable, would permit a reduction of 20 to 40 per cent in the size of the National Army, whose primary mission would remain that of internal security. While such a reduction would not be politically feasible at the present time, it might well become so if there were some relaxation of tension on the Lao frontiers and if economic development could provide employment for those released from the armed services. Large numbers should certainly not be discharged in the absence of available alternative employment.

At the same time, however, funds and technical assistance will have to continue to be provided to build up the police and ancillary organizations to relieve the Army of day-to-day internal security duties.

#### *United States Economic Aid*

As indicated earlier in this despatch, substantial foreign economic aid is and will continue to be indispensable to Laos in order (1) to raise the standard of living to the degree necessary to maintain political stability in the face of Communist pressure and (2) to expand local production and exports precisely with a view to reducing dependence on foreign aid.

The primary burden of providing economic aid will continue to fall on the United States. French aid will probably decline, except perhaps in the educational field; Colombo Plan aid may increase slightly but not significantly. For the immediate future direct United States aid under bilateral agreements will be the main reliance of Laos. At present Lao opinion is almost entirely favorable to such aid, despite Communist propaganda. However, we must anticipate that Lao opinion will become increasingly sensitive, as has opinion elsewhere in Asia, to accusations of "American domination." This is particularly true since the extreme dearth of indigenous technicians and administrators in Laos make it necessary to bring in relatively large numbers of foreign experts to carry out any significant economic program. Furthermore, with United States aid constituting such a

very large proportion of the national income, there will be increasing allegations, often well founded, that it is being diverted, misappropriated or wasted, and that it is benefiting a corrupt clique rather than the mass of the people. If this impression becomes general, our aid will become a cause of anti-American rather than pro-American feeling. Three precautionary measures on our part therefore seem prudent.

First, we must insist that adequate controls are exercised by the Lao Government, with our assistance, to ensure that the bulk of our aid does reach and benefit the people and that only an irreducibly small proportion is diverted or wasted. We must also see to it that the Lao people are made aware of the character and extent of our aid, though in this respect we must take care once more not to be too conspicuous. Finally, we should endeavor to draw very nicely the line between, on the one hand, preventing the governing elite from appropriating the lion's share of United States aid, and, on the other, denying them such share in the rising prosperity as will secure them a personal vested interest in the maintenance of Western aid and pro-Western policies.

Second, we should encourage other countries and United Nations agencies to increase their aid to Laos, and particularly to contribute to the Lao need for foreign technicians. In this latter connection, since lack of housing is often the principal obstacle to the despatch of such technicians to Laos, we should with United States aid funds provide housing for such non-United States personnel. In any case the natural tendency of all United States agencies in Laos, to increase their staffs in order to deal with pressing problems, must be restrained in the broader interest of not provoking a political reaction to a too overwhelming American presence.

Third, though in this case aid to Laos must fall into a global or an "underdeveloped country" pattern, it is likely to prove advantageous to the United States in the near future to contribute to the establishment, financing and operation of a new international economic agency, in which, as with the OEEC in Europe, the recipient nations will participate and enjoy a sense of partnership, and which will permit the essential political and economic stabilization of these nations on terms which they can accept without loss of dignity or independence. While the United States will lose some degree of control over the disposition of the funds it contributes in this way, it will probably prove in the long run that only such an organization will be able effectively to counter the new Communist economic drive into the uncommitted, and even many of the hitherto committed, nations.

*Summary*

In summary, United States policy and operations in Laos should be governed by the following principles:

1. If Laos is to maintain its independence, the United States must continue for a period of years (a) to bear the main burden of military and economic aid, which will remain for some time relatively large, and to assure the Lao Government of its intentions in this respect, and (b) to provide, within or outside the framework of SEATO, an explicit and effective guarantee of Lao security against external attack.

2. Despite these responsibilities and burdens, the United States must display the greatest discretion in the manner in which its aid is administered and its influence exercised. It must, while ensuring to the best of its ability that its aid is not diverted or wasted, neither intervene overtly or crudely in Lao internal affairs nor make its presence too conspicuous by flooding this small country with an inordinate number of American advisers. The United States must increasingly exercise its influence, not by using military and economic aid as a means of pressure, but by creating a feeling of common interest and partnership, among the Lao people as a whole through information programs and judiciously selected economic projects, but more particularly among the young elite through political and social cultivation and through cultural and educational exchange.

3. In order further to ensure that its presence does not become conspicuous, irritating and eventually unwelcome, the United States should encourage to the fullest extent political, military and particularly economic aid to Laos by other countries and by United Nations agencies, and should increasingly channel its own aid through existing or new multilateral organizations in which there is substantial Asian participation.

4. Our long-term political objective in Laos should be its increasingly intimate association with its free neighbors in Southeast Asia, the ultimate goal being a federation of the nations of this region. With this end in view, it should be our particular care to foster increasing cooperation of Laos in the economic and political, and where appropriate in the military, fields with Thailand, Cambodia, South Vietnam, the Philippines, Burma and Malaya.

*Action Requested*

Department please pass copies of this despatch to Embassies Bangkok, Saigon, Phnom Penh and Paris, and five copies to Embassy Vientiane.

Charles W. Yost

**351. Memorandum From the Secretary of Defense's Assistant (Special Operations) (Erskine) to the Assistant Secretary of Defense for International Security Affairs (Gray)<sup>1</sup>**

*Washington, April 18, 1956.*

**SUBJECT**

Military Equipment for the Laotian National Army

1. As you are aware, the Joint Chiefs of Staff recommended<sup>2</sup> that the Central Intelligence Agency operations in Laos be expanded to permit the additional arming of the Auto Defense Forces currently operating in the provinces of Phong Saly and Sam Neua. CIA's resultant plan involves the transfer from the Laotian National Army to the Auto Defense guerrilla forces of a heterogeneous collection of weapons and their subsequent replacement by U.S. weapons and submachine guns.

2. Since the initiation of this plan, it appears that sufficient reserve stocks of the Laotian National Army have been utilized to equip the Auto Defense Forces. The U.S. Ambassador to Laos has, however, repeatedly requested that the U.S. weapons suggested as replacements for the Laotian Army be furnished without further delay in order that the United States may show her good faith to the Laotian Government.

3. It is recognized that, in this instance, the responsibility for initiating requests for military equipment rests with the International Cooperation Administration. I have been informed that such requests have not as yet reached your office. As you are aware, prompt initial deliveries are necessary if the full psychological value of the program is to be realized.

4. In order to assist in expediting final action on this program, I am quoting below pertinent extracts of a memorandum<sup>3</sup> indicating program requirements, received from covert forces in the field; these will be repeated in the request from ICA:

"The following equipment is required from the Department of Defense to implement fully the support program and to continue it during the current fiscal year (to 30 June 1956):

Carbines, .30 Calibre M-2—3,500  
 Sub Machine Guns, .45 Calibre M-3—1,500  
 .30 Calibre Carbine Ammunition—3,500,000 rds.  
 .45 Calibre Ammunition—1,500,000 rds. . . .<sup>3</sup>

<sup>1</sup>Source: Washington National Records Center, OASD/ISA Files: FRC 60 B 1339, 400 Laos. Top Secret.

<sup>2</sup>See footnote 2, Document 344.

<sup>3</sup>Not found.

<sup>3</sup>Ellipsis in the source text.

5. It is requested that all possible measures be undertaken to effect delivery of the small arms and ammunition involved as soon as possible.<sup>4</sup> In this connection, I understand that the Canadian Government will probably be advised of our intentions. If the International Control Commission thus becomes aware of the shipment, it would probably be advisable to utilize U.S. military aircraft for the lift.

**G.B. Erskine**

*General, USMC (Ret)*

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<sup>4</sup>The request for 5,000 small arms was not fully authorized until May 30. This was done only after JCS Chairman Radford complained to Gray of ISA that he had learned from Ambassador Yost that only 500 of the 5,000 small arms had been delivered. (Memorandum from Radford to Gray, May 25, and memorandum from Hollister to McGuire, May 30; both Washington National Records Center, OASD/ISA Files: FRC 60 B 1339, 400 Laos)

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**352. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, April 24, 1956—10 a.m.*

1357. Reference: Embassy telegram 1334<sup>2</sup> and Department telegram 1050.<sup>3</sup> Following is . . . summary Royal Government relations with tribal groups.

1. Groups other than Meo: Relations somewhat improved past year principally through joint efforts Lao Information Service, SP and USIS to promote more awareness and appreciation RG program and policies in national community. Probably strongest contribution to better relations was rice crop October-November 1955 in famine areas occupied largely by minorities (Kha, Phyo Noio, Meo and others).

In general however RG has not undertaken sufficiently imaginative and concrete program to alleviate problems these areas, and has lacked vigor in promoting better relations. Particularly in certain areas infiltrated by Communist elements, government representatives

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-2455. Secret.

<sup>2</sup>In telegram 1334, April 19, the Embassy briefly reported on progress made in specific USOM/Laos programs and stated that it would report on tribal minority relations separately. (*Ibid.*, 751J.5-MSP/4-1956)

<sup>3</sup>In telegram 1050, April 6, the Department requested a report on the status of Lao Government relations with tribal minorities in connection with NSC Action No. 1290- review in Washington. (*Ibid.*, 751J.00/4-656)

reportedly seldom if ever visit with result that [garble, Communists?], who did at one time provide attentions, appear have won support by default. Worst situation is with Kha in central and southern Laos, where PL/VM have made biggest inroads both propaganda and subversive. RG policy varies according interest and abilities various governors, most of whom look down on tribes as inferior.

RG has made some strides re security through police and auto-defense programs, but situation calls for positive steps such as vigorous community development type program to promote better living conditions. One proposed solution is set up bureau, or government representative in charge minorities interests, to receive petitions and requests for aid and initiate concrete activities. Problem however is also political in that these groups require some form representation in assembly and government offices.

Multiple factors underlie RG's limited success with minorities. These include (a) relatively loose integration of national community which is attempting transcend regional differences stemming from past political division into small kingdoms and difficulty access remote area, (b) Lao cultural superiority (assumed or otherwise entertained) over tribal groups, (c) RG's manifest failure appreciate political importance these groups, and latter's relative non-representation at levels above Tasseng, (d) underdeveloped RG bureaucracy lacking trained persons to undertake some of needed programs. To certain extent also, disruptive activities of PL/VM have served to create foci of opposition by effectively exploiting minority grievances and aspirations. In some areas such as central and southern Laos these activities have been able partially neutralize even the few measures RG has instituted.

2. Meo relations: Meo are spread through all northern provinces. Comments below however chiefly concern Meo attitudes in Xieng Khouang province, since majority live there, leadership is located there and their representative in National Assembly represents that province.

The Xieng Khouang Meo and the government at Vientiane view each other with mutual caution. Internal activities of unusually aggressive Meo minority (as well as the Phouteng) have not always been in line with national interests. Meo, who with Phouteng comprise 75 percent of Xieng Khouang population, have had impressive record as guerrillas which has tended to make RG uneasy. Discontinuance of French support for local guerrilla forces after Geneva was followed by RG refusal support these groups for fear of Peiping create private army. This in turn increased uneasiness of Xieng Khouang Meo. Recent strong RG support for auto-defense activities has however considerably reduced this feeling.

Governor of Xieng Khouang province, while a Lao, asserts Vientiane officials too seldom visit Xieng Khouang and thus do not understand problems. On other hand Lao and Meo officials in Xieng Khouang do not sufficiently promote their interest at Vientiane, Governor and his colleagues recoiling from politicking and currying favor in the stale political circles of the capital; feel there should be no need for this when one presents government with sensible program consistent with national aims.

Xieng Khouang has always maintained independent feeling of apartness. Prewar Meo oriented their thriving export business toward Tonkin rather than Mekong. Xieng Khouang moreover was independent principality before French came, and at one time during its period of autonomy invaded Luang Prabang and held it for some time.

Will pouch fuller report.<sup>4</sup>

Yost

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<sup>4</sup>Not found in Department of State files.

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### 353. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, May 22, 1956—5 p.m.*

1502. . . . Embassy telegram 1479.<sup>2</sup> To counter new ChiCom-Viet "soft" tactics designed tempt Laos go way of Cambodia and in view naivete and susceptibility certain political figures Laos, we suggest following United States tactics.

1. Play up in propaganda United States friendship with Souvanna and United States aid to Laos. Suggest message from Secretary on Lao Independence Day, July 19.

2. Support Thai goodwill visit and other relations with Thailand. Enlist Thai aid in expediting transit of goods destined for Laos, including whatever pressure on ETB may be necessary.

3. Support Operation Brotherhood<sup>3</sup> and other Philippine-Lao cooperation.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/5-2256. Secret; Limit Distribution. Repeated to Bangkok, Phnom Penh, and Saigon.

<sup>2</sup>In telegram 1479, May 16, the Embassy commented: "it appears Communists going all out in attempt drive wedge between present Lao Government and US." (*Ibid.*, Central Files, 751J.00/5-1656)

<sup>3</sup>Operation Brotherhood was sponsored by the International Junior Chamber of Commerce. Originally begun in Vietnam, it was an operation which sent Filipino doc-

*Continued*

4. Survey possibilities rehabilitating Quang Tri-Savannakhet Road and other measures of Lao-South Vietnam cooperation.
5. Work out, in secret, more concrete plans for Thai and other SEATO powers come to aid of Laos in case of aggression.
6. Encourage RLG harp on Viet Minh interference, thus provoking Radio Hanoi attacks on Souvanna government.
7. Accept Katay proposal he visit United States informally on way back from France, probably July. Embassy will keep in closest touch with Katay, who controls majority party, is identified with firm policy toward PL and is likely be next Prime Minister.
8. Expedite development and improvement police and army programs, particularly of special branches. If there is settlement with Pathet Lao permitting their participation in politics and as volunteers in National Army, important assure solidity army and police against Communists subversion and take-over.

Embassy will maintain frequent contact with Cabinet members and other well-informed Lao to detect any beginnings of shift in policy.

Request Department views.

**Blancké**

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tors and nurses to rural areas where they established free medical clinics for the care of the local population. For Lansdale's account, see *In the Midst of Wars*, pp. 168 ff.

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**354. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, May 29, 1956—6 p.m.*

1529. I had occasion see Prime Minister on routine matter today. At close he said had something to show me which not yet "divulged". This was brief letter addressed to him as Prime Minister, dated Peking May 7 signed Chou En-lai, inviting him visit Peking as guest of ChiCom Government; said in effect such visit would surely be to mutual benefit both countries and contribute to good relations, asked he reply at convenience. Original was in Chinese with typed copy in English, latter unsigned but with handwritten certification. Souvanna said routing had been through Indian Embassy Peking via New Delhi to Indian Legation Vientiane. He had asked Indian Chargé, when latter delivered letter, whether he had been responsible

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<sup>1</sup>Source: Department of State, Central Files, 033.51J93/5-2956. Top Secret; Priority. Repeated to New Delhi, Bangkok, Saigon, and Phnom Penh.



for invitation; Rajkumar said no, assured him letter had arrived unexpectedly.

Souvanna said he had not yet had chance to consult King's Council, and must also seek advice of King and Crown Prince before taking position. If trip developed he was thinking of swing through Saigon, Phnom Penh, Bangkok—riding boundaries of Laos as it were—and would include Hanoi if invited. Such trip could not begin til late August or September, after Congress had finished discussion of constitutional revision.

Prime Minister asked what I thought. I cautiously said invitation, while not wholly unexpected, must certainly be considered with greatest circumspection. I reminded Souvanna he had said he would not entertain thoughts of Peking till internal Pathet Lao problem settled, and asked what was new on that. This led to his also showing me letter just received from Souphannavong, which being reported separately.<sup>2</sup> Reverting to Chou En-lai I said it appeared ChiComs might be about to offer economic aid, and there would undoubtedly be hidden strings to it. Souvanna asserted under no circumstances whatsoever would he permit Commie experts or technicians enter Laos, as they were nuclei for Commie propaganda and subversion; he would under no conditions allow Laos to become Communized. Souvanna however seemed have idea ChiComs might simply offer money or goods as goodwill gesture. I was skeptical, and warned Commies would try disengage Laos from its commitment to Western, notably U.S., aid as price of general rapprochement. Prime Minister said they would never do this: he had made his policy clear, that Laos needed all aid it could get and would accept any with no strings

<sup>2</sup>In telegram 1531 from Vientiane, May 29, Blancké reported that Souvanna had told him that Pathet Lao leader Souphannavong had requested a meeting at Sam Neua after June 20. According to Blancké, Souvanna was prepared to meet his brother in Sam Neua and thought of it "as chance show flag in area." Blancké and Souvanna both noted that in Souphannavong's letter requesting the meeting no mention was made of the recent Geneva cochairmen's meetings on Laos (which Blancké reported Souvanna termed as "wash out") nor the ICC resolution of January 7, 1956, which Souvanna promised to push as the basis of the negotiations arising from the meeting. Blancké commented that he did not like Sam Neua as a venue since it was Pathet Lao ground and implied equality between conferees. Blancké reported he would attempt to win Lao leaders to this point of view. (*Ibid.*, 751J.00/5-2956)

The question of these negotiations was raised at the 286th meeting of the NSC on May 31 by Allen Dulles:

"Mr. Dulles said that he also wished to call the Council's attention to a potentially dangerous development in Laos. The Prime Minister of that country was planning to meet his half-brother, the leader of the Pathet Lao forces, at some point within Pathet Lao territory. Since the Laotian Prime Minister was not a strong character, such a meeting could have serious results. Mr. Dulles speculated as to whether this Government should try to dissuade the Laotian Prime Minister from going to the proposed meeting." (Memorandum of discussion by Gleason, June 1; Eisenhower Library, Whitman File, NSC Records)

attached. As for SEATO, he had already made clear to Burchett that Laos had no commitment to it anyway.

Prime Minister said one positive thing he would like to achieve with ChiCom is *modus vivendi* regarding joint frontier. Chinese minorities, mostly of Lu tribe, lived both sides border in Muong Sing area, and many from other side were taking refuge in Laos. Royal Governor was understandably worried less ChiComs use this as pretext to intervene.

*Comment:* Souvanna was obviously surprised by invitation, is flattered and would like to go. Presumably he will see Crown Prince soon, as we hear Royal party coming to Vientiane in several days. Meanwhile he will probably consult King's Council. (He asked I preserve utmost discretion on matter, reporting only to Department of State, as he had not yet told anyone. His showing me invitation voluntarily probably owed to my fortuitous arrival at right moment.) I doubt Crown Prince or Council will take firm stand against ultimate acceptance, not wishing offer gratuitous rebuff to powerful neighbor. Possible factor to play with is timing. Katay will visit U.S. in July, or possibly in August if parliamentary discussion of constitution drags on. Souvanna himself had planned go to New York for U.N. session November, and would presumably expect to visit Washington while there (altho he has not said this). We should therefore be able to offset effects of a Peking visit.

Would appreciate early guidance. Crown Prince's coming to town on or about May 31 would offer excellent and logical opportunity to make known our position before situation jells.

**Blancké**

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**355. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, May 31, 1956—3:55 p.m.*

1225. Vientiane's 1531 repeated Ottawa 138 New Delhi 159 London 150 Paris Bangkok Saigon Phnom Penh Unnumbered.<sup>2</sup> It is likely we cannot prevent Lao Government-Pathet negotiations without exerting excessive pressure and we concur we might only lose by trying: Our opposition to talks would be incomprehensible to Lao

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/5-2956. Secret; Priority. Drafted by Byrne, cleared by Young and Yost, and approved by Robertson. Repeated to Ottawa, New Delhi, Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>See footnote 2, *supra*.

Government and would prove excellent plum for Communist propaganda.

You should continue however hammering on necessity Lao Government insist January 7 resolution be basis any negotiations with Pathets and on essentiality Government treat Pathets as dissidents not equals and as entitled settlement only on terms Geneva Agreements. Emphasize to Lao officials Pathets give every appearance being on defensive and anxious for terms (settlement). If so, to concede now on principles would be foolish abandonment clear advantage. You might also convey idea Government should be wary making concessions which might engage U.S. or oblige U.S. reconsider its policy toward Laos.<sup>3</sup> For our position on integration PL troops for example, see Department's 310 to Vientiane repeated Ottawa 134 London 2161 New Delhi 943 pouched other addressees.<sup>4</sup>

We too do not like Sam Neua as venue. Suggest you tell Lao Government it demeaning for them seek out Pathets on Pathet home ground and remind Lao Government of first armistice negotiations Korea at Kaesong, originally considered no-man's-land but actually in Communist hands, which Chinese Communists publicized throughout Asia as surrender by UN Command. If as expected Government continues see no harm meeting Sam Neua, you should strongly support Lao Government making as big show as possible of its entry into area.

We concerned prospect both Katay and Savang may be out of country during upcoming negotiations with Pathets. Trust you can convey advisability at least one of these leaders remaining on hand provide required firmness Lao Government side.

Request you also take appropriate opportunities urge there be no let-up in auto-defense effort as result prospective talks since pursuit

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<sup>3</sup>In telegram 1544 from Vientiane, June 1, Blancké reported that in a meeting with Souvanna Phouma on June 1, he had made these points and also had expressed U.S. Government disapproval of Sam Neua as a potential meeting place. (Department of State, Central Files, 751J.00/6-156)

<sup>4</sup>According to this telegram, October 20, 1955, the position was summarized as follows:

"Provided Lao Government administration effectively restored immediately and Government has been able conduct free elections, U.S. Government might consider limited integration Pathets into National Army if acceptable Lao Government and if National Army without direct ICC participation applied stringent entrance criteria Pathet applicants. Remainder would be demobilized. Lao Government might then make statement those unable find employment would be assisted in same manner as refugees. During election campaign Pathet troops would be confined certain areas as in Canadian plan summarized Vientiane 293 New Delhi 914 repeated Saigon Phnom Penh Ottawa Unnumbered being pouched London Bangkok Paris. We agree Canadian view Pathet integration should not be included as ICC recommendation." (*Ibid.*, 751J.00/10-1455)

current Government auto-defense advantage can only strengthen Government bargaining position in these talks.

Hoover

### 356. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, June 2, 1956—12:52 p.m.*

1236. Vientiane's 1529 repeated New Delhi 158 Bangkok 759 Saigon 346 Phnom Penh 128.<sup>2</sup> We fear during Lao visit Peiping Chinese Communists may cleverly not demand concessions (such as pledge reduce U.S. influence i.e. aid) of which Lao would be wary. They may as in case Cambodia<sup>3</sup> omit all mention American assistance and simply seek recognition and exchange diplomatic representatives, perhaps offering economic aid, thus luring Laos into Communist orbit in return for totally unenforceable promise nonintervention internal affairs Laos and good offices settlement dispute with Pathets.

We therefore would hope prevent or measurably delay Souvanna visit Peiping. To that end request you make strong statement to Lao officials urging in replying ChiCom invitation they take position internal Lao problems should be settled before state visits neighboring countries; could ChiComs in view their influence with Viet Minh help resolve dispute with Pathets?

Lao may respond this suggestion with assertion best means settling Pathet problem is talk directly with largest state in area possessing power direct Viet Minh and Pathets come to terms. In this event recommend you use arguments set forth Department's 917 to Vientiane repeated New Delhi 2167 pouched other addressees,<sup>4</sup> particularly imperative necessity 1) RLG lay down three conditions earlier recommended by Embassy Vientiane for settlement Pathet problem<sup>5</sup>

<sup>1</sup>Source: Department of State, Central Files, 033.51J93/5-2956. Top Secret; Priority. Drafted by Byrne, cleared in PSA and by Yost in draft, and approved by Robertson. Repeated to New Delhi, Bangkok, Saigon, Phnom Penh, Ottawa, Paris, and London.

<sup>2</sup>Document 354.

<sup>3</sup>Regarding Prince Sihanouk's visit to Peking, February 1956, see Document 225.

<sup>4</sup>The gist of these arguments set forth in telegram 917, March 2, was that Lao officials should not visit Peking at all, but if they insisted, they should not do so until the Pathet Lao presented satisfactory terms for a political settlement in Laos. (Department of State, Central Files, 651J.93/2-2856)

<sup>5</sup>The three conditions, according to telegram 1099 from Vientiane, February 29, were immediate restoration of Royal administration in the two northern provinces,

and 2) Communists present satisfactory terms settlement for discussion before Lao Prime Minister travels Peiping or other Communists held territory. Suggest you also counsel Lao no necessity make new commitments to Communists, especially on matters already covered in Geneva Accords.

Hoover

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reintegration of the Pathet Lao into the national community on the Royal Government's terms, and the right of the Royal Government to continue to solicit foreign aid for the defense and welfare of Laos. (*Ibid.*, 651J.93/2-2856)

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### 357. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

Vientiane, June 5, 1956—11 a.m.

1559. Reference Department telegram 1236.<sup>2</sup> Since existence Peking invitation mentioned Lao Presse (Embassy telegram 1546<sup>3</sup>) bulk of reporting will be secret. Succeeding message 1560<sup>4</sup> refers. Following part of Crown Prince June 4 interview touches on top secret subject.

During discussion Savang reverted to his first and foremost pre-occupation, Laos lack of concrete assurances of western aid in case of emergency need. If PL refused meet RLG terms, answer was to continue guerrilla pressure, slowly but always forward. RLG however, without real assurance of backstopping, lacked confidence to pursue this line. This lack would be telling factor in Peking visit. It was all very well for Mohammed Ali to go there; Pakistan was in SEATO, and strong in own right.<sup>5</sup> But Laos would go defenseless, with nothing to fall back on and vulnerable to suasion toward neutrality. RLG had nothing but our "moral promises". French had sold Laos down river at Geneva in question of defense, were themselves on downgrade and less and less interested in Laos.

I disputed this without much real effect. Again assured Prince our promise of support was valid, we were firmly behind Laos and

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<sup>1</sup>Source: Department of State, Central files, 033.51J93/6-656. Top Secret; Priority. Repeated to London, Ottawa, New Delhi, Bangkok, Paris, Saigon, and Phnom Penh.

<sup>2</sup>*Supra.*

<sup>3</sup>Dated June 2, not printed. (Department of State, Central Files, 751G.00/6-256)

<sup>4</sup>*Infra.*

<sup>5</sup>No record of a visit of Pakistan's Prime Minister Mohammed Ali to the People's Republic of China prior to June 5 has been found. Ali's successor, H.S. Suhrawardy, did make a State visit to Peking in October 1956.

had no intent on abandoning her. Moreover, French were now reinforcing Seno Base, which we considered key element for emergency outside aid. I asked what further assurances Prince had in mind. He considered briefly and said: Defensive agreement with Thailand, guaranteed by US. Such agreement, between neighbors, was "permissible". He planned broach matter with Phibun during Bangkok stop on Singapore trip; it was for this he had asked King include stopover. I asked how we could be of further assistance. Prince said he would speak with Prime Minister and let me know.

*Comment:* Appears Crown Prince has put ball in our court. Impossible as it seems, especially in brief time available, to line up Thailand and find formula for US guarantee, a concrete gesture now might make all the difference. If we cannot prevent Lao going to Peking there is at least possibility considerably stiffening them by strengthening their hand with confidence-giving hole card. Crown Prince does not necessarily speak for RLG but he and Souvanna between them can almost certainly bring Lao into line if given possibility of doing so.

Strongly urge Department and Embassy Bangkok make effort hit on simple basic formula to meet requirements of situation. As for Thailand, although they have lagged in matter of staff talks, implications of Peking visit should help stimulate them.

While we must wait Prime Minister's approach to know just what Savang and he have in mind, I understand Prince wants agreement signed before RLG goes to Peking so it cannot be disavowed. Failing concrete agreement we should at least try give Lao something in writing from Secretary and Phibun.

Blancké

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358. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, June 5, 1956—3 p.m.*

1560. In interview June 4 I gave Crown Prince U.S. Government views on discussed Peking invitation.

Savang said at outset his dearest personal wish would be turn down invitation flat but he did not see how this could be. I agreed and reminded him, when possibility of invitation discussed in recent

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<sup>1</sup>Source: Department of State, Central Files, 033.51J93/6-556. Secret. Repeated to London, Ottawa, New Delhi, Bangkok, Paris, Saigon, and Phnom Penh.

past, our counsel had been that internal Lao problem should be settled before making State visit to Communist neighbors. Prime Minister moreover had not long ago stated his position that Pathet Lao matter was internal and must be solved without external intervention; once that settled, Lao might visit neighbors to discuss matters proper to neighbors (Embtel 1400<sup>2</sup>). In my government's views this was still only proper course, and we urged that in its reply to Peking, RLG take such position: that RLG was sensible [?] to invitation but was occupied with internal problems which must be solved first. I added RLG might consider asking ChiCom help solve PL dispute through influence Hanoi.

Prince agreed this was proper approach, though RLG could not word it so concretely as to mention PL by name, let alone suggest Chinese help with solution. Chou En-lai letter had been courteous and general and spoke of nothing specific. I agreed allusion to internal problems would be clear and should suffice: important thing was to delay long as possible, in order obtain PL solution at least in principle before going Peking. We felt matter of timing most important: that other side offer satisfactory terms of settlement before visit undertaken. If RLG went without this it would be trip to Canossa, and even if ChiCom did arrange solution Lao would be obligated and Chinese Communists would have foot in door. If on other hand RLG held out for satisfactory PL offer before going, it would go as equal to discuss matters proper to sovereign neighbors. As for what were satisfactory terms, these were three conditions agreed between Prince and Yost (Embtel 1099<sup>3</sup>). Savang recalled these well.

Prince agreed it would be fine be able go to Peking so fortified but saw no prospect of PL solution without assist from chairmen which unlikely. RLG must stick to Jan 7 principles, and PL ignored these not only when came from ICC but in both Souphannavong letters to Souvanna. I said nevertheless PL were on defensive and apparently wanted come to terms; RLG policy of firmness was paying off. I argued if ChiCom wanted Laos come to Peking they would instruct PL come to terms. Prince did not buy this, thought on contrary ChiCom would hold up solution so they could take credit; this was doubtless why Communists had stalled London decision. I mentioned in passing we heard there was still hope of something not unfavorable from co-chairmen. Prince interested but skeptical; in any case RLG had agreed to British request make no move till word from co-chairmen received.

Prince saw nothing to be gained from Souvanna-Souphannavong meeting but was not opposing it. I launched into arguments against

<sup>2</sup>Dated April 30, not printed. (*Ibid.*, 751J.00/4-3056)

<sup>3</sup>See footnote 5, Document 356.

Sam Neua as locus but had no need go far. Prince agreed and said he had vetoed that.

*Comment:* Wherever pertinent during interview I advised strongly against precipitous action, not only in planning departure but in making reply to Chou. In my view latter may possibly be deferred till return from Singapore and closure assembly (June 15) but not much longer. Travel plans are as yet vague but Prince like Souvanna speaks of late August or September: in each case my rejoinder has been "or even later." I doubt however we can count on indefinite deferment. Pegging departure to PL solution is stopgap at best, as prospects for quick solution appear slim and Lao are afraid to hold off ChiCom indefinitely. We shall however continue press this position as strongly and as long as possible.

Crown Prince is under no illusions re true nature and implications of invitation. He himself brought up dangers of Communist promises which are only promises, made with aim eventually drawing Laos into neutrality and what goes with it.

Blancké

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**359. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State<sup>1</sup>**

*Washington, June 7, 1956.*

SUBJECT

Personal Message to Crown Prince Savang of Laos

*Discussion*

1. For some time we have anticipated a ChiCom effort to have Lao leaders visit Peiping following the example set by Prince Sihanouk of Cambodia. The Embassy at Vientiane has repeatedly warned Prince Souvanna Phouma, Katay, and the Crown Prince of the dangers and pitfalls of such a trip.<sup>2</sup> Chou En-lai has now come through with a formal invitation to Prince Souvanna Phouma who seems inclined to accept. No serious opposition to such a trip seems likely to

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<sup>1</sup>Source: Department of State, Central Files, 033.51J93/6-756. Secret. Drafted by Corcoran and cleared in SEA and by MacArthur.

<sup>2</sup>See telegram 1560 from Vientiane, *supra*. A report of Blancké's discussion with Katay on June 4 concerning the dangers of the Peking invitation is in telegram 1562 from Vientiane, June 6; a similar conversation with Souvanna Phouma on June 5 reported in telegram 1564 from Vientiane, also June 6, neither printed. (*Ibid.*, 033.51J93/6-656 and 751J.00/6-656, respectively)



arise within the Lao Government. It would be difficult if not impossible to prevent this trip from coming off. Meanwhile, Prince Souvanna Phouma seems disposed to accept a second invitation to meet with his half brother Souphanouvong, the Lao leader in Communist Pathet Lao territory. The recent activities of Australian Communist Burchett in Vientiane indicate that some degree of covert contact has already been established between the Royal Government on the one hand and the Pathet Lao, the Viet Minh, and perhaps the Chinese Communists on the other.

2. In discussing the Peiping invitation with our Chargé at Vientiane on July 5,<sup>3</sup> Crown Prince Savang brought up the question of the lack of concrete assurances of Western aid in case of emergency need and bluntly stated Laos had nothing but American "moral promises". He declared the Royal Government without real assurances of backstopping lacked the confidence needed to pursue a line of continued pressure against the Pathet Lao. He added this same lack of confidence would be a telling factor in any Lao visit to Peiping. He spoke of additional assurances in the form of a "defensive agreement with Thailand guaranteed by the United States" and said he planned to broach the matter with Phibun shortly.

3. We are exploring several courses of action with other Government agencies in Washington. These include the possibility of intensifying Thai-Lao military planning with the possibility of U.S. participation; possibility of establishing a SEATO watchdog committee for Laos or for arranging a visit to Laos by representatives of SEATO powers to plan with Lao officials defense against sudden attack; examination with ICA the formulation (but not financing) of aid projects on a two, three, or four-year basis in order to convince the Lao of our intention to continue to support them; taking advantage of the Katay visit to convince him of the effectiveness of U.S. assurances and to strengthen his will to resist ChiCom and Pathet Lao overtures; the possibility of having Senator Mansfield initiate a congressional expression of interest in the defense of Laos and of reaffirmation of the importance of American aid to Laos on a continuing basis.

4. A personal message from you to the Crown Prince reaffirming assurances which you gave him in your conversation of February 27, 1955,<sup>4</sup> and in your personal message of March 15, 1956,<sup>5</sup> would be

<sup>3</sup>Reported in Document 357. The meeting with Savang took place on June 4, not July 5.

<sup>4</sup>See Document 277.

<sup>5</sup>See Document 346.

very useful in view of the uneasiness which Savang has just expressed to our Chargé at Vientiane.

*Recommendation*

That you sign the attached telegram.<sup>6</sup>

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<sup>6</sup>Sent as telegram 1260 to Vientiane, Document 361.

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### 360. Editorial Note

At the 287th meeting of the National Security Council, June 7, Allen Dulles noted in the course of a discussion on Vietnam that the intelligence community believed that the "soft position of Laos and the weakness of Cambodia" was at the moment the greatest threat to "Free Vietnam". He went on to comment that there had been no Ambassador in Laos for some time and one should be assigned there as soon as possible. After a brief discussion on the unsanitary conditions of Vientiane and its undesirability as a diplomatic post, John Foster Dulles indicated that the Department of State would have an "able Foreign Service Officer" in Vientiane no later than mid-July 1956. For text of the memorandum of discussion at this meeting, see volume I, page 695.

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### 361. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, June 8, 1956—8:07 p.m.*

1260. Please deliver following personal message from the Secretary to Crown Prince Savang:

"Since our last exchange of messages in March 1956 I have followed with interest the sustained, courageous and effective efforts of the Kingdom of Laos to maintain its security. As I assured Your Highness at that time my country is standing, and is determined to continue to stand firmly behind its commitments in SEATO to the nations of Free Asia. As Your Highness knows the SEATO powers unanimously included Laos in the Protocol of the SEATO Treaty for purposes of Article IV. The SEATO powers, particularly the United

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<sup>1</sup>Source: Department of State, Central Files, 790.5/6-856. Secret; Niact. Drafted in SEA and signed by Dulles.

States, possess powerful forces, especially in the air and on the sea. The Chinese Communists and the Viet Minh are fully aware of the strength of these forces and of SEATO Treaty and its Protocol.

I remain confident therefore that the common determination of your government and mine to strengthen the security of Laos would accomplish its purpose and would continue to contribute to the peace of Asia."

Dulles

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### 362. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, June 9, 1956—5:15 p.m.*

1264. Vientiane's 1571<sup>2</sup> and 1581.<sup>3</sup>

1. The Department fully supports position you have taken reftel with Prime Minister and hopes you can convey US position to Crown Prince, Katay and other leaders. Your account of Prime Minister's vague reply to ChiCom invitation and his selection of August date is disturbing. Therefore we fully support your effort to get across idea that US Government, while sympathetic to difficulties of Lao position, would consider such hurried visit to Peiping as endangering security and independence of Laos, and creating difficulties for US efforts to support Laos along lines Secretary's June 8 message to Crown Prince.

2. We also support your efforts to delete any specific time for visit and to make visit contingent upon solution of internal problems. You should point out other countries have received Peiping invitations and have made no immediate reply. Even Cambodian Sihanouk delayed almost one year and Pakistanis still have not gone.

3. It seems incredible to us that Lao leaders would make such quick reply and accept unconditional visit to Peiping prior to: (a) de-

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/6-956. Secret; Niact. Drafted by Young and Corcoran and approved by Robertson. Repeated priority to Bangkok.

<sup>2</sup>In telegram 1571, June 7, Blancké reported that he had learned from Souvanna Phouma that the Royal Government was considering suggesting August 1956 as a convenient time for the proposed visit of Lao leaders to Peking. Blancké argued that timing for the visit must be contingent upon settlement of the internal problem of the Pathet Lao. (*Ibid.*, 751J.00/6-756)

<sup>3</sup>In telegram 1581, June 9, Blancké reported that Souvanna Phouma had shown him that day a copy of his reply to Chou En-lai, in which the date of the visit was left to Chou's convenience with the suggestion that August would be suitable. The Royal Government merely expressed the hope that the internal problem would be settled by then. (*Ibid.*, 751J.00/6-756)

termination from talks with PL as to possibility of satisfactory settlement; (b) further exploration Thai Lao planning and mutual support; (c) other assurances from their friends. However, if Lao ignore these factors and proceed with undue haste to Peiping, US congressional and public opinion which now friendly and sympathetic toward Laos as evidenced aid program might change. Neither Congress nor American people would be willing make continued efforts assist Lao Government maintain independence, security and freedom if that government appeared to be making unnecessary sacrifice its own interests to ChiComs, despite repeated US representations.

4. In addition above points you may also inform Crown Prince and other Lao leaders of apparent Burmese Government experience with Russian and ChiCom penetration. Just before resignation U Nu expressed dissatisfaction with barter deals with Communists. A few days ago letter appeared in one of leading Burmese papers reportedly revealing U Nu's dissatisfaction with results policy of neutrality which Russians and ChiComs had exploited to penetrate Burma for their own interests to detriment Burmese independence and security. This letter as well as other authentic evidence indicates Burmese leaders dissatisfaction with and fear of activities Russian and ChiCom Embassies during Burmese elections. Many Burmese considered this unwarranted Communist interference in political affairs Burma. Burma's experience is clear warning to Laos.

5. Department disturbed implications some of Crown Prince's statements to you that Laos must have considerable US backing in order not be forced accept whole ChiCom package on Peiping visit. Department believes that Lao leaders should fully realize that such support is contingent upon firm Lao leadership. External assurances are no substitute for internal will and determination to remain free. We can supplement but we cannot supplant. SEATO Treaty now protects Laos from Chinese Communist aggression.

6. FYI Department fully aware possibility Lao leaders may be capitalizing ChiCom overtures to obtain from their friends additional commitments and assurances.

7. (FYI: It seems to Department Souvanna is either being dangerously wobbly or is developing scheme of rapprochement with PL and ChiCom which he has not revealed either to us or to his RLG colleagues. We are concerned latter possibility in view his lack of frankness concerning current relations with Souphanouvong, and Burchett's visit as well as recurrent reports of clandestine RG contacts with Phetsarath. End FYI).

8. FYI In addition to personal letter from Secretary, which already carried out we have been examining following additional steps designed strengthen Lao determination: (a) intensification Thai-Lao military planning; (b) development of Thai-Lao agreements and pos-

sible US or other support, or possible link with SEATO; (c) establishment of SEATO watchdog committee on Laos or periodic joint visits to Laos by representative of some SEATO powers (i.e. Thailand, Philippines, Australia) to discuss problems of Lao security; (d) in cooperation with ICA, formulation not financing of aid projects on 2, 3 or 4 year basis to convince Lao of our intention to continue support; and (e) some appropriate form of expression of congressional interest in Laos.

Dulles

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363. Letter From the Chargé in Laos (Blancké) to the Ambassador-Designate to Laos (Parsons)<sup>1</sup>

*Vientiane, June 11, 1956.*

DEAR MR. AMBASSADOR: I promised a classified letter for your expected arrival in D.C. on or about the 19th, and here it is. I haven't much to say that has not been in the past week's cables, . . .

I must say right now, though, that even if you or Charlie Yost had been here I doubt we could have stopped Pal Chou-ey. I may not be a very persuasive con-man, but I studied my lines carefully and Max and I spent a tireless week peddling our position high and low. Unfortunately, we must recognize that Uncle Chou has had the power to do this to us any time he felt like it, and the Lao were stampeded. They have never been able to forget Chou's remark to Phoui (then Lao FonMin) at Geneva in 1954: if these PL give you any trouble, just come see me and I'll fix it up pronto. With the successive frustrations of the following two years, I guess they were just a pushover. Even so, I must say Souvanna Phouma has been a sad disappointment. Undoubtedly the bleeding Indians, and a host of other ineffables, have been getting at him in all sorts of underhanded ways, but I do think he could have been franker with his friends.

I also fear the Crown Prince is increasingly losing his grip, a thing I've been noticing more and more. I'm sure he could have swung the invitation business into proper lines if he'd had the guts.

Another thing that didn't help was the failure of London and Paris to give their representatives any solid instructions, despite urgent requests from here. The British Chargé and French representatives were good enough to expound what they called "the Blancke

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-1156. Secret; Official-Informal. J. Graham Parsons was appointed Ambassador to Laos on May 29. He arrived in Vientiane in late July, but did not present his credentials until October 12.

Doctrine," but I gather they didn't support it very forcefully (as I had thought they were) because they weren't told to do so. So much for post-mortems.

. . . . .  
 [Here follows a paragraph on administrative matters.]

Sincerely,

Wendell Blancké

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**364. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, June 23, 1956—2:49 p.m.*

1313. For Sebald. Department desires take advantage your visit Vientiane to convey to Prime Minister Souvanna Phouma and other Lao leaders following US views.<sup>2</sup> After you have been fully briefed recent developments by AmEmbassy Vientiane present these views orally to Souvanna Phouma. You may leave an informal record with him in the form of an unheaded, undated memorandum containing the text cited below:

"1. As Secretary of State recently reaffirmed to His Royal Highness Prince Savang, US is standing and is determined to continue to stand firmly behind its commitments to the nations of free Asia as set forth in the SEATO treaty and its appended protocol. The SEATO powers, particularly the US, possess powerful forces especially in the air and on the sea. The Chinese Communists and Viet Minh are fully aware of the strength of these forces and of SEATO treaty and its protocol regarding Laos.

"2. The policy of US Government is to help Laos preserve and strengthen her independence, sovereignty, and territorial integrity. We believe others hope to maneuver Royal Government into making concessions which would increase presently weakened Pathet Lao subversive potential, develop Communist influence and power within Laos and weaken Royal Government. Chinese Communist activities

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<sup>1</sup>Source: Department of State, Central Files, 790.5/6-2356. Secret; Priority. Drafted by Corcoran; cleared by SEA, C, ICA, FE, E, and L/E (in substance); and approved by Robertson. Repeated to Bangkok.

<sup>2</sup>Sebald talked with Katay on June 26 and made the points as instructed in telegram 1313. He did not see Souvanna Phouma. (Telegram 1655 from Vientiane, June 27; *ibid.*, 790.5/6-2756) For additional information on Sebald's June 26 talk with Katay, see Document 377. Parsons saw Souvanna Phouma on August 1 and read him the paper outlined here; see telegram 134, *infra*.

in Buddhist countries of Tibet and Burma seem to us clear indications Chinese Communist intentions Laos. US believes great circumspection and prudence are indispensable in responding to any Chinese Communist overtures, which if not carefully handled, could jeopardize common objective Royal Government and US to preserve the independence and freedom of the Lao people. American congressional and public opinion are now friendly and sympathetic toward Laos but neither Congress nor American people would be willing make continued substantial efforts assist Laos Government maintain independence, security and freedom if that government appeared to be unnecessarily sacrificing its own interest to Chinese Communist advantage. We continue to believe a visit to Peiping is unnecessary and would present serious dangers. Certainly a satisfactory settlement fully reestablishing power and authority of RLG should first be achieved.

"3. We continue to believe that the firm basis for any negotiations with Pathet Lao should be the January 7 ICC resolution. In this connection we trust the Royal Government will not undertake any commitment directly or indirectly involving US without prior consultation with US and we are confident Royal Government will keep US fully informed in advance. For example, any large scale integration Pathet Lao units into Laos armed forces requiring increased size, such forces would be very serious matter which could not help but affect the nature of the various US programs designed to strengthen Laos independence and integrity.

"4. In the meantime, US Government will study Laos government priorities as expressed to US Study Group by His Highness Souvanna Phouma, with particular reference to economic development of Country designed to: a. increase food production through irrigation and other projects; b. improve internal distribution through reopening national roads; c. diversify economy and lay basis continued economic growth; d. offer program which would have considerable appeal vast majority population and eliminate or reduce considerably danger disaffection with Government. Any economic aid from US for such development would be subject to available funds and congressional authority. Moreover, ability of US proceed with such important matters would depend on firmness and constancy in Royal Government defense of its sovereign rights.

"5. After arrival Ambassador Parsons US would be prepared to begin discussion with Royal Government concerning negotiation of treaty of friendship, commerce, and navigation."

FYI: For Vientiane and Bangkok. Foregoing intended help strengthen Royal Government's will to defend its interests vis-à-vis Chinese Communists, to discourage what appears to be undue haste by Royal Government in responding Chinese Communists overtures and to warn Royal Government it cannot commit US to any position it may assume without prior consultation. Vientiane inform Department and Bangkok when memorandum delivered. Embassy Bangkok may then, at its discretion, inform Phibun that we have presented foregoing views to Lao. End FYI.

Dulles

365. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, August 1, 1956—4 p.m.*

134. Department pass Defense, CINCPAC, ICA. Embtel 131.<sup>2</sup> I saw Prime Minister this morning with Blancke. Recognized he was very busy with arrival Souphannavong but wanted insure one point perfectly clear before talks started as otherwise there might be embarrassments. This was question reintegration in so far commitment US resources involved. In talk with Colonel Quan our Military Attaché had learned of planning figure circa 1,000 PL troops for integration. We recognized this figure not yet official but naturally wanted no misunderstanding of our views, which had been set forth especially by Sebald, and RLG assurances given that respect. As reminder I read excerpt from paper left for Souvanna by Sebald June 26, second and third sentences numbered paragraph 3, Deptel 1313, June 23.<sup>3</sup>

Said I had asked for instructions re our position, which expected would take into account intricacies of situation. Nevertheless RLG must recognize there were political realities to be faced in US as in Laos: Souvanna could imagine that US public and Congressional opinion would not take kindly to paying for Communist soldiers recently in armed conflict with proper Lao Government. In any case it would be very unlikely that direct integration fighting forces would be acceptable to US. Possibly some indirect arrangement might be worked out, i.e. eventual integration some elements after thorough screening and reindoctrination to insure no hardcore Communists let in. Even this might be hard, as PL would undoubtedly try, as Communists did everywhere, to infiltrate their most "faithful" elements; this worried US, and should worry RLG as well.

Souvanna insured me he understood necessities of our position. Said, as he had said before, that number of PL troops able be taken in must depend on spaces in Army—he would have take some, of course, 200 or 300, possibly even 400, but would make clear this de-

<sup>1</sup>Source: Department of State, Central Files, 651.51J/8-156. Secret; Priority.

<sup>2</sup>In telegram 131, July 31, the Country Team reported that it had agreed to discuss with Lao leaders the question of Pathet Lao integration in the Lao National Army. Upon discussion with Chief of Staff Colonel Quan on July 31, Embassy officers discovered that he envisioned putting approximately 1,000 Pathet Lao into a "reserve" force as a separate unit. While the Country Team foresaw public relations problems with U.S. financial support of former Communist soldiers, it warned against becoming too inflexible. Instead, it suggested that the United States pay for a token force of 200-300 ex-Pathet Lao soldiers, which after screening and reindoctrination, would replace existing Lao National Army soldiers, thus keeping the Army below the 25,000 ceiling. (*Ibid.*, 651G.51J/7-3156)

<sup>3</sup>*Supra.*



pended entirely on spaces available under force ceiling. (Blancke observed this already a bit exceeded.) Prime Minister would moreover make no commitment involving US without consultation. Understood unfeasibility of direct integration, planned screen and indoctrinate internees thoroughly and keep them apart under special supervision. I again apologized for disturbing him at busy point but wanted insure no misunderstanding.

Prime Minister attitude throughout talk was friendly and receptive—as, perhaps, it is with everyone. He made no mention of Quan's or Phoumi's plans and I am confident none has been adopted. While [garble] no commitment yet made it is less good that preparations for talks have not been more concrete with firm initial position. I fear he still regards forthcoming meetings in terms of talks with his brother rather than negotiations with a Communist-controlled team.

Parsons

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366. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, August 1, 1956—6 p.m.*

136. At close of talk reported Embassy telegram 134<sup>2</sup> Prime Minister said Souphannavong arrived evening July 31 and they had had hour of talk which fruitful. Souphannavong assured Souvanna he was not Communist, but was completely misinformed re purposes US aid and bases US-Lao relationship. Had idea US and RLG had defensive-offensive alliance, enable US use Laos as base to strike at Communists. Unable otherwise understand why US aiding RLG. Souvanna made clear no alliance whatsoever: militarily US wanted keep Laos from being invaded by Communists; economically and politically, US wanted prevent Laos being communized by helping people enjoy decent living and viable economy. US policy was to have maximum number friendly non-Communist countries in world. This was all, and if Souphannavong was as he said not Communist, he should have no quarrel with US position. Also, if Souphannavong did not believe him why did not he talk to American Ambassador himself. As for RLG policy it was to remain neutral and avoid becoming battleground (I interjected, it was Communists who had already done that) and be friends both East and West. Souphannavong

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<sup>1</sup>Source: Department of State, Central Files, 651.51J/8-156. Secret; Priority. Repeated to Bangkok, London, Paris, Ottawa, Phnom Penh, Saigon, and New Delhi.

<sup>2</sup>*Supra.*

adduced parallel of Egypt; Souvanna said, no, on the contrary, Egypt was "neutralist" not "neutral". (British Ambassador tells me that he has been hammering away to get Souvanna see this distinction.) Souvanna again assured Souphannavong if he was indeed not Communist all could be worked out. Souphannavong spoke of "democratic practices". Souvanna said, indeed that was RLG system. PL would be under parliamentary rule. If observed laws, they could do what they wanted without trouble; but if they set out to overthrow government, that was against the law and they would be arrested.

Meeting with Souphannavong scheduled afternoon August 1 to discuss broad principles. Souvanna will make clear RLG wants peace, avoid becoming battleground, but desires follow "neutral" not "neutralist" policy. In parting it was arranged that, since Souvanna's time would be fully taken, Blancke would keep in touch with Sisouk<sup>3</sup> re course negotiations.

I intend, however, to seek appointment with Souvanna whenever it seems desirable.

Embassy officer talking to Cabinet member learned five principal PL negotiators are Souphannavong, Phoumi, Kaysone, Nouhak and Major Uhao Phoun. RLG is including on its side representatives of principal political parties.

British Ambassador who learned I was seeing Souvanna called at Embassy this morning and I gave him substance foregoing. He is to see Prime Minister tomorrow and will brief me subsequently.

**Parsons**

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<sup>3</sup>Sisouk Na Champassak, a member of the Royal Lao Government's delegation for talks with the Pathet Lao.

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**367. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, August 4, 1956—3:08 p.m.*

120. Joint State-Defense-ICA message. Vientiane 131,<sup>2</sup> and 134<sup>3</sup> passed CINCPAC. As indicated various messages re terms Lao Gov-

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<sup>1</sup>Source: Department of State, Central Files, 651.51J/8-156. Secret; Priority. Drafted by Byrne and cleared in draft by SEA, ICA, and Defense. Repeated to CINCPAC, Ottawa, New Delhi, Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>See footnote 2, Document 365.

<sup>3</sup>Document 365.

ernment-PL settlement (CA-2829 October 10, 1955;<sup>4</sup> Department's 310, October 20, 1955 to Vientiane repeated Ottawa 134 London 2161 New Delhi 943 pouched other addressees;<sup>5</sup> Department's 1225 to Vientiane pouched other addressees<sup>6</sup>), we have considered integration PL not as separate problem but as sensitive element total political settlement in which restoration full Government control two provinces essential point.

In giving our tentative position to Canadians British (Department's 310 October 20, 1955) we pointed to problem Congressional and public opinion if we should pay for Communist forces but felt solution could be found on condition political settlement satisfactory. So far as Lao Government itself concerned, we never threatened terminate aid or refused finance PL troops, but warned of dangers PL integration on large-scale or without adequate safeguards and frequently cautioned against making concessions engaging U.S. or obliging U.S. reconsider policy toward Laos.

Fully agree allusions to difficulties using U.S. resources pay ex-Communist troops in your effort pull irresolute Souvanna up short. However we would not wish tie our position re PL integration to U.S. funds but rather to kind of over-all settlement achieved by Lao Government and degree its control over integrated PL troops. Integration accompanied for example by coalition government would force U.S. reappraise policy toward Laos; limited troop integration along with political settlement consonant Lao independence and with adequate checks integrees might be acceptable. You should continue therefore strongly warn Lao on need prior consultation on commitments involving U.S.

Though we unable give definitive position on integration, we have following preliminary comments:

- 1) Any integrated PL would have be included 25,000 force basis. Since even if RLG paid such integrees from own funds as additional force U.S. money would in fact be used, we prefer greater measure control afforded by containing PL within framework 25,000 force level financed by U.S.
- 2) ANL should apply rigid standards professional qualifications and health in order limit number integrees (possibly two to three hundred), just as we assume Lao will apply strict criteria to rehabilitated civil servants.
- 3) Lao Government figure 1,000 appears far beyond its capacity control.
- 4) Fully agree direct integration would be dangerous and unacceptable. Those PL selected for integration and perhaps substantial additional numbers PL should be isolated and indoctrinated for

<sup>4</sup>Not printed. (Department of State, Central Files, 751J.00/10-1055)

<sup>5</sup>See footnote 4, Document 355.

<sup>6</sup>Document 355.

suitable period, thus at same time permitting further screening. Lao Government should begin preparing site staff and materials (perhaps SSPP could expand activities this line).

5) Remainder PL would be demobilized and assisted as refugees if unable find employment. Since hard-core Communists would undoubtedly attempt enter Army or civil service we would not anticipate undue difficulty absorption rest into economy (cf. vastly greater numbers Vietnamese troops absorbed into Vietnamese economy after Geneva almost without ripple). Lao Government must nevertheless do all necessary prevent these PL from becoming source agitation and discontent.

Until terms settlement take shape believe you should continue general line such as need give PL no better treatment than required by Geneva Accords and effect that rash concessions would have upon relations with U.S.

Dulles

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368. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, August 6, 1956—6 p.m.*

168. Department pass CINCPAC. At Prime Minister's invitation I called on him morning August 6 with Blancke for meeting lasting an hour. Souvanna said he wanted fill us in on recent events, preliminary agreement with PL having been reached. I mentioned I had just got Washington views on problem of reintegration and would wish discuss them before he left. Prime Minister suggested we do this first and I outlined preliminary position given as five points Deptel 120<sup>2</sup> (Ottawa, Delhi, Paris, London, Saigon, Phnom Penh, CINCPAC un-numbered) Souvanna's reactions follow:

1. Stay within 25,000 limit: That was his firm position and always had been. (It would seem according what he said later there must be some temporary excess over 25,000 but he claimed excess would be eliminated at once.)

2. Apply rigid standards: This definitely planned, as one excellent way keep down numbers.

3. 1,000 troops too many to control: Prime Minister said ultimate integration should total far less. First step was call for volunteers to ascertain who in PL wanted continue army career. At this stage might get one to two thousand. These would be placed under royal

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/8-656. Secret; Priority. Repeated to Bangkok, London, Paris, Ottawa, New Delhi, Saigon, and Phnom Penh.

<sup>2</sup>*Supra.*

authority, after which elimination could proceed without interference. Many would be weeded out by severity of selections standards. Third stage was in camps for indoctrination, training, et cetera, with further screening and elimination.

4. No direct integration: See above.

5. Watch remainder: I did not take this up as a point but worked it into subsequent warnings re subversion.

In terminating this topic I reiterated importance his promise not commit US resources.

Souvanna appeared satisfied his position coincided with our views and with measures being planned, and reverted to communiqué, composition of which had been whole activity of August 5 meetings. Copy showed us, which slightly smoother version than Embtel 166,<sup>3</sup> was his own unofficial French translation of agreed Lao text; secretariat was now working on careful official translation which might appear August 7 but possibly later. Prime Minister stressed this was communiqué, not agreement as latter would imply PL sovereign government instead dissident national group.

Going over his text, I queried him on passage alluding establishment contact with neighbors, did this for example include DRV? Prime Minister said, not till they had shown bona fides by pulling out of North Laos, eventually, yes. Re military pacts and bases, Souvanna says this had been a principal worry of PL, who had idea RLG had military alliance with US. He was able reassure them on this; Seno and Vientiane bases (latter is French garrison) were of course provided for at Geneva. Laos remained free create own military bases.

Re coalition government, still under discussion at time of drafting, PL had met several times with representatives of Assembly in effort get agreement to new general elections. Assembly had held firm and PL were now agreeable to taking what they could get in supplementary elections (Embtel 157, 1 c<sup>4</sup>). If final capitulation on this point obtained today, might be included in communiqué, if not, would be subject subsequent communiqué. Added he doubted supplementary elections would take place before 1957.

<sup>3</sup>Telegram 166 from Vientiane, August 6, summarized the August 5 joint declaration of the Royal Government and the Pathet Lao delegations. By the terms of the declaration the two sides agreed that Laos should follow a foreign policy of neutrality, friendly contact with neighboring countries, no adherence to military pacts, and no establishment of military bases in Laos except in accordance with the Geneva Agreements. The two parties declared a cease-fire and set up military and political joint commissions to work out the terms of the cease-fire, administration of the two northern provinces, and integration of the Pathet Lao into the Royal Army. The question of elections and formulation of a coalition government was left for further discussion. (Department of State, Central Files, 751J.00/8-656)

<sup>4</sup>Not printed. (*Ibid.*, 751J.00/8-456)

As we read paragraph on integration Souvanna remarked most important step was as stated therein: Get civil and army under RLG authority. Once they were in, RLG could deal legally with them, and would find many ways to cut them to size. In army, important step was to disarm PL and get "volunteers" under ANL authority. If mixed committees got into hassle and referred back to two brothers, he Souvanna would have upper hand.

Prime Minister said with importance of police to control subversion now increasing, he planned request more funds for them. No PL would be allowed in police. With armed PL issue settled, army could be reduced to 15 battalions, one for each province and three general purpose, mission principally guard frontiers.

Prime Minister was most anxious I make clear to Washington that he was not ceding to Communists and would be most vigilant against penetration, would not change attitude toward old friends; must however face realities confronting landlocked Laos which must live with powerful neighbors. Did not refer directly to question definition neutrality as opposed neutralism as discussed with Soulie (Embtel 167<sup>5</sup>) so I did not force occasion to introduce it. He did at one time, however, refer to necessity for his small country be buffer state.

On subject of neighbors I brought up Peking visit in connection US public opinion. I understood implications of PL-RLG communiqué and congratulated him on his work to bring peace and unity, but was obliged point out US press might seize on it as an accommodation with Commies, and American opinion might so view it. If on top of that he forthwith announced he going Peking, effect would be doubly unfortunate. We in no way sought interfere Lao internal affairs, but since question involved US Congress and voting of funds for aid, we must stress importance of first impressions however ill-founded these might be. In that connection I pointed out strength US feelings re Communist China and reasons therefor. Souvanna said he understood and was indeed counting heavily on continued US aid, but we must understand he has to go to Peking; he told Chou En-lai he would do so after PL problem settled. Assured us this purely courtesy visit to neighbor, with no commitments whatsoever to be made, and he would stress this in announcing visit. Before replying to Chou he had consulted US Government and been told no objection (as he later reported to Thai enroute Singapore). Blancke interposed we had not said there was no objection, but rather that if RLG found invitation impossible to refuse, it should not go until PL issue

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<sup>5</sup>Telegram 167, August 6, reported Souvanna Phouma's request to French Chargé Soulie to act as an "honest broker" in explaining to the United States Lao policy of "armed and watchful neutrality" as opposed to neutralism. (*Ibid.*, 651J.00/8-656)

settled; I added we had not at any time approved of trip, reiterated on contrary we believed it not necessary and dangerous. Blancke asked if he now considered PL issue solved, or would that be after commissions finished work. Souvanna became slightly nettled but again assured us, and asked us make clear to Washington, that this was purely courtesy visit with no commitments. Before dropping matter I again alluded to US opinion. Fact visit was courtesy would not make US headlines, whereas fact of trip would. For this reason we felt obliged point to probable cumulative effect of announcement visit on top of foreign policy statements in communiqué. I again recognized value of his success with his brother Souphanouvang. Received renewed assurances of RLG vigilance and friendship.

Parsons

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369. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, August 6, 1956—8 p.m.*

170. 1. Over past few days Holliday, Bridle and I have met repeatedly pool ideas and information on RLG-PL negotiations including communiqué rough translation of which this Embassy had first . . . . As Prime Minister called me first we had opportunity discuss what they might take up in light my talk with Souvanna this morning. While they will repeat some of what I said I expect them make following additional points which Department may wish consider in connection with any instructions coming out of weekend developments here.

. . . . .

. . . In support this thesis I have no doubt on basis our talk today that Souvanna fully realizes stage being set for political contest between PL and any soft elements they can pick up on one hand and now dominant political elements on other hand. Moreover not only Souvanna but other sources have told us precautions being taken, i.e. no elections till '57 or "we are sure we'll win" combining anti-communist forces behind one candidate in close contests, segregation of

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/8-656. Secret; Priority. Repeated to London, Paris, Bangkok, Ottawa, New Delhi, Saigon, and Phnom Penh.

PL troops, school to train and screen PL functionaries, strengthening police, etc.

5. My own feeling at moment (I have been here just over week) is that:

(a) On internal front at best we are in for new intensive campaign throughout country in which maximum objective is of course Communist victory and minimum active neutralist role. Political majority aware of danger, wants continued US help and advice, is determined keep country independent, has no trust or liking for Viet Minh and Chinese who have been enemies in past. New doubtful, maybe dangerous element will be presence of both Souvanna's brothers in country before long.

(b) On foreign front it is clear that for some time Laos has wanted move into neutral position and most elements here do not consider this much of a price to pay for end of PL strife and national enmity. There is no prospect that Laos under present or foreseeable government will enter SEATO. Suspension of Laos-Thai contingent planning would be highly significant; this can be used as one test of governments true intentions.

6. For moment effects of talk with Souvanna this a.m. should stave off diplomatic relations with Red China, North Vietnam or acceptance Chinese aid. It may postpone for a bit but not prevent Peking trip. This small country feels it must strike a balance between its neighbors and its more distant Western friends.

. . . This morning Souvanna indicated Laos role was as a buffer zone. Whether or not we accept this it appears from here that if settlement eventuates along lines of communiqué, US should concentrate even more on countering efforts of PL and Communists subvert, infiltrate and win whole country by non-military means. Regardless of what this may mean for US aid programs over longer period, at moment I believe that care should be taken not to make any move which would weaken confidence of RLG in our willingness and ability protect country. Any slackening of support or obvious US loss of confidence in future of country would only accelerate trend which set in some months ago.

Parsons



**370. Telegram From the Embassy in Laos to the Department to State<sup>1</sup>**

*Vientiane, August 6, 1956—6 p.m.*

169. Department pass CINCPAC. In course of discussion with Prime Minister August 6 (Embtel 168<sup>2</sup>) I queried re auto-defense program in light statement in joint communiqué no reinforcements or arms to be sent into Northern provinces pending settlement between two parties. Souvanna replied all arms received to present sent north but there was still deficiency in south and he wanted program continued. Informed him about half the 155 tons had already been delivered when suspended by US (July 29) until departure PL delegation from Vientiane.

**Parsons**

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<sup>1</sup>Source: Department of State, Central Files, 751J.5/8-656. Top Secret; Priority. Repeated to Bangkok.

<sup>2</sup>Document 368.

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**371. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, August 7, 1956—7:31 p.m.*

129. Vientiane 166 repeated Bangkok 104 London 32 Paris 42 Ottawa 31 New Delhi Saigon Phnom Penh unnumbered.<sup>2</sup> We are disturbed at import Lao Government-PL communiqué. While declaration couched general terms and critical points obviously left for political military commissions we do not like statement neutrality made with Communist leader or mention coalition government. We note Souvanna's protestations he will give nothing away and share your desire care be taken not give Lao impression we losing confidence in them (Vientiane 168 and 170<sup>3</sup>). Nevertheless we believe necessary express our concern to Lao in order leave no doubt our position and possibly stiffen Lao to retrieve situation in future Government-PL committee discussions.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/8-656. Secret; Priority. Drafted by Byrne; cleared by SEA, WE, and BNA; and approved by Sebald. Sent also to London and Paris and repeated to New Delhi, Bangkok, Ottawa, Saigon, and Phnom Penh.

<sup>2</sup>See footnote 3, Document 368.

<sup>3</sup>Documents 368 and 369.

Appears to us communiqué considerably weakens Government bargaining position by giving in initial negotiations what Communists clearly wanted (as shown Souphannouvong's opening statements re neutrality and Viet Minh organ *Nhan Dan's* repeated assertions aim of negotiations was "peace and neutrality" and makes concessions going far beyond Geneva terms. (We do not wish undertake discussion pros and cons British and Commonwealth contention Laos will eventually turn neutral or neutralist; we do object however to public statement on neutrality which totally undefined and which can be exploited by Communist propaganda.) "Establishing friendly contact with neighboring countries" can only mean Communist China and DRV since Laos already has relations with other bordering states. "Abstaining from adherence to any military pact" imposes greater restrictions than Geneva which requires only such pacts conform UN Charter and cease-fire agreement.

PL on other hand made no concessions since they have long paid lip service to RLG ultimate right administer two provinces and Army, indeed ostensible Communist adherence Geneva required them do so. Further, PL in negotiations on detailed arrangements will undoubtedly ignore RLG concessions in communiqué demanding additional Government compensation for any slight yielding on PL part.

*For Vientiane:* Request you take appropriate occasion convey above to Lao Government, mentioning if you deem appropriate fact *New York Times* article datelined Hong Kong August 6 stated "Acceptance of terms by RLG was victory for pro-Communist movement". Suggest you add we aware intense Lao desire reunification and high motivation RLG in attempting reach agreement with PL. Nevertheless US strongly hopes RLG will stand firm in detailed negotiations which are heart of matter. You should reiterate unwavering US and SEATO backing Laos but stress seriousness concern with which US would view arrangement involving for example coalition government without duly held free elections under RLG control or integration PL troops in such numbers or in such manner as to jeopardize integrity Army.

Moreover Free World would seriously question trip to Peiping made on Lao assumption communiqué synonymous settlement PL problem. Hurried visit to ChiComs when knottiest problems integration and restoration Government control two provinces still unresolved and PL position not clear would be regarded as unworthy Lao haste accommodate to Communists.

In discussing communiqué's restriction military pacts request you state we trust this will mean no interruption Thai-Lao planning. You might also remind RLG we have not received promised French version Lao concept defense Laos.

Unless you believe following step would damage your working relationship with Soulie,<sup>4</sup> you might at your discretion mention to Souvanna our inability understand necessity employ French Chargé as middleman in explaining Lao foreign policy to us in view our heretofore frequent and sympathetic contacts RLG officials.

*For London:* As foregoing indicates we were opposed British suggestion Lao issue neutrality statement (London's 661<sup>5</sup>) but joint RLG-PL declaration (for which we assume British not responsible) renders our opposition academic.

*For London and Paris:* Request you convey our views joint communiqué and Peiping trip to Foreign Offices, omitting mention Thai-Lao planning and French role as interpreter Lao foreign policy.

Dulles

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<sup>4</sup>Reference to Soulie's proposed role as an "honest broker" in explaining Lao neutrality to the United States; see footnote 5, Document 368.

<sup>5</sup>Dated August 3, not printed. (Department of State, Central Files, 751J.00/8-356)

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**372. Memorandum of Discussion at the 292d Meeting of the National Security Council, Washington, August 9, 1956<sup>1</sup>**

[Here follow a paragraph listing the participants at the meeting and agenda items 1-3.]

*4. Significant World Developments Affecting U.S. Security*

The Director of Central Intelligence said that negotiations between the Royal Government of Laos and the Pathet Lao—the latter are sponsored by North Vietnam and control two northern provinces in Laos—have been under way, and an agreement in principle is about to be reached. This agreement, if concluded, will result in substantial gains for the Communists; that is, in gains which must be considered substantial in view of the exposed position of the area. Under this agreement the Government of Laos would adopt a policy of neutralism, establish friendly relations with neighboring countries, refrain from ties with other countries, and permit 1000 men from the Pathet Lao provinces to enter the Army of Laos. The Pathet Lao, for its part, would recognize that the authority of the Royal Government of Laos extends throughout Laos. Mr. Dulles said that in this situation a great deal depends on Free World and North Vietnamese

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<sup>1</sup>Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Marion W. Boggs on August 10.

action. The agreement between the Government of Laos and the Pathet Lao may be the first step in Communist penetration of the Laotian Government; on the other hand, if the Laotian Government is effective in building up its security forces, the situation may not be lost. Mr. Dulles thought, however, that the situation in Laos warranted close study, especially study of the possibility that the Communists now had an opening wedge, preliminary to taking over.

Admiral Radford said he had been in the area just last week, and that the negotiations referred to by Mr. Dulles were scheduled to start the day after his departure. While there, he learned that President Diem was more worried about Laos than about Cambodia, because the Laotians were felt to be capricious. It looked as if the Laotians were about to give in and let the Communists enter the government. Diem, he added, was about to exchange diplomatic representatives with Laos. Admiral Radford then expressed some reservations concerning the efficiency of the armed forces of Laos. Mr. Dulles said that a great deal of effort had been devoted to training security forces in Laos. Admiral Radford asked whether Mr. Dulles was referring to training under the French. Mr. Dulles said he referred to training under the United States. The Secretary of State said that the training had been in Thailand. Mr. Allen Dulles said the security problem was complicated by the long frontier of Laos.

[Here follow discussion of the Burmese-Chinese border situation and agenda item 5, "The Suez Canal Situation" (for text, see volume XVI, page 165.)

Marion W. Boggs

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### 373. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, August 15, 1956—7:35 p.m.*

181. Since further attempts postpone Peiping visit would be completely unavailing we believe advisable now try prevent Lao commitments to Chinese Communists during trip.

Souvanna's desire please everyone and easy agreement with last person to see him appear counsel steady but fairly low-keyed friendly advice reminding him of US position and support and of Laos'

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<sup>1</sup>Source: Department of State, Central Files, 033.51J93/8-1556. Secret; Priority. Drafted by Byrne; cleared by SEA and in substance by U/PR; and approved by Sebald. Repeated to London, Paris, Bangkok, Ottawa, New Delhi, Saigon, and Phnom Penh.

commitments to West. Each response by Souvanna and other Lao leaders concurring in existence such ties may have psychological effect strengthening actual pro-West commitment. (In this connection believe Thai-Lao planning and maintenance Seno should be mentioned every appropriate opportunity.)

Unless you perceive objection, request you see Souvanna and Katay before departure for Peiping and state though US continues regret Lao for reasons not clear to us have decided travel Communist China before settlement Pathet question (you might at your discretion point out Souphannouvong himself seems think settlement still pending as indicated his statement at August 7 ceremony presenting communiqué to ICC) we are gratified they intend visit be purely social and plan make no commitments Peiping. Souvanna might find it useful know US Congress and people would be seriously concerned if Laos accepted Chinese Communist aid which experience has indicated is given only for political objective penetration and subversion.

Re possible Souvanna statement before leaving for Peiping (Vientiane 183<sup>2</sup>), believe Prime Minister has already gone as far as he will go on foreign policy in radio broadcast on PL settlement (Vientiane 214<sup>3</sup>). Any Lao declaration re courtesy nature trip would of course be helpful.

With respect airport send-off (Vientiane 238<sup>4</sup>), we inclined prefer no Embassy representative be present. Nevertheless if you believe Souvanna might be offended absence US representatives you have discretion send junior officer. Suggest you merely inform British French Thai colleagues your decision without attempting influence their actions.

Hoover

<sup>2</sup>The proposed statement outlined in telegram 183 from Vientiane, August 7, was British-inspired; in it Souvanna Phouma would declare that Laos was neutral, but not neutralist. (*Ibid.*, 751J.00/8-756)

<sup>3</sup>Telegram 214, August 11, transmitted a summary translation of Souvanna Phouma's radio broadcast to the nation of August 10. (*Ibid.*, 751J.00/8-1156)

<sup>4</sup>In telegram 238, August 15, Parsons requested instructions as to whether, as was customary, he should attend the airport send-off for Souvanna Phouma and the Lao party leaving for Peking. (*Ibid.*, 033.51G93/6-1556)

### 374. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, August 15, 1956—11 a.m.*

235. Department will have noted with concern part two of second communiqué August 10 (Embtel 209<sup>2</sup>) which states without qualification: "Formation of a government of national union with participation of representative PL forces". First point, supplementary elections, was as per plan; second, however, was sprung on Lao public via communiqué.

1. Far as Embassy able ascertain, situation has all elements of backstaged deal between Prime Minister and PL. Creditable source within Souvanna's palace guard tells us Prime Minister made concession privately August 8 to Souphanouvong, who begged for it as only peg on which he could sell colleagues and people back home on returning to fold. Souvanna August 9 had greatest difficulty selling cabinet and assembly representatives previous to signing communiqué August 10. (After my call on Souvanna late afternoon August 9, at which incidentally he said nothing to me of communiqué coming out next day, I saw assembly representatives filing in to see him and was told cabinet meeting was to follow them.) Nevertheless, Hanoi broadcast August 9 gave out news it was agreed August 8 there would be (1) partial elections (2) coalition government with PL representatives; attributed this to Radio Vientiane August 8, falsely, as we were later able ascertain (PL have radio to Sam Neua and could have forwarded news August 8 after Souvanna's backstage agreement).

2. Reference Embtel 212,<sup>3</sup> Katay August 10 told me there had been much friction within government on point in question. Asserted PL leaders recognized statement as it stood was commitment which unconstitutional; PL could legally enter government only with approval of National Assembly of the time, and this would probably be only when present government resigned. PL nevertheless insisted, and won point, that communiqué baldly stated there would be govt with PL participation; this they said was imperative for their home consumption.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/8-1556. Secret. Repeated to Bangkok, Ottawa, London, Paris, New Delhi, Phnom Penh, and Saigon.

<sup>2</sup>Telegram 209 from Vientiane, August 10, contained a translation of the unofficial French version of the second August 10 communiqué issued by the Pathet Lao and Royal Government delegations. In addition to Pathet Lao participation in the government, the two sides agreed to supplementary elections to augment the National Assembly and implementation of the agreements reached in principle by the joint political and military commissions. (*Ibid.*, 751J.00/8-1056)

<sup>3</sup>Not printed. (*Ibid.*, 751J.00/8-1056)

*Comment:* At ceremony August 10 signing second communiqué (called joint declaration) Souphanouvong made speech solemnly declaring PL forces would respect and sincerely and integrally apply the agreements assigned. RLG members present took this statement to mean PL bound themselves to abide by legalities in question of entering government, and Souphanouvong's statement was later incorporated by him in broadcast to people August 11. Embassy however fails see ground for such optimism. On contrary, appears PL have rather bound themselves to enter government, as per agreement.

3. National Assembly group appointed by Prime Minister and headed by Bong Souvannavong, to thrash out elections point after first communiqué, which left "under study" is known to have opposed concession in question as highly irregular, took logical view that composition of a government to be formed after elections could depend only on outcome such elections. Parliamentarians are said to be most unhappy over RLG guarantee; Embassy unaware what means Prime Minister used to talk them (and many cabinet leaders) over. View remains extant, moreover, that in any case only present government is committed to government of national union, and new Prime Minister may not consider himself so bound.

4. It is generally assumed here that any change would take place only after new partial elections, when it understood present government would resign. According Katay this could not be before early 1957, while Finance Minister says March or April. (see timetable Embtel 212) Nevertheless, there is nothing in second communiqué to ensure "coalition" would only follow upon new elections. It is presumably legally possible for some PL ministers to replace present incumbents in cabinet without even a change in government, let alone new elections, always provided this met with Assembly approval. And if Souvanna should decide to resign before new elections (e.g. in September or October) the PL would certainly lose no time in demanding their pound of flesh—whether or not it might be argued that Souvanna's successor is not bound by point 2 of second communiqué. PL would presumably either enter government or return to dissidence.

5. In marked contrast to emphasis on measures permit PL participate in political life of country has been de-emphasis on measures to permit RLG resume sovereign powers in two provinces. Such measures have not yet even been discussed by two parties who merely set up two commissions to agree upon these "details". This as significant as it is disturbing that neither in his radio address to nation August 11 nor in his speech at airport before departing for Sam Neua 12 did Souphanouvong make any reference whatever to two provinces, to facilitating reunification there, to restoration of RLG sovereignty or reintegration PL under RLG authority. Even with

respect two commissions which are to deal with these problems only few allusions have been expressions of pious hope their work will prosper in application "principles already agreed on." In our opinion this was deliberate and obvious tactic to divert attention from problem of two provinces and thus minimize risk that pressure might be brought on PL to cooperate there. Souphanouvong's two speeches under reference are further indication that mixed commissions will probably have rough sledding and that RLG is in for real trouble unless it continues to give and give. Embassy hoped to submit further views on significance last week's events in next day or so.

Parsons

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**375. Memorandum From the Chairman's Staff Group to the Chairman of the Joint Chiefs of Staff (Radford)<sup>1</sup>**

*Washington, August 23, 1956.*

SUBJECT

Thai-Laotian Military Planning

*Background*

1. Bilateral Thai-Laotian military planning first came into the limelight through a message to State from Acting Ambassador Anshuetz of Thailand (Bangkok 856 of 23 Sep 55<sup>2</sup>). The Acting Ambassador referred to a briefing by Thai Army Commander-in-Chief Sarit in which absence of a forward strategy for defense of Thailand was painfully evident. He went on to state that Sarit personally favored a forward strategy, and that the Thai Prime Minister probably would do so "under appropriate circumstances". By encouraging Thailand to adopt a forward strategy in its planning the United States would, in the Acting Ambassador's judgment:

- a. Insure maximum readily available support to Laos.
- b. Create the impression in the minds of the Thais and Laotians of U.S. intention to provide substantial support in event of armed aggression.
- c. Involve Thai prestige in a manner that would encourage Lao resistance to aggression rather than in seeking accommodation with Red China and its satellites.

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<sup>1</sup>Source: JCS Files, CJSC 091 Thailand. Top Secret. Radford wrote the following note in the margin of the source text: "There is a Joint State Def Msg of sometime around late Sept or Oct which is not mentioned here and which I would like to see. R." The message in question has not been identified.

<sup>2</sup>Document 310.



2. As an approach to stimulating bilateral Thai-Laotian planning, the Acting Ambassador proposed the following program:

a. Thailand to invite the Laotians to use Thai military training facilities in Thailand and to provide Thai field manuals and training materials which have been developed with JUSMAG assistance.

b. Thailand to inform the Laotian Government that Thailand would sympathetically consider a request from Laos for intervention of Thai forces and for certain logistic support from Thailand in event of emergency.

c. Thai-Lao staff talks to be initiated in the near future on a contingent planning basis with a view to providing Thai participation and support in Laos under appropriate circumstances.

d. Thailand to be encouraged unilaterally to develop contingent plans to provide military support in Laos irrespective of the receptiveness of Laos to Thai suggestions concerning bilateral planning.

e. JUSMAG to provide guidance to Thailand on these matters.

f. If and when feasible, these plans to be coordinated with SEACDT (SEATO).

3. In his 122209Z Oct 55 to CNO,<sup>3</sup> CINCPAC endorsed the desirability of U.S. encouragement and sponsorship of Thai-Laotian planning and indicated that he was prepared to provide necessary guidance. He pointed out that forthcoming SEATO planning would consider defense of Thailand and Laos as part of planning encompassing neighboring countries as well.

4. On 14 October 1955, the JCS concurred in principle to the first five of the program steps proposed by the Acting Ambassador (J.C.S. 1992/485). At the same time, they approved a State message which stated:

"To: AmEmbassy Bangkok (No. 1248 of 15 Oct 55<sup>4</sup>); AmEmbassy Vientiane (No. 283 of 15 Oct 55)

Concur in principle recommendations a, b, c, d, e (same as in paragraph 2 above). Addressees should coordinate manner and timing approaches to Lao-Thai authorities and other details implementation. Impending visit Lao military mission to Thailand may give opportunity express views to two governments.

No impression will be given Thais and Laos that U.S. does or does not intend to provide military forces. . . ."<sup>5</sup>

5. On 19 January 1956, following Joint Chiefs of Staff approval and subsequent amendment (J.C.S. 1992/501 of 15 December 1955), State message 674<sup>6</sup> advised appropriate addressees that:

"Defense agrees desirability beginning bilateral Thai-Lao military staff planning soonest, subject following provisions: Planning should be 1) in consonance SEATO and U.S. objectives; 2) directed

<sup>3</sup>Document 313.

<sup>4</sup>See Document 315.

<sup>5</sup>All ellipses in this document are in the source text.

<sup>6</sup>Dated January 9, not printed. (Department of State, Central Files, 751J.5/1-956)

toward immediate threat but subject later integration into SEATO planning; 3) result in practical plan which U.S. can support logistically; 4) MAAG/Thailand and USARMA/Vientiane will keep CINCPAC informed of Thai/Lao progress in development combined plans and forward copies when available to CINCPAC for information; 5) plans must not include employment U.S. forces other than those which may be required by provision U.S. logistic support.

"Determination here of level and source U.S. logistic support will await CINCPAC recommendations after review plans but should not delay initiation planning. . . ."

#### *Current Considerations*

6. The first bilateral planning conference between Thailand and Laos was held at Udorn commencing 6 July of this year. A second conference, scheduled for early August, has been postponed by the Laotians due to the workload imposed by the Pathet Lao integration. Ambassador Parsons states, however, that the Laotian Prime Minister and the Chief of Staff, Royal Laotian Army, agree that military talks with Thailand should continue. Work is underway in preparation for the next meeting (Vientiane to State No. 213 of 11 Aug 56<sup>7</sup>).

7. Ambassador Bishop has recently advised State that "in view changed military and political situation in Laos, believe Department will wish to review US policy toward pressing for joint Thai-Laos military planning for possible military action within Laos. Chief JUSMAG and I agree until instructed otherwise we should avoid any further mention this matter to Thai. . . ." (Bangkok to State No. 451 of 15 Aug 56<sup>8</sup>).

8. CINCPAC, in reviewing the foregoing two messages, has called to the attention of CNO (CINCPAC 182259Z Aug 56<sup>9</sup>) what he considers to be divergent points of view regarding Thai-Laos planning as represented by:

a. The indication by Ambassador Parsons that planning is to be continued;

b. The view of Ambassador Bishop that the U.S. position concerning the planning should be reviewed in light of Laotian political developments.

CINCPAC holds that continued Thai-Laos planning is not contingent upon current Laos-Pathet Lao talks and should be continued for various military, political and psychological reasons. He recommends that CNO discuss this problem with State as soon as possible.

9. Ambassador Bishop referred to CINCPAC on 20 August an urgent request that CNO not discuss the Thai-Laos planning ques-

<sup>7</sup>Not printed. (*Ibid.*, 751J.00/8-1156)

<sup>8</sup>Not printed. (*Ibid.*, 751J.00/8-1556)

<sup>9</sup>Not found.

tion with State until CINCPAC receives additional information from the Ambassador by air mail (Bangkok to CINCPAC No. 5839 read-dressed to CNO 201218Z Aug 56<sup>10</sup>). He refers to a discussion of this subject with you and Chief JUSMAG Thailand during your recent visit to Bangkok. In his view, "we must go slowly in this matter and must have State-JCS views coordinated and agreed before U.S. policy can be decided".

10. CNO will withhold referral of the problem to J.C.S. or State pending further word from CINCPAC (CNO 202237Z Aug 56<sup>10</sup>).

11. In reporting an 18 August conversation with the Prime Minister of Laos, Ambassador Parsons states that, according to the Prime Minister, Laos cannot accept Thai-Lao planning if it takes on the aspect of "an alliance". On the other hand, he wishes to continue "staff talks on the basis of what it would be necessary to do for defense in case of emergency and Laos had to call upon its friends" (Vientiane to State No. 275 of 18 Aug 56<sup>11</sup>).

12. Ambassador Bishop reported on 22 July that the Chief of the Thai Defense General Staff, General Jira, had been reluctant to go into "too much detail" in briefing the Laotians at the 6 July meeting "because of the forthcoming visit of the Laotian Prime Minister to Communist China". Agreement was reached, however, on mutual exchange of information and personnel; details to be worked out later (Bangkok to State No. 207 of 21 July 1956<sup>12</sup>).

13. As a point of emphasis, *further meetings are planned between Thai and Laotian military representatives* (same reference as in preceding paragraph).

14. On 22 August, Ambassador Bishop reported the following information received from the Thai Foreign Minister on 17 August: "Thai cabinet decided to go ahead with all plans for aid and cooperation with Laos, including military planning. . . . Thai government has not written off Laos, but hopes to hold Laos more or less on side of free world". From the Thai Prime Minister the Ambassador received on 20 August the following: "Lao racially related Thai and . . . Thai people could expect to influence Lao people. Thai government expecting to continue all measures designed to influence Lao Government and people. . . ." (Bangkok to State No. 524 of 22 August 1956<sup>13</sup>).

<sup>10</sup> Not found.

<sup>11</sup> Not printed. (Department of State, Central Files, 033.51J93/8-1856)

<sup>12</sup> Not printed. (*Ibid.*, 751J.5/-2156)

<sup>13</sup> Not printed. (*Ibid.*, 751J.00/8-2256)

*Where and How Did Thai-Lao Planning "Get Off the Track"?*

15. Analysis of the background and recent developments on this subject leads the Chairman's Staff Group to the conclusion that Ambassador Bishop's concern over the Royal Government-Pathet Lao developments in Laos, and his view that JCS-State review of U.S. policy covering Thai-Lao planning is required, have caused the recent surge of commentary. It appears to us that, except for postponement of the second meeting scheduled for early August, and for natural Thai concern over the implications of Pathet Lao integration, the planning is on the track.

*Discussion and Recommendations*

16. In the view of the Chairman's Staff Group, continuation of Thai-Lao planning is highly desirable as a positive step in the direction of Asians helping Asians. Furthermore, Thailand's pro-Western and SEATO status, plus her racial tie with Laos, will be valuable factors in influencing the latter against further accommodation with Communism and neutralism.

17. Continued bilateral planning holds forth promise of a significant intelligence channel for the West. By controlling carefully the extent of planning and divulgence of SEATO and other Western information, undue disclosures to Laos can be avoided.

18. Present U.S. guidance and machinery for Thai-Laotian planning is generally adequate with one notable exception—absence of any positive U.S. commitment to apply military force in support of these countries, particularly Laos, in event of aggression. As you have pointed out, failure to do so in a convincing manner is primarily responsible for our failure to establish in Laos a degree of confidence in the U.S. and its policy required to prevent the Pathet Lao fiasco. This same positive commitment is needed as a basis for SEATO planning. It does not require allocation nor earmarking of specific forces and resources.

19. To improve this situation we consider that a review of U.S. guidance for both Thai-Lao planning and SEATO planning is desirable for the purpose of developing a U.S. commitment in support of the countries concerned that will stimulate their confidence and give new meaning not only to the military planning, but to the total U.S. program in Southeast Asia. *The goal should be a modification of the currently pending restatement of U.S. policy for Southeast Asia to provide for such a commitment on a SEATO-wide basis.* As a corollary, we consider that the President should obtain emergency authority for employment of U.S. military power in Southeast Asia comparable to that which he enjoys under the Formosa Resolution.

20. Meanwhile, the Group recommends that Thai-Lao planning be continued under U.S. monitorship based on guidance now in effect. Were we to disassociate ourselves from the project, or even to withdraw our emphasis thereon, further conviction would be generated in the Laotian mind that the United States does not intend to support them in event of aggression. On the Thailand side such a reversal would unquestionably be regarded as a sign of weakness in the face of the Communist gain in Laos, and would amount to undercutting of a major Thai government program. The latter, as you know, is based on the fact that Thailand is pledged to render assistance in opposing Communist aggression in any portion of the SEATO area. The signatories of the SEATO pact agree that Cambodia, Laos and Vietnam come within the meaning of the "treaty area" in Article 7 of the pact.

Very respectfully,

**Chairman's Staff Group**<sup>14</sup>

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<sup>14</sup> Printed from a copy that bears this typed signature.

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**376. Telegram From the Embassy in Laos to the Department of State**<sup>1</sup>

*Vientiane, August 23, 1956—3 p.m.*

301. Department pass CINCPAC. Reference CINCPAC 180318Z (parts 1-4).<sup>2</sup> Problem of whether small country announcing neutral policy should be rewarded with offers of increased aid is not new but is nevertheless exceedingly difficult. Direct competition with Communists is of course distasteful nor is it suggestive of strength and confidence on our part. More important, perhaps, is fact offer of such aid suggests that recipient is more important to us than vice versa. When chips down believe small countries and particularly elite therein likely realize reverse is true—self preservation depends on US and allies. Whether this applies to particular case of Laos is again exceedingly difficult. It is important remember in this connection that we now confronting not so much danger of overt attack which would reduce this country quickly but rather infiltration at all levels

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<sup>1</sup>Source: Department of State, Central Files, 611.51J/8-2356. Secret. Repeated to Paris, London, Saigon, Bangkok, Phnom Penh, Ottawa, and New Delhi.

<sup>2</sup>Not found.

which gives somewhat more time for country to take countermeasures aided by US.

Elsewhere such radical departures as Prime Minister's handling of PL negotiations, assertion of settlement to justify Peking trip and hasty, almost surreptitious departure, could be expected cause reaction among more conservative elements. There are signs that this may happen here at least on part of those who have considered US aid as indispensable to Laos survival. Number of key Lao have expressed their concern to me and President of National Assembly has claimed it would not go along with Souvanna if he accepted Chinese aid or brought plan to government before elections (Embtel 284<sup>3</sup>). These statements have to be discounted somewhat as calculated to reassure us, but I do believe that there is worry and uncertainty among elite at Souvanna's course and anxiety for their own political future. Disquiet moreover not lessened by my absence from airport when delegation flew off lightly with Souvanna to Communist China. (Incredible as it may seem most of his entourage just went for the ride.)

There are, moreover, some assets here, stabilizing factors which we should not overlook. China is feared, Viet Minh are feared and disliked. (As traditional invaders they mean something to Lao while, except to handful of sophisticates, Communism probably evokes little comprehension or reaction. Pride of history and race, a mild but rather deep nationalism, exists and the Lao who have been a dependent people for most of past 100 years want to keep their independence (which of course is independence in political sense thanks to US aid, not in sense of economic viability). They have moreover some limited instruments to rely on, loyal army, beginnings of effective national police and neighbors, Thailand, Vietnam, who acknowledge importance to them of independent—even if neutral—Laos. Souvanna himself professes to want a neutral Laos armed against subversion and infiltration and has once at least since current developments expressed his readiness continue planning for emergencies with Thai (Embtel 275<sup>4</sup>).

If Peking trip compromises Laos seriously situation would, of course, be much more critical. But in absence disastrous accommodation to Communists on present trip I think our emphasis should be on ways we can most effectively help Laos gird for Communist political offensive, overt and covert, within country. This is more important in my view than to concentrate on building Lao Army to deter or delay aggressor. US power and Lao belief in our will to exer-

<sup>3</sup>Dated August 21, not printed. (Department of State, Central Files, 033.51J93/8-2156)

<sup>4</sup>Dated August 18, not printed. (033.51J93/8-1856)

cise it is only real deterrent any way. It is also more important than competing directly with Communist bloc by new, hurriedly conceived massive aid programs. Only few projects (see below) can be realized soon enough to have real political impact any way.

This brings us to recommendations in CINCPAC message and review of programs US agencies here.

First and foremost is energetic, comprehensive program strengthen internal security agencies. This has been recommended . . . and approved in principle. We will be actively interested in developing it further. Revisions PEO program as I see it must await developments in RLG-PL negotiations and outcome indicated RLG intentions eventually reduce force level. I believe we should encourage substantial reduction and apply any savings to internal security first, road networks second. But whether or not there is reduction, internal security should have highest priority.

Economic aid programs should be bolstered by selected conspicuous short term projects as CINCPAC suggests. I urge immediate action on one such; about 2,000 KV in diesel units for electrical power Vientiane, as discussed with Moyer. Airport lighting another obvious small project. We will be seeking ideas for other visible demonstrations of American effectiveness.

Reference telegram furthermore points up inadequacies fulfillment FY 1956 requisition for ANL of which only 15 percent delivered to date. Urge action be taken expedite these deliveries and streamline procedures future requirements. PEO will follow up with specific recommendations.

USIS program adjustments will be subject separate telegram.

By combination such programs and efforts aid most responsible elements here I hope we can at least develop a country which while it desires neutrality will be as strong as possible and lean to us rather than to our enemies. This sort of buffer is about all we can reasonably expect as I see things at this juncture and I venture raise question, what more would we really want of country like this? Preservation Lao as buffer is in itself most important, perhaps vital, objective for security of area. To attain even that objective we will require patient and sensitive handling with greater awareness than in past that US hand should be behind scenes and not embarrass friendly leaders who would lose by too conspicuous identification with US.

Foregoing illustrative of my own outlook and amounts to enthusiastic concurrence most of CINCPAC's reference telegram but sub-

ject my opening paragraph. (Paragraph 5 CINCPAC telegram not yet received.) Representatives of other agencies here concur views herein as does my immediate staff. Would welcome comments any addressees.<sup>5</sup>

**Parsons**

<sup>5</sup>In telegram 915 from Paris, August 24, Yost "heartily" endorsed the views set forth in telegram 301. (*Ibid.*, 611.51J/6-2456) Ambassador McClintock in Cambodia, in telegram 254 from Phnom Penh, August 29, was also in "full agreement." (*Ibid.*, 751J.00/8-2956)

### 377. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, August 29, 1956—7:14 p.m.*

243. For Ambassador from Robertson.

1. We are disturbed at Souvanna's communiqué reported Radio Peking<sup>2</sup> welcoming Chinese Communist aid and stating Laos does not accept SEATO protection since provisions relating Laos decided without its participation and membership would not accord Geneva Agreements. As implied Deptel 658 to Bangkok<sup>3</sup> we do not wish use ultimate threat withdrawal American aid until we prepared carry through; we would in general be prepared take such drastic step only if extreme gravity recipient country's actions meant absorption by Communists despite continuation American assistance. Lao moves do not yet seem fall into this category.

2. We cannot decide U.S. action until we have reliable reports re what transpired Peiping Hanoi. Request soonest fullest information on trip from sources you deem advisable. You have discretion whether call on Souvanna shortly after his return or leave initiative to him.

3. Available information nevertheless indicates we may soon have to do something show Lao we mean business, since our expressions serious concern have thus far had little effect on Souvanna. As interim measure therefore we considering suspending all activity FY 1957 aid program Laos if reports Lao commitments Peiping are verified (FY 1956 funds including troop pay would continue be released as heretofore).

<sup>1</sup>Source: Department of State, Central Files, 033.51J93/8-2956. Secret; Priority; Limit Distribution—No Distribution Outside Dept. Drafted by Byrne and Young, cleared by Sebald, and approved by Robertson.

<sup>2</sup>See Document 116.

<sup>3</sup>Not printed. (Department of State, Central Files, 033.51J93/8-2556)



Request your comments following proposed démarche to Souvanna if Peiping reports confirmed:

Three major incidents past two months raise serious questions for U.S. regarding firm and assured basis for future dealings Laos: 1) Lao Government publicly declared it had no plans coalition government and would not travel Peiping until after settlement achieved with Pathets. In complete contradiction this declaration are August 10 RLG-PL communiqué and trip Peiping undertaken before anything which could reasonably be considered as settlement approached; 2) Prime Minister was categorical in assuring you August 9 (Vientiane 204<sup>4</sup>) Laos would make no commitments Peiping whatsoever, yet it has now accepted ChiCom aid offer and invited ChiCom economic mission survey Lao needs; 3) Souvanna June 26 (Vientiane 1649, June 26, 1956<sup>5</sup>) acknowledged validity U.S. contention Laos had requested SEATO guarantees 1954 but had now stated Peiping that inclusion Laos in SEATO protocol undertaken without Laos' participation and had renounced SEATO protection. U.S. would consider necessary U.S. or SEATO make public declaration rectifying erroneous impression Souvanna had thus created with respect Laos' link with SEATO. These conflicting declarations render true Lao intentions obscure. Pending better understanding Lao position, U.S. suspending planning and discussions FY 1957 aid program for Laos, in order afford opportunity reappraise and clarify situation. End proposed démarche.

Foregoing would enable us take concrete action without putting us in irreversible position. At point we determine, we could state developments clarified to our satisfaction permitting resumption FY 1957 aid planning. If representation made we would suggest you also inform lesser-ranking Lao leaders and British French Thai Indian colleagues of U.S. move. Purpose this concrete display U.S. displeasure would be 1) indefinitely delay execution Souvanna commitments Peiping, particularly arrival ChiCom missions; 2) build up restraining influence on Souvanna in Assembly and Cabinet; and 3) obtain Lao public statement Souvanna misquoted re SEATO. We shall not discuss foregoing other agencies pending receipt your reaction.<sup>6</sup>

<sup>4</sup>Dated August 9, not printed. (*Ibid.*, 751J.00/8-956)

<sup>5</sup>See footnote 3, Document 109.

<sup>6</sup>In telegram 351 from Vientiane, August 31, the Embassy noted that Radio Peking's account went far beyond other reports of Souvanna Phouma's statements in Peking on SEATO or acceptance of Chinese aid. The Embassy in Vientiane suggested in lieu of suspension of aid planning a modified démarche pointing out that, if the situation warranted it, the United States could refuse to pay Laos for former Pathet Lao effectives brought into the National Army. (*Ibid.*, 033.51J93/8-3156)

In telegram 254 to Vientiane, September 1, the Department agreed with this modification and noted that any sanctions against Laos would be considered in light of the facts of Souvanna Phouma's visit to Peking and Hanoi together with the Embassy's recommendation. (*Ibid.*, 033.51J93/8-3156)

4. Meantime, you may authorize U.S. representatives Laos undertake in contacts with Lao officials create awareness dangers being "neutralized" and generate opposition to Souvanna's hasty actions and one-way concessions. American officials might state while U.S. recognizes Lao desire remain independent and neutral, Laos should beware of real ChiCom intent in neutralizing Laos, which is, in classic Chinese imperial manner, to paralyze and reduce to vassalage small well-intentioned neighbor. In this education campaign U.S. would continue give behind-scenes support to influential Lao leaders such as Katay, Nhouy and Leuam who before Peiping pilgrimage appeared skeptical and uneasy over hazardous course charted by vacillating Souvanna Phouma.

5. We should like your views re a) whether such actions would restrain Souvanna and others; b) who might be likely successor to Souvanna if general criticism his actions developed in Lao circles; and c) position we should take with Crown Prince if he visits U.S.

**Dulles**

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**378. Editorial Note**

On August 30 the National Security Council at its 295th meeting discussed the question of United States policy in Southeast Asia with particular reference to NSC 5612, August 15, "U.S. Policy in Mainland Southeast Asia". Laos was among the topics in the NSC paper and among the topics discussed at the NSC meeting. Both the memorandum of discussion at the NSC meeting and NSC 5612/1, September 5, are printed as Documents 118 and 119.

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**379. Memorandum From the Director of the Office of Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, September 4, 1956.*

SUBJECT

Laos

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/9-456. Secret. Also addressed to Sebald; drafted by Byrne.

I should like to submit for your consideration the following tentative SEA thinking on what the United States might do to counter the current adverse trend in Laos.

*General Observations*

Recent Lao Government actions, despite appearances, do not represent an abrupt turning from alignment with the West to accommodation to the Communists. Rather, they are a logical development in Laos' evolution as it attempts to reconcile the historic pattern of its relationship to China with its own interpretation of contemporary power politics. So long as the Communist threat took the form of military occupation of two provinces rightfully belonging to the National Government, Laos, with constant propping up by the American and to a lesser extent the British, French, and Thai Embassies, was able to hold its own against the Communists and indeed improve its international legal and moral position. With the Bloc shift from the scowl to the smile, however, Laos' vulnerability to Communist enticements and "soft" tactics was exposed.

Factors also affecting the Lao decision to seek accommodation to the Communists are undoubtedly 1) our inability to give the Lao categorical assurances of tangible assistance in the event of aggression and 2) failure of the Geneva machinery to achieve a settlement despite nearly two years' efforts. Perhaps more than most countries Laos has been reminded of our support by such means as frequent personal messages from the Secretary to the Crown Prince, but our necessary vagueness and our remoteness from Laos lead it to question whether the U.S. could, even if it so desired, help to prevent military conquest of Laos. This uneasiness plus frustration over the impotence of the ICC, and to some extent of the co-Chairmen, have caused Laos to look for its own solution and thus respond unusually rapidly to Communist overtures.

Laos' receptivity to the Communist peace offensive means the nearly exclusive Western role in Laos has come to an end. To the extent we remain there, Laos will in the foreseeable future be the object of a mixture of foreign influences, Communist, neutralist, and Western. Which of these pressures will prove to be the most powerful is now unknown, but the achievement of any Western success in the U.S.-Chinese confrontation in Laos will demand our not conceding the field to the Communists. Our objective remains to contain, reduce, and eventually eliminate Communist influence.

It is hopeless to expect that Laos can in any way actively contribute to the defense of the Free World. It is also hopeless to expect that in the present circumstances Laos will stand militantly anti-Communist with the West. A neutral but non-Communist Laos would nevertheless still serve as buffer protecting Thailand and

Cambodia. Its loss would remove this protection and do psychological damage to other states' belief in U.S. effectiveness. Therefore, so long as Laos resists Communist penetration and the balance in the cold war remains clearly on our side, the U.S. must stay in Laos.

If, however, the Lao insist on committing what we consider political suicide despite U.S. advice and material support, we may wish to disengage or threaten to disengage, total disengagement being synonymous with withdrawal of American economic aid. Since withdrawal of American aid means certain absorption of Laos by the Communists, this step cannot be taken lightly. Laos' softness and extreme vulnerability to Communist envelopment does nevertheless lead to the relatively great possibility that we might find it necessary to pull out in order to avoid involvement in the actual moment of disaster.

Short of this drastic action we shall, as necessary, have to employ temporizing but nevertheless concrete methods of displaying our displeasure, such as a possible suspension of activity on the Fiscal Year 1957 aid program. We patently can no longer rely only on friendly advice and warnings since our expressions of "serious concern" have too obviously not been taken seriously by the Lao.

#### *Assets and Liabilities*

In achieving our objective of keeping Laos' "neutrality" an armed neutrality leaning more toward our side than not, we have the following assets: 1) Lao hatred for the Chinese and Vietnamese; 2) tolerance for the West and friendliness to the U.S.; 3) total dependence upon outside aid, which at present is principally American, for survival as a politically independent state; 4) unlikelihood the Communists would replace the total amount of U.S. financial assistance; 5) Lao reliance on the U.S. for protection in case their security is threatened; 6) current absence of resentment against U.S. advice; 7) concern of certain important Lao leaders over Souvanna's recent flirtation with the Communists.

We are, on the other hand, burdened with the following liabilities: 1) Acute consciousness of vulnerability to invasion owing to extensive common borders with Communist China and Viet Minh-controlled North Viet-Nam; 2) Lao uncertainty of U.S. and SEATO assistance in the event of Chinese Communist or Viet Minh aggression; 3) consequent fear of offending the Communists and mistaken belief that "neutrality" will earn them Communist good will; 4) attraction to Communist China as representing Asian resurgence; 5) dim appreciation of Communist objectives and estimation of the Pathet Lao as nationalists; 6) universal Lao desire to please everyone, resulting in acquiescence in both Western and Communist importunings; 7) growing Lao sensitivity and resistance to Western prodding;

8) Prime Minister Souvanna's vanity, weakness of character, and supreme faith that he can control the Chinese Communists, the Viet Minh, and the Pathet Lao; 9) vast expanses of uninhabited or jungle area providing excellent haven for Communist political and agit-prop cadres and facilitating subversion of the country-side; 10) probable Pathet Lao entrance into the Cabinet, the civil service, and the National Army.

*Actions to Support Lao Independence and Retard Lao Neutralism*

On the assumptions that we have sufficient assets to arrest a swing to the Communists and that enough influential Lao leaders are determined to defend Lao independence, it is recommended that the following long-term courses of action be taken in the cold war to contain and reduce Communist influence in Laos:

1) We should continue to assure Laos of U.S. political and economic support and military protection in the event of Communist aggression.

2) We must prevent the Lao Government from making concessions to the Pathet Lao which would lead to subversion of the Army and civil service.

3) Top priority should be given to increasing the effectiveness of the countersubversive and intelligence services of the police, Army, auto-defense, and propaganda organizations to combat inevitably stepped-up Chinese Communist, Viet Minh, and Pathet Lao subversion and to handle indoctrination of Pathet Lao troops.

4) We must try to minimize Laos' contacts with the Communist Bloc, stave off recognition of Communist China and the Viet Minh, and dissuade Laos from accepting Communist aid.

5) We should, on the other hand, try to strengthen Laos' commitments to the Free World through steady pressure on Thai-Lao planning and maintenance of the Seno base. The Thai should continue to contribute to this effort. We should respect Laos' wish, because of its policy of neutrality, not to be too publicly linked with SEATO, but should periodically remind Laos of SEATO protection as appropriate.

6) We must make our aid program more effective in the immediate future. U.S. financing of the total cost of Lao troop pay has almost no meaning for the Lao peasant. What is essential is short-term projects with quick and tangible impact.

7) We should carry on a constant campaign, in which members of all agencies would take part, designed to make the Lao elite and near-elite aware of the dangers of being neutralized. Such a campaign might have as its theme that the U.S., though preferring mutual security arrangements, respects the choice of states who deem that neutrality best serves their national interests. Nevertheless, Laos should beware of the Communist interpretation of "neutral": Neutralization to them means paralysis and vassalage. In order to meet Communist criteria of "neutrality", Laos may find it has renounced the protection of the Free World which it may one day need.

8) We must give behind-the-scenes support to influential leaders like Katay and Nhouy who are skeptical and uneasy about the hazardous course charted by Souvanna Phouma.

*Spot Moves to Arrest the Drift*

The foregoing steps may work over the long run. In the meantime, however, we are likely to face a fluid situation of uncertainty with respect to Lao intentions, when an adverse drift is evident but the margin is still in our favor. We shall probably be beset with spot crises which will have to be met on an ad hoc basis, with means less final than threatening to terminate or actually terminating provision of aid. Sanctions in this situation would be selective, designed to avoid placing ourselves in an irrevocable position but at the same time to arrest and if possible reverse any drift toward pro-Communist neutralism.

*Conditions for Disengagement*

While meeting these crises by ad hoc means, we must be watchful for critical issues as the following, which might so reduce the favorable margin in Laos as to cause us to consider taking or threatening to take more drastic action:

- 1) Pathet Lao participation in the Cabinet without duly held free elections under Royal Government control;
- 2) Integration of Pathet Lao troops in such numbers or in such manner as to jeopardize the integrity of the Army;
- 3) Accession of Prince Phetsarath, Prince Souphannouvong, or Bong Souvannavong to the Prime Ministership;
- 4) Acceptance of large-scale Chinese Communist aid and technicians;
- 5) Request for withdrawal of the French garrison at Seno base (this would be tantamount to closing the base since the Lao are unable to run it themselves. It would also be evidence of a desire to go too far in breaking ties with the West inasmuch as its retention is provided for in the Geneva Accords, a fact acknowledged even by the Pathet Lao and the Chinese Communists in their recent communiqués);
- 6) Public renunciation of SEATO protection.

If the U.S. decides that any one or combination of the above critical issues would make continued American financial support of Laos futile or undesirable, the Lao should be given ample and clear warning. A threat of withdrawal should not be made if we are not really prepared to carry through, but if we are so prepared we should not take action without first allowing the Lao a chance to reassess their policy and position.

Such a threat of withdrawal or eventual withdrawal should be explained along the following lines: It is a mistake to believe that there are no strings attached to the granting of American aid: There

is indeed a string, which is that the recipient country must continue to exhibit the desire and will to maintain its independence.<sup>2</sup> Such-and-such an action reveals, on the contrary, Lao willingness to permit its independence to be subverted and to become an appendage of the Communist Bloc. Therefore the United States must reluctantly withdraw its financial assistance in order to employ those resources where they will yield the return of political independence.

It is recommended that if the United States reaches the point of threatening to withdraw or actually withdrawing its aid, the British, French, Thai, Canadians, and Indians be given prior notification for whatever influence they might have on the Lao to obtain a modification of the Lao position.

*Recommendations:*<sup>3</sup>

1. That the foregoing be considered a general basis for planning U.S. action in Laos.

2. That in the immediate situation we maintain a detached and reserved attitude, taking no action and keeping the Lao Government uncertain of our position until the facts are clear and we have had sufficient time for reassessment.

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<sup>2</sup>At this point Sebald wrote the following marginal notation on the source text: "I would suggest that this 'no strings' argument be differently phrased to get away from the concept of 'strings.' While basically sound, this paper is somewhat out of date already. WJS."

<sup>3</sup>There was no indication on the source text whether this memorandum was approved.

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**380. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, September 7, 1956—4 p.m.*

384. Department pass CINCPAC. Reference Embtel 359.<sup>2</sup>

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<sup>1</sup>Source: Department of State, Central Files, 611.51J/9-756. Secret. Repeated to Bangkok, Saigon, London, Paris, Phnom Penh, Ottawa, and New Delhi.

<sup>2</sup>In telegram 359, September 4, Parsons reported on a conversation he had with Souvanna Phouma on September 3 in which the Lao Prime Minister denied accepting Chinese aid or renouncing the SEATO Protocol as reported by Radio Peking. Souvanna also informed Parsons that Laos was retaining the Seno base at U.S. urging despite a Lao cabinet decision to deactivate it. (*Ibid.*, 651J.93/9-456) See also footnote 4, Document 116.

1. In seeking evaluate situation Laos it is now first necessary recognize that Peking-Hanoi trip<sup>3</sup> turned out not to be voyage to Canossa, and that shift in Laos international position occurred before visit not in consequence of it. Chou En-lai used velvet gloves in order win, later exploit, Lao confidence and there is no evidence RLG strayed far if at all from neutral path this time. Therefore in my opinion, nothing happened at Peking or Hanoi which would in itself justify withdrawal US support necessary to survival of independent Laos.

2. Focus of attention is now shifting rapidly from visit to RLG-PL front where clouds again gathering. PL have not yet come down to Vientiane to begin substantive negotiating, and there is apparently no indication when they will come or why they have not. At lunch fifth, Sen, who told Souvanna several days ago PL representatives would be here fifth or sixth, had to admit to him in my presence there had been no reply from Sam Neua. At same occasion Souvanna again told me he could not make definite plans or leave until he had seen negotiations well started; yet he must go to France soon to be operated on. Local diplomats, myself included, accept in varying degree that Souvanna put himself in something of a squeeze: As he said he would not go until Mixed Commissions at work, PL were in position to delay his trip (to west) by staying away. On other hand, as most local diplomats agree, PL should have little enthusiasm for negotiation with Souvanna away and Katay in charge of government, and it would have been to their advantage to get going soonest after Souvanna's return if they wanted settlement. This paradox typifies confusion of current situation. It cannot be discounted that PL may now wish see negotiations break down. Another explanation is possible, however, namely that, (a) PL leaders have had trouble—with rains in north and communications mostly on foot and difficult—making contact with partisans and agreeing among selves on line of action, (b) PL feel their bargaining position would be weakened by running to Souvanna immediately on his return from Peking.

3. Now, as reported Embtel 379,<sup>4</sup> Souvanna has extricated himself from dilemma by decision depart on schedule which he long ago fixed even though this reverses what he told PL and diplomats and press (Embtel 342<sup>5</sup>) about staying here till Mixed Commissions well started. Katay was in Pakse until late yesterday when returned Vientiane so presumably this surprise to him too. Prior to making deci-

<sup>3</sup>August 21-27.

<sup>4</sup>According to telegram 379, September 7, Souvanna Phouma planned to leave Vientiane for an official visit to Saigon lasting less than 24 hours on September 8. (Department of State, Central Files, 033.51J00/9-756) An account of the visit is in telegram 863 from Saigon, September 11, not printed. (*Ibid.*, 033.51J51G/9-1156)

<sup>5</sup>Dated August 31, not printed. (*Ibid.*, 033.51J00/8-3156)



sion, Souvanna had long talk sixth with Wouhak, PL liaison man here, but as yet we have no information on what transpired or what participants wish us to understand. Evidently, however, Wouhak gave Souvanna enough to permit latter rationalized departure decision.

4. In conclusion, I do not believe Peking trip calls for change in US aid policy, nor do developments in RLG-PL situation to date. I therefore continue adhere to general line set forth Embtel 301.<sup>6</sup> If Laos foreign friends are proved right and Souvanna proved wrong on his tactics with PL, our task will be try assure Lao draw right lessons from this experience. In current fluid situation, in fact, it is all more necessary for us to be steady while Lao are not.

Parsons

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<sup>6</sup>Document 376.

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**381. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Acting Secretary of State<sup>1</sup>**

*Washington, September 18, 1956.*

SUBJECT

Visit of Crown Prince of Laos to the United States.

We have just received word from our Embassy in Paris<sup>2</sup> that Crown Prince Savang of Laos, together with his daughter the Princess Savivan and Director of Protocol Chao Sopsaisana, will arrive in Washington on Thursday, September 20, for a *private and unofficial visit*. Though the visit has been talked about for nearly two months, it was never possible for Ambassador Parsons or the Embassy in Paris to get him to indicate a definite date. The Crown Prince and his party plan to leave the United States for France on September 25.

Despite his coming on extremely short notice during the Suez crisis, I believe we should give him the best treatment possible in view of the delicate and uncertain situation we face in Laos. As you know, the Crown Prince . . . holds a position of great influence, being in effect the King of Laos owing to his father's long-failing

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<sup>1</sup>Source: Department of State, Central Files, 751J.11/9-1856. Confidential. Drafted by Byrne and Robertson and cleared by Young, Sebald, and MacArthur and by U/PR in substance.

<sup>2</sup>In telegram 1292 from Paris, September 17, not printed. (*Ibid.*, 751J.00/9-1756)

health. Savang normally takes no direct hand in day-to-day government but is strategically placed to intervene when necessary to bring Lao affairs back to a stable course. Our reception of him here will, therefore, be most important in the effort to frustrate the current Communist attempt to "neutralize" Laos, as exemplified by the plush-red-carpet treatment, including offers of economic aid, accorded the Lao Prime Minister's delegation in Peiping last month.

Consequently, I believe it would be highly desirable for the President to receive Crown Prince Savang on a 20- to 30-minute courtesy call. An informal check with the White House indicates that the President is tentatively scheduled to be in Washington on September 24.

I should also like to suggest that you receive Savang for a half-hour at the Department between September 21 and 24.<sup>3</sup> The Secretary is giving a dinner for him on Monday, September 24, at the Anderson House, and I am giving a stag luncheon for him at the Blair House on Friday, September 21.

#### *Recommendations*<sup>4</sup>

1. That you sign the attached memorandum for the President.<sup>5</sup>
2. That you receive Savang at the Department.

<sup>3</sup>Savang met Acting Secretary Hoover on September 21. A memorandum of their conversation is *ibid.*, 751J.11/9-2156.

<sup>4</sup>Hoover initialed his approval of the recommendations on the source text.

<sup>5</sup>Not attached. A copy is in Department of State, Central File, 033.51J11/9-1956. The memorandum to the President was similar to the memorandum to Hoover.

## 382. Memorandum of a Conversation, Department of State, Washington, September 21, 1956<sup>1</sup>

### SUBJECT

Current Political Situation in Laos

### PARTICIPANTS

His Royal Highness Savang Vathana, Crown Prince of Laos  
 His Excellency Ourot Souvannavong, Ambassador of Laos  
 Walter S. Robertson, Assistant Secretary of State for Far Eastern Affairs  
 Kenneth T. Young, Jr., Director, Office of Southeast Asian Affairs  
 Patricia M. Byrne, FE/SEA

<sup>1</sup>Source: Department of State, Central Files, 751J.00/9-2156. Secret. Drafted by Byrne and cleared by Kocher on September 27; approved by Robertson on October 2. A briefing memorandum from Young to Robertson, September 21, for use in preparation for this meeting is *ibid.*, 751J.11/9-2156.

At his own request, His Royal Highness the Crown Prince of Laos, accompanied by the Lao Ambassador, called on Mr. Robertson at 11:15 a.m.

After welcoming the Crown Prince, Mr. Robertson said that we were frankly concerned at developments in Laos and would appreciate his clarifying, insofar as he was at liberty to do so, the current situation.

Savang said that, following the Royal Lao Government's, and particularly the Prime Minister's, decision to go to Communist China on a courtesy visit at the express invitation of Chou En-lai, he considered it his duty as representative of the Court and co-chairman of the councils of Laos to come here not to justify the Lao attitude but simply to show that Laos maintained its gratitude and would maintain its friendship and correct attitude toward the United States. He had informed Souvanna Phouma of this intention when the Prime Minister came to see him in France.

Mr. Robertson stated that he had not meant to intimate that Laos needed to justify its actions. Lao affairs were matters for decision of the Lao Government in its own national interests. We were nevertheless concerned at Communist "friendliness" toward Laos since our experience showed that Communist agreements were of little value. In the last 20 years the Soviet Union had broken no fewer than 25 major agreements with us. For example, in 1933 we had recognized the Soviet Union, 16 years after the revolution, on the written assurances of Litvinov that the USSR would cease its subversive activity here and throughout the world. The year was not out before we were threatening to break off relations owing to the complete and careless Soviet violation of those assurances. This was true of all agreements made by the Soviet Union since World War II. It had promised free elections in Eastern Europe; there had been none.

We well knew that the so-called technicians which the Communists sent to other countries to implement their economic programs were carefully trained and experienced subversive agents. We were concerned, therefore, as members of the Free World that Laos' arrangements with Red China would give the Communists the opportunity to send such agents to the Crown Prince's country to subvert its independence.

Mr. Robertson wished to emphasize that the United States had only one objective in Asia, as it had all over the world. Its one desire was to see a community of free nations enjoying the opportunity to work out their own national destinies in their own way, unthreatened by the alien domination of any outside power.

The Crown Prince replied that he had entirely seized the profound meaning of Mr. Robertson's words. When the RLG delegation, headed by Souvanna Phouma, went to Communist China, he was in Europe. He had been told by telegram that the RLG mission would journey to Peiping only after the settlement of internal Lao problems. These problems were 1) an agreement with the Pathet Lao and 2) revision of the Constitution. This condition seemed to indicate that there would be a three- to four-month delay before the proposed trip. Savang had therefore been surprised at the mission's precipitate departure, since internal Lao problems had patently not been settled. The two RLG-PL communiqués of August were not synonymous with a solution, nor had the practical methods of executing the two communiqués been worked out. Proof was that since September 17 the two joint committees had been sitting but no news was forthcoming.

Before his departure for France, Savang had presided over a Cabinet session at which Souvanna had pledged not to accept anything from Communist China. Refusal of Chou's invitation would have appeared a hostile act, the Lao (including Savang) believed, but it was agreed that no engagement whatsoever would be undertaken in Peiping. Consequently, when Savang read the joint Sino-Lao declaration announcing that Communist China might possibly aid Laos, it was clear to him that this commitment had been made at the last minute on the spot. This engagement might be a surprise for people interested in Laos, as it was for the Lao people.

Savang went on to say that his visit to the United States had been decided long ago, but had been delayed because he could not talk to us without the facts. When Souvanna came to France to give the Crown Prince these facts, he contended that no engagement had been made in Peiping, a statement with which the Crown Prince had disagreed. Savang considered that even though the commitment was vague, it could not be approved by all Lao and could not be implemented without danger to the integrity of Laos.

Reverting to Mr. Robertson's discussion, Savang said Laos was aware of the dangers of Communism, since it had already experienced the misery of invasion and subversion. Many Lao had also followed the history of Soviet policy in the rest of the world and knew of Communist pressures in the Satellites and on public opinion. The United States must not think that the Lao were absolutely unaware of all this.

But the battle was too close. The United States must remember that the enormous mass of Communist China was on Laos' frontier. Laos sought the most effective means of combatting the Chinese Communist "human and ideological tide" the objective of which was revealed in all its acts. The drama for Laos was that it did not itself

possess sufficient effective means to push back the constant Communist effort to absorb it. If there had been some weakness in his Government, it must redress and stand more firmly.

Some of the 30 members of the delegation to Peiping had had their eyes opened and now understood that aid and well-being for Laos could not emanate from Communist China. These delegates had seen the misery and backward economy of Communist China and the necessity to satisfy its own needs. Since the poor could not help the poor, it would be "immoral" to accept Chinese Communist aid.

Therefore, despite what had been said or done by the Lao Government, nothing was an accomplished fact either in Laos or in Laos' relations abroad. His country must continue the fight.

In response Mr. Robertson said that the Crown Prince had given us a very clear and reassuring statement. We were not insensitive to the problem of a little state situated in the shadow of Communist military might. But it was also necessary to point out that one of the reasons for the constant Communist attacks upon SEATO was that this organization had put the Communists on notice that overt aggression against any territory included in the Treaty area would not be tolerated. In other words, if the Communists risked open aggression against any area protected by SEATO, they must do so in the full knowledge that they would have as their enemy not the individual country attacked but the combined forces of the members of the Treaty organization.

Mr. Robertson concluded by saying that he had more to say to the Crown Prince but it was now time to call on the Acting Secretary.

The conversation ended at 12:00 noon.

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**383. Memorandum of a Conversation, White House,  
Washington, September 24, 1956, 10 a.m.<sup>1</sup>**

PRESENT

The President of the United States  
His Royal Highness the Crown Prince of Laos, Savang Vathana  
His Excellency Ourot Souvannavong, Ambassador of Laos  
The Honorable Walter S. Robertson, Assistant Secretary, Department of State  
The Honorable John F. Simmons, Chief of Protocol  
Lieutenant Colonel V. A. Walters

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<sup>1</sup>Source: Department of State, Presidential Memoranda of Conversation: Lot 66 D 149. Secret. No drafting information is given on the source text. A marginal notation indicates Eisenhower's approval on September 26. A copy of a briefing memorandum from Hoover to the President, September 22, for use in preparation for this meeting is *ibid.*, Central Files, 033.51J11/9-2256.

The President expressed his pleasure at receiving the Crown Prince in the United States. The Crown Prince replied that it was a pleasure and honor for him to be received by the President of the United States. The President asked if the Crown Prince's stay in the United States would be of long duration and the latter replied that it was extremely brief. He was returning to his own country very shortly.

The President said that the Secretary of State had spoken to him concerning the reception he had received in Laos when he was there and the Crown Prince said he felt that the Secretary of State had an extremely clear understanding of Lao affairs and problems. They had been delighted to receive him during his visit. The President said that we had a close interest in this area. We felt that the free people's best defense against Communist pressure lay in the unity of purpose of the free nations of the world. The Crown Prince said that he fully shared this idea and he was sure that when the Secretary of State had been in Laos he had obtained a complete "adherence of views".

The President then said we were anxious to do what we could to build up SEATO. The Crown Prince said that Laos was not a member of SEATO, that they were, he believed, covered by a protocol of SEATO and as such they were extremely interested in matters relating to SEATO. They were anxious to be kept informed of agreements and conventions that might be reached in SEATO although this did not necessarily mean that they did or did not want to join the organization. He said that the Lao Government had recently been put in a rather difficult position by the radical change in Chinese policy. In reply to a question from the President he explained that prior to last June the Chinese had been avowedly hostile to Laos and that since then they had adopted a policy of open arms and smiles. They had multiplied invitations and good wishes to Laotians both in and out of the government service. They had made offers of economic and political help to assist in achieving "complete independence for Laos", and this put the Lao in a somewhat difficult position externally and perhaps even more so in the future internally. Their Viet Minh "satellite" had also adopted the same policy. The President then said that anyone who knows the Communists knows that while their final goals have not changed, their tactics had and that it was rather awkward to know how to face up to this new Communist approach, that it might be put before the Lao people in the form of a question that if the Communists were now so kind and gentle why did they not set free North Viet-Nam, Tibet, Mongolia, and North Korea. The Crown Prince replied that he fully shared this view of

the President's. That Laos was particularly well or badly placed—according to the point of view to know the nature of Communist pressures both external and internal. He added that he was not alone in this understanding and many Laotians shared it with him.

The President said that he hoped the Crown Prince would discuss freely with the State Department his ideas concerning the conditions in this area and its relation to SEATO. The Crown Prince said he would. The President added that we did not wish to commit any errors through ignorance of what our friends wanted. The Crown Prince smilingly said that he was sure that neither the United States nor the Department of State would ever commit errors through ignorance. He then added that a number of the members of the Lao Delegation who had recently been in Peiping had had an opportunity to observe for themselves the true nature of Communist China. Two of them were presently in the United States. The President then said he wished to assure the Crown Prince that the friendship of the United States for Laos was real and unselfish insofar as we sought nothing for ourselves. The Crown Prince said that he never doubted the sincerity and friendship of the United States and had felt that he should take the opportunity at this time to come to the United States to explore what could be done to "palliate" the effects of the present Communist pressure both internal and external that was to some degree embarrassing to the Lao Government. He thanked the President again for receiving him and the conversation concluded with photographs being taken.

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**384. Memorandum of a Conversation, Department of State,  
Washington, September 24, 1956<sup>1</sup>**

**SUBJECT**

Current Political Situation in Laos

**PARTICIPANTS**

His Royal Highness Savang Vathana, Crown Prince of Laos

His Excellency Ourot Souvannavong, Ambassador of Laos

The Secretary of State

Walter S. Robertson, Assistant Secretary of State for Far Eastern Affairs

Patricia M. Byrne, FE/SEA

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/9-2456. Secret. Drafted by Byrne and approved by Kocher and Robertson on September 26. Briefing memoranda from Robertson to Dulles, September 22 and 24, for use in preparation for this meeting are *ibid.*, 751J.11/9-2256 and 751J.11/9-2456.

Accompanied by the Lao Ambassador, His Royal Highness Savang Vathana, Crown Prince of Laos, in Washington on a private and unofficial visit, called on the Secretary at 3:15 p. m. at his own request.

After stating that we were happy to see Crown Prince Savang here, the Secretary referred to the questions he had discussed with Savang in Laos. These questions, important for Laos and for the United States, were still unresolved.

Savang replied that they were even more complicated now, for it was not only a question of the Pathet Lao (though even in this matter the Government's fear of a violent Chinese Communist reaction had delayed a solution), but of actual contact with Communist China.

In response to the Secretary's question as to the results of the Lao Government delegation's visit to Peiping, the Crown Prince said that he had seen Prime Minister Souvanna Phouma and other members of the group in Paris before coming here. Contrary to the condition the Government itself laid down, that the visit would only be undertaken after the settlement of internal problems, the delegation had left precipitately before those problems had been settled. In Peiping the group was feted and escorted everywhere in a grand manner. A visit which should have been of a purely courtesy nature in response to Chou's invitation had been interpreted differently. Chou and his followers had attempted to distort the politeness of the RLG delegation and make it accept Chinese Communist proposals. Despite the general Lao distrust of the Chinese Communists, Souvanna was not sufficiently distrustful of Chou's "friendliness" and accepted his offer of aid, albeit in a vague fashion. The Secretary here interjected that Chou En-lai was a very slippery man . . . .

Savang continued that the RLG Five-Year Plan and Chinese Communist participation therein were not accomplished facts, but implementation of the implied commitment would require the introduction of Chinese Communist technicians. The Pathet Lao were purely an internal problem for which the Lao Government itself was responsible. The possibility of eventual Chinese Communist aid was far more serious, as he had pointed out to Souvanna upon hearing the latter's report. Savang was surprised at the Prime Minister's move in Peiping, which did not conform to the Cabinet decision that no engagements would be made. He was not in a position to disavow the Government's actions, but it must be recognized that a political error had been committed. He had indeed come to the United States to see how this political error could be remedied.

The Secretary asked rhetorically what the United States could do to help Laos stay free. A small country like Laos located next to a large power strong in that it was run by a dictatorship needs friends.



The United States was ready to be a friend, as had already been demonstrated, but the expression of friendship was only a beginning which must be translated into acts. If Laos wished to be helped and to stay free, the United States could do something. It would perhaps have been better if the Lao had struck at the Pathet Lao nearly two years ago at the time the Secretary visited Vientiane. That this had not been done was not the fault of the Lao Government but perhaps of our Allies, who had discouraged the Lao from acting. Since the moment for military action had passed, it was now necessary to seek a solution in the light of the present situation. The United States could not, however, replace the Lao will to remain free; independence or alien domination was a Lao choice.

This choice, Savang replied, had already been definitely made. Yes, said the Secretary, but in a rather weak manner.

Savang defended the Lao position by saying Laos had been loyal and correct in its attitude toward the free nations and had resisted Communism internally. But now the Chinese Communists had changed in appearance: They were no longer insulting but were ostensibly offering good things.

Mr. Robertson mentioned that when the Crown Prince had made the same point to the President that morning, the President had replied that the Communist "smile" was nothing but a shift in tactics. If the Communists were truly sincere, why did they not return North Viet-Nam, the two Lao provinces, and Tibet, for example. Savang had answered the President by saying that the Communists already had control of those areas, whereas they were only *trying* to swallow his country. The Secretary agreed, saying that when the Communists were angling for something they were sweet; afterward they squeezed the unfortunate state as, for example, in Poland.

The Crown Prince said that since the Chinese Communists had changed their tune, it was good to come to the United States and be assured of United States moral support. He was not alone in his firm will to resist Communist enticements. There were, of course, certain naive Lao who might have to be replaced if they remained susceptible to the Communist approach. In this "life or death struggle" for Laos' survival, Laos could not tolerate vacillation. His people were opposed to Communist dictatorship.

Did not the arrangement with the Pathet Lao, asked the Secretary, mean the introduction of Pathet Lao into the Government? In reply Savang stated the settlement had not yet been achieved, but if it were achieved, the Lao knew the true Communists among the Pathet Lao. Prince Souphanouvong, for example, was of no consequence, occupying only the fifth position in the Pathet Lao hierarchy. He was being used by the Communists only because he belonged to the Prime Minister's family. After an understanding with

the Lao Government had been reached, he would be relegated to unimportance, such were the tactics of the Communists. Real leaders of the Pathet Lao were those who followed Communism blindly, and they were known to the Government.

(There followed an exchange in English between the Secretary and Mr. Robertson in which they explored whether and how we could strengthen Savang's hand. In this exchange Mr. Robertson mentioned Savang's indignation that the West had recognized at Geneva in 1954 the Pathet Lao movement which had been created by the Chinese Communists specifically for that conference. He added that Savang was aware of things that had taken place at Geneva of which we knew nothing, and that the Crown Prince was not alone in Laos in his anti-Communist stand. The Secretary affirmed that he had obtained the latter impression on his visit to Laos in 1955. It was remarked that Savang had as yet not said *how* the United States could help.)

The Secretary then asked Savang whether the Secretary should make a statement reaffirming what he had said in 1955, that is, that an attack upon Laos would bring SEATO into operation. Savang replied that SEATO was already *precise* in the immediate protection of Laos as spelled out in the Protocol; on the other hand SEATO was *imprecise* in that SEATO members' response to aggression could only be made following the request of the Protocol state. Since the Lao constitutional process in the event of need of such a request would be slow, the Protocol could not have an immediate effect, which seemed a contradiction of the terms of the Treaty itself. Moreover, SEATO was of prime importance to Laos in case of future need, but at the moment the Pact was not applicable since, rather than wishing to attack Laos, the Chinese Communists desired to send in an army of political agents disguised as technicians. The Crown Prince agreed with Mr. Robertson's remark that the Chinese Communists had turned to technicians because of the very existence of SEATO.

Since Savang seemed to feel that a statement with respect to SEATO would serve no real purpose at the present time, the Secretary asked him what else might help. Savang answered that, though the RLG delegation had not formally accepted Chinese Communist aid, the possibility of future Chinese Communist participation in the Five-Year Plan was already sufficiently dangerous. He would therefore use two main arguments to prevent acceptance of Chinese Communist assistance: 1) It was immoral to take aid from a country so poor that its economic level was not much above that of Laos, as the delegation had seen; 2) there was no need of Chinese Communist aid in the Lao Five-Year Plan since Laos already received all it could absorb from the United States, France, and the Colombo Plan

powers. The receptivity of certain Lao to Chinese Communist promises was an internal problem.

The Secretary then put the direct question to Savang, who had apparently not seized the Secretary's intent, as to whether there was anything we could say publicly or privately to Savang in Washington that would improve the situation.

Savang replied that he had been asked by the Prime Minister and Cabinet to come here. This, he supposed, meant that the Lao Government was anxious, uncertain, and fearful of being considered as taken in by Chinese Communist words. They had, after all, come away better than they might have. Communist China was a large country, SEATO was not on the spot, and Laos itself guarded its frontiers (it was even now resisting Pathet Lao attacks which continued despite the two August communiqués).

So far as a declaration on Laos was concerned, he was ready to hear any declaration. With respect to a statement re aid, it would be unseemly for him to ask for anything. He had come here only out of friendship and loyalty to the past policy pursued by Laos in cooperation with the United States.

It would, however, be "precious" if he and the large majority of Lao (a few had been suborned) could have the assurance that despite the change in Chinese Communist policy, despite the RLG declaration in Peiping, they could count on the moral aid of the United States. Then if errors were committed, he could take action to remedy them. He again referred to the possibility of having to replace certain leaders. Laos now faced a completely new development. If the United States altered its attitude, particularly outwardly, Laos would be isolated.

Mr. Robertson asked whether the Prince was aware how difficult it would be to carry on our support and obtain Congressional backing with funds if the negotiations with the Pathet Lao led to their participation in a coalition government and to substantial integration of Pathet Lao troops into the Royal Lao Army.

Savang replied with some vehemence that the United States had the right immediately to refuse its financial support if the Pathet Lao entered the Army. If the United States considered integration of these "disguised Chinese Communists" dangerous, it could of course withdraw its aid. This would permit the Lao to restudy the entire question. So far as coalition government was concerned, according to the Constitution the Pathet Lao could not enter the government until the government had resigned and elections had been held. He was certain the Government would interpret the Constitution as he had.

The Secretary then said, "You can count upon our support—moral, political, and material—so long as that support goes to a government vigorously seeking to maintain its own independence."

Savang replied that that was the sine qua non for American aid, but that it was not really a condition for Laos since Laos was already of the "independence" persuasion.

The conversation ended at 4:30 p.m.

Outside the Secretary's office, Mr. Robertson told the Crown Prince we recognized that he must work in the manner he thinks best for the national interests of Laos, that we had been reassured by his frank discussion, and that we had confidence in him.

**385. Memorandum From the Acting Director of Central Intelligence (Cabell) to the Secretary of State<sup>1</sup>**

*Washington, September 27, 1956.*

**SUBJECT**

Transmittal of Cable from Mr. Allen W. Dulles Concerning the Situation in Laos

On 23 September 1956 we received a cable from Mr. Allen W. Dulles . . . which is paraphrased as follows:

"1. Ambassador Parsons . . . spent a day with us in Bangkok for a general review of operations and prospects.

"2. The next few months represent a critical period as implementing of the negotiations with the Pathet Lao are carried on and the general composition of the future government structure in Laos emerges. . . . Embassy . . . representatives in Laos are mildly optimistic as to the outcome if the U.S. effort is properly developed, particularly in the field of police and internal security.

"3. Ambassador Parsons emphasizes, however, that Laos is a long term problem and that if U.S. aid is cut off or drastically diminishes over the next few years Laos may slip into the Chinese Communist camp.

"4. One of the most difficult problems is that of leadership as among King Sisavang Vong, Crown Prince Savang Vathana, Premier Souvanna Phouma, Vice-Premier Katay D. Sasorith, Prince Petsarath, with Prince Souphanavong of the Pathet Lao complicating matters in the background. Serious quarreling among these elements might bring disaster unless Army Chief of Staff, Colonel Ouane Ratrikoun, stepped in to establish military rule.

"5. I had a long talk with Prince Petsarath . . . with Ambassador Bishop . . . present. We were impressed with Petsarath's vigor and strength; he is far from being the 'senile old man' he is sometimes described. Petsarath is wholly uncompromising on his attitude against Laos remaining in the French Union. He showed no signs of being pro-Communist, although he did not seem particularly dis-

<sup>1</sup>Source: Department of State, Central Files, 751J.00/9-2756. Secret.

turbed at the trend of the negotiations between Souvanna Phouma and Souphanavong. He said that obviously Laos had to live next to Communist China and the Viet Minh, adding that Laos was a small country and this neighborhood had to be taken into account. Petsarath was quite strong in expressing fears of the Chinese Communists. He said Laos can accept American advisors but never Chinese Communist advisors, since the latter would stay and colonize whereas the Americans would be subject to no such temptation. I gather from his conversation that he expected a position next to and almost parallel with the Crown Prince and possibly will strive for the Premiership.

"6. While I personally have no way of judging Petsarath's relative strength as compared with his half-brother, I can understand Malcolm MacDonald's appreciation of him as the strongest of the three, but one conversation is hardly adequate for a real appraisal.

"7. In a conversation with Air Marshal Fuen Ronnapakas just before leaving Bangkok I rather gathered that the Thais were inclined to favor Katay as Premier but they recognize the fact that he is not a member of the Royal Family might make it more difficult for him to maintain this position.

"8. Ambassador Parsons is highly pleased with the caliber of intelligence being passed him . . . .

"9. While there is nothing particularly new in the situation in Laos, except of course the trend of the Pathet Lao negotiations, Laos remains the piece of real estate most vulnerable to Communists anywhere in the world. We cannot quickly do anything about the fact that Laos is primitive, underdeveloped, underpopulated, and ideal for hiding military and other infiltration, that it lacks communications, that it has a shaky government regime torn by personal and political rivalry, nor that it lies next to two Communist regimes, the Chinese and Viet Minh, each of which possesses overwhelming military strength and well organized subversion possibilities. To my mind Laos is first on the totem pole for Communist political takeover, with vast consequences to the security of Vietnam, Cambodia, and Thailand whenever the Communists are ready to take the risk of moving in. Using military force indirectly as an over-hanging threat the Communists could bring heavy political and subversive pressures to bear on Laos on the model of the Czechoslovakian coup. I feel we have limited time to counter this Communist potential."

**C.P. Cabell**

*Lieutenant General, USAF*

386. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>*Vientiane, October 1, 1956—6 p.m.*

515. Department pass Defense and CINCPAC. Reference Embtel 508.<sup>2</sup> As Bouasy<sup>3</sup> repeated 29th pledge consult me (or try have Souvanna do so) before any commitment made on PL troop integration into ANL, need for clear-cut US position may arise in week or so. While I am not sanguine that issue will be presented to US in neat packaged form, would obviously be useful have one ourselves so that I could take initiative necessary. Would therefore appreciate comments earliest on following outline which assumes US position should not be rigid but retain sufficient flexibility meet contingencies and also above all avoid responsibility for any breakdown RLG/PL negotiations:

1. US not pay for any PL effectives transferred directly to ANL. (But would pay for certain number indirectly transferred, see below.)

2. No objection to RLG itself maintaining and supporting PL effectives for limited initial period sufficient accomplish screening step 3 below (even though indirectly US might be unavoidably financing part or all of cost). Would be understood even in initial period RLG would endeavor minimize numbers.

3. All PL effectives to be identified, photographed, registered and screened . . . . US prepared advise on organization re indoctrination camps . . . and fund necessary reindoctrination expenses.

4. Definite period reindoctrination and training of minimum 4 months (preferably 6) which would provide further observation and screening, with further elimination unsuitables, before incorporation into ANL.

5. Explore feasibility within year of post-screening integration, of an over-all reduction ANL force level to 15,000 with ex-PL restricted to 5 percent of total.

6. Provided foregoing points agreed to, US will finance screened and reindoctrinated former PL effectives as part of ANL, in numbers not to exceed 5 percent approved ANL force level present or future. (PEO and ARMA consider over 500 integrees dangerous, but if political considerations dictate and careful screening assured, would reluctantly go along with 5 percent.

A further point will be brought to attention RLG immediately, as may affect present preliminary jockeying: RLG to take great care

<sup>1</sup>Source: Department of State, Central Files, 751J.00/10-156. Confidential; Priority. Repeated to London, Paris, Ottawa, Saigon, Bangkok, Phnom Penh, and New Delhi.

<sup>2</sup>In telegram 508, October 1, the Embassy submitted a preliminary report of Pathet Lao-Royal Lao Government joint military commission meetings on enforcement of the cease-fire and integration of Pathet Lao effectives into the Lao National Army. (*Ibid.*, 751J.00/10-156)

<sup>3</sup>Acting Minister of Defense, Royal Lao Government.

retain complete control (not bind itself to contrary in PL talks) as to location and positioning units to be made up of former PL effectives, so as to minimize risks to national security in event of mutiny or insurrection.

USOM, PEO, . . . and Army concur this message except that PEO/ARMA suggest additional point (which appears unrealistic to me) as follows:

No PL in command positions above platoon level, or any policy-making position in general staff, till minimum 6 months after integration into ANL. (PEO and ARMA recognized difficulty selling this to RLG but feel it should be included.)

Parsons

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**387. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, October 16, 1956—7:35 p. m.*

426. Vientiane 595 repeated Paris 118 London 93 Saigon 123 Phnom Penh New Delhi Ottawa Unnumbered.<sup>2</sup> In view Souvanna's propensity to see approval where there is none or select statements favorable his purposes to remember while ignoring others, believe you should in tone you think best leave him in no doubt our position re Chinese Communist aid, coalition government, large-scale integration PL troops and indeed any integration without adequate indoctrination and controls.

You might remind Souvanna that, as Secretary told Crown Prince, Laos can count upon U.S. moral material political support so long as that support goes to government vigorously seeking maintain its independence. Such is our earnest desire but Laos too has obligations help us convince U.S. public and Congress of wisdom this course.

Recommend you avoid mentioning "neutrality". Direct criticism would as you have pointed out only antagonize Souvanna; on other

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/10-1656. Secret; Niact. Drafted by Byrne; cleared by Young, Kocher, and Sebald; approved by Robertson; and repeated to Saigon, Paris, London, Ottawa, New Delhi, Bangkok, and Phnom Penh.

<sup>2</sup>In telegram 595 from Vientiane, October 13, Parsons reported that he expected to see Souvanna Phouma on October 18 and asked if there were any points the Department wished him to make during the interview. (*Ibid.*, 033.51J41/10-1355) Parsons spoke to Souvanna Phouma along the lines suggested in telegram 426. A report is in telegram 629 from Vientiane, October 19, not printed. (*Ibid.*, 751J.5-MSP/10-1956)

hand though we concur your 301<sup>3</sup> that Laos can serve as no more than buffer, we do not wish express "understanding" Lao neutrality policy as British have. We consider there no need now give up trying keep Laos clearly on side West. Moreover it unrealistic for Lao believe nation can be neutral without being strong in itself or without agreement all powers as in case Austria Switzerland. Since ChiComs do not fear Laos, "neutrality" will not appease them. Their accord on Lao "neutrality" is therefore only ruse designed as first step toward communization. We recognize from Lao point view neutrality may appear consonant its vulnerable status. If however we voice sympathy this policy Lao may use such expression sympathy as justification some future action in name neutrality which we would consider dangerous.

Re Vientiane 515<sup>4</sup> regret delay reply, which expected soonest separate message.<sup>5</sup>

Re Vientiane 570<sup>6</sup> release of \$2.5 million military budget support authorized Icato 318.<sup>7</sup>

With respect Vientiane 603,<sup>8</sup> if Souvanna comes Washington we shall not bar way, but request you do utmost discourage his visit, stressing presence Secretary New York and difficulty receiving high-level officials November. Very fact so much done for Crown Prince on short notice means Department less able obtain red-carpet treatment for another Lao official so soon afterward in even more difficult period.

Dulles

<sup>3</sup>Document 376.

<sup>4</sup>*Supra.*

<sup>5</sup>Telegram 448 to Vientiane, *infra.*

<sup>6</sup>In telegram 570, October 10, the Embassy reported Lao concern over delay in U.S. payment of approved expenditures of the Lao military budget including wages for September and October. According to the telegram, Lao officials pointed out that "malintentioned sources would interpret US procrastination as blackmail to force RLG comply with US view on PL integration." (Department of State, Central Files, 751J.5-MSP/10-1056)

<sup>7</sup>Not printed. (Washington National Records Center, ICA Message Files: FRC 58 A 403, Box 33, Vientiane)

<sup>8</sup>In telegram 603, October 15, Parsons reported that Bouasy had informed him that Souvanna planned to attend the U.N. General Assembly and proceed to Washington to call on American officials. (Department of State, Central Files, 320/10-1556)



### 388. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, October 20, 1956—4:57 p.m.*

448. Joint State-Defense-ICA message. Vientiane 515 repeated London 85 Paris 108 Ottawa 75 Saigon 104 Bangkok Phnom Penh New Delhi Unnumbered.<sup>2</sup>

1. Concur suggested initial U.S. position on integration PL troops, including PEO/ARMA point restricting PL in command positions. Believe latter point should be made in initial presentation, though we recognize we may have yield later if RLG unable accept.

2. We not clear whether you intend take initiative presenting proposal to RLG or wish hold in readiness as rebuttal RLG plan when latter fully formulated. From here appears advisable wait see what RLG produce, provided you consulted before RLG presents its plan to PL.

3. With respect numbered paragraph 2 reference telegram, we should be interested know what mechanism RLG would use fund costs maintaining PL effectives during screening period.

4. In discussions with RLG request you make point Deptel 120<sup>3</sup> that U.S. will consider PL troop integration in light over-all political settlement achieved by RLG. (We would not wish make binding commitment on reintegration plan only later find RLG making undesirable concessions other scores which would impair controls on integrated troops.)

5. Any U.S. funding PL indoctrination and training described reference telegram should come from amounts available military budget support, i.e., \$35.6 million CY 1956 and \$20 million CY 1957, or alternatively from possible savings or deferment low priority projects FY 1957 economic program.

6. Advise estimated local currency cost PL integration.

7. We share your view paramount importance properly executed PL integration for survival Laos, but believe RLG can operate program within foregoing financial limits.<sup>4</sup>

**Dulles**

<sup>1</sup>Source: Department of State, Central Files, 751J.00/10-156. Secret; Priority. Drafted by Byrne and Pierre L. Sales of ICA; cleared by Sebald, Jones, and Robert G. Barnes, Special Assistant to the Secretary for Mutual Security Affairs; approved by Robertson; and cleared in draft with ICA and Defense. Repeated to London, Paris, Ottawa, New Delhi, Saigon, Phnom Penh, and CINCPAC.

<sup>2</sup>Document 386.

<sup>3</sup>Document 367.

<sup>4</sup>In telegram 680 from Vientiane, October 31, the Embassy reported that it intended to hold its plan on integration of the Pathet Lao in readiness, that it did not know how the Royal Government would fund the Pathet Lao effectives during the screening

**389. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, October 26, 1956—10 a.m.*

662. Department pass ICA, Defense, CINCPAC. Reference: Toica 462.<sup>2</sup> I attach greatest importance to Prime Minister's threat to resign if what he considers our failure to meet military budget commitment not remedied. (Toica 462, paragraph 5) Regret sudden emergency this crisis but immediate action is required to take care of situation in which US objectives in Laos could suffer seriously.

Am increasingly aware record of past two years shows repeated instances delay in meeting military funding requirements. These delays in no way help to induce economies and are increasing source of irritation. In addition Prime Minister's unprecedented and, for him, violent reaction, I have received official written complaint from Ministry Defense which sets forth clearly and logically problem created.

Director USOM has explained to me various aspects of procedural difficulties which have prevented ICA/W from responding quickly to requests for funds. Such factors cannot be advanced to assuage Lao authorities who face continuing problem of day-to-day management. Unique situation exists in Laos where neither ANL, Lao Treasury, or USOM counterpart fund has any reserves to fall back on.

While I am fully sympathetic to objectives of reducing military budget, exacting a Lao Government contribution, and effecting economies in military spending, the policy of hand- to-mouth releases is not creating cooperative atmosphere in which such problems can be thrashed out. Instead it is making US support of Lao Army, which is indispensable to independence, a major issue between us. Policy also inevitably appears as warning of US intent to disengage from Laos at any moment and as pressure crudely applied without, at same time, indicating clearly what we expect achieve thereby.

In view seriousness of matter I called on Prime Minister to tell him DePaul had reported to me remarks made to him, that I regretted situation and that I had requested immediate action by PEO and USOM as well as Embassy to inform Washington and obtain remedi-

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period, but it was sure that the United States would be the ultimate payer. The Embassy was unable to accurately estimate the costs of integration of the Pathet Lao effectives into the National Army. (Department of State, Central Files, 751J.00/10-3155)

<sup>1</sup>Source Department of State, Central Files, 751J.5-MSP/10-2656. Secret; Priority.

<sup>2</sup>Not printed. (Washington National Records Center, ICA Message Files: FRC 58 A 403, Box 33, Vientiane)

al action.<sup>3</sup> Souvanna, I think, believed my protestations that this was procedural not policy matter and that no embarrassment was intended. However, he said rumors start easily in Vientiane not only among leaders but among soldiers, whose morale, and loyalty too, were involved. There were already rumors we were penalizing him for his neutrality policy. What he needed to know was whether he was going to be able to pay army with funds which we had budgeted and in time. If he could not maintain the army he would simply get out and leave situation to others as he could do nothing more.

I recognize that problem described above confronts Washington with necessity for immediate action in situation which has various unsatisfactory aspects from our point of view. Problem of how to remedy these can wait for moment (provision of adequate controller staff for PEO months ago would have helped) but what is required now in view Prime Minister's personal reaction is provision through ICA channels of amount recommended by PEO. At moment we seem to be in position of holding back on military aid while professing that it is our policy to continue aid so long as it is to government which vigorously seeks maintain its independence. Somehow we must prevent technical and procedural obstacles from continuing a situation in which operations are not supporting policy. This is essential whether or not Prime Minister's threat to resign is wholly sincere or not.

Parsons

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<sup>3</sup>In Icato 373, October 27, the Embassy and USOM in Vientiane received authorization for a cash grant to the Lao Government of \$3.5 million for military budget support. (Department of State, Central Files, 751J.5-MSP/10-2756)

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**390. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, October 30, 1956—10 a.m.*

671. For many weeks we have pondered whether agreement will be reached with Pathet Lao, whether agreement having its origin in August communiqués would be better than no agreement, and what would be consequences if no agreement thus precipitating crisis. Our actions to date have been based on assumption agreement would be

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/10-3056. Secret. Repeated to London, Paris, Bangkok, Saigon, Phnom Penh, Ottawa, and New Delhi.

reached and should so continue. However, it may be useful explore questions posed above in view present uncertainties.

First question is do PL wish settlement or not. Reasons for assuming PL genuinely want settlement include following. Settlement even without RLG commitment to immediate coalition would bring PL measurably nearer to entering government, would increase their opportunities influence RLG policy both external and internal, would facilitate extension PL apparatus throughout country, would multiply opportunities for causing trouble designed alienate RLG from US and to bring about termination aid programs. Negative factor supporting thesis they want settlement is that under present bloc tactics of smiles, there is no real alternative as PL cannot be sure of same degree Viet Minh Chinese Communist support if fighting resumed.

One cannot exclude possibility, however, Communists desire preserve PL as separate and separatist force based in north. Factors supporting thesis PL may not want settlement are as follows:

PL have already achieved immediate objectives and had major successes in neutralizing Laos, in August rating contact Peking and Hanoi, causing trouble with US, albeit not to point of eliminating aid. If PL should mistrust RLG's good faith in carrying out agreement, they might feel no advantage in reaching one. Furthermore, failure of negotiations would bring into open incipient government crisis, probably force Souvanna out of office and introduce interval of uncertainty with at least possibility that Petsarath, who is reportedly far to left and at heart not very friendly to West, might come into power.

Whether PL want or do not want agreement, their tactics as Communist-dominated group thus far fit either thesis. They have argued endlessly, probed every point in hopes of whittling away RLG position, sought sell same horse twice, avoided commitments themselves. Question arises, however, whether time continues be on their side. Longer settlement delayed, more time government has to organize internal security and prepare to counter overt and covert activity throughout country. PL will doubtless learn Prime Minister has now approved civic action program, will expect that with return Somsanith police program will be developed further, that ANL and auto-defense organization will be adapted to internal security tasks, and that other projects to cement loyalty to RLG (including Operation Brotherhood) will get under way.

Tactics government should follow are equally clear. Whichever their estimate of PL intent, they should make no more concessions. If PL instructed to reach agreement, there is no need for concessions to achieve it. If PL are instructed not to reach agreement, no concessions will bring it about. I put this to Souvanna directly yesterday and he said he would not concede anything. But he will not admit these PL

are Communist dominated, said any Lao could tell me longer PL negotiators stay Vientiane more they talk and act like Lao, less they show signs of Viet Minh propaganda.

However, if PL do not come to terms there was and maybe still is danger that ANL would take military action (as it is reliably reported to favor). Souvanna, as he indicated in London, also leaned to this. French Chargé tells me that he sought and received instructions from Paris which were to effect that if ANL were to act, it would be in violation of Geneva accords and France would have to reserve its position and avoid involvement its fliers, doctors and other ancillary services. However, if PL should be aggressor, French support to limit ability would of course be forthcoming. Prime Minister apparently concerned by this and British statements, and issued strict orders to ANL against provocations. Nevertheless, he has also taken view according Soulie that Geneva accords are vague and it is therefore difficult to maintain that ANL has no right to enter two provinces at all. (See also London's 1894 to Department.<sup>2</sup>)

In conclusion I think it likely that agreement will be reached but that PL who have so long maintained position in north are not in hurry. Slowness of Souphannouvong in responding to Souvanna's summons would so indicate as well as continuance present negotiating tactics. Given last August's denouncement and fact that greater dangers for Laos are there and then created, I believe it is in our interest that negotiations should result in agreement provided no further concessions are made, particularly with respect to coalition. Furthermore, if agreement is not reached for some time yet it will probably benefit RLG more than PL. Finally, if talks were to break down, resulting fall of Souvanna Government, unsatisfactory as it is in some respects, would not be likely to lead to anything better and could result in something much worse. This means that I no longer think Katay has reasonable chance of coming to power in months to come, and also that I have been disappointed in some of attitudes attributed to him of late.

**Parsons**

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<sup>2</sup>In telegram 1894, October 6, the Embassy in London transmitted British Foreign Office reports of Souvanna Phouma's conversation in London with British Minister of State for Foreign Affairs, Anthony Nutting. (*Ibid.*, 033.51J41/10-656)

### 391. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, November 6, 1956—6 p.m.*

731. I handed to Souvanna this morning secret aide-mémoire<sup>2</sup> setting forth position approved Deptel 531<sup>3</sup> and included caveat that agreement on integration PL effectives must be subject to overall political settlement RLG achieve with PL. I explained to Prime Minister no intention meddle in internal affairs, but whether we liked it or not US directly involved in this problem and I desired let him know what he could expect from us.

To my surprise Souvanna on reading remarked after almost every paragraph that he was entirely in agreement. He particularly urged we get together at once with Chief of Staff to work out establishment two "training camps" which he said were in reality "reindoctrination" camps. He spoke of these with interest and claimed they were his own idea.

Souvanna said his brother Souphannouvong was coming Vientiane 7th and he wished press forward rapidly with remaining "details" RLG-PL agreement, particularly matter of integration. He said he attached great importance to fact restoration and reintegration would be first return of Communist-held territory to jurisdiction of free government. (I did not remind him of Azerbaijan nor express surprise that apparently he can upon occasion refer to PL as Communist.)

Souvanna asked me have army attaché and other officers as appropriate contact chief of staff on our position re military reintegration soonest. It appears that unless on further study he finds our aide-mémoire more onerous, there is chance of good progress in committing RLG to satisfactory position. Believe presentation this juncture was in fact timely, especially as Lao Presse this morning announced cease-fire agreement reached last week (Embtel 705<sup>4</sup>) and

<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-656. Secret. Repeated to London, Paris, Ottawa, New Delhi, Saigon, Bangkok, and Phnom Penh, and passed to CINCPAC.

<sup>2</sup>The aide-mémoire comprised essentially the points proposed in Document 386. Text of the November 6 aide-mémoire was transmitted in despatch 81 from Vientiane, November 8, not printed. (*Ibid.*, 751J.00/11-856)

<sup>3</sup>Telegram 531 to Vientiane, November 4, reads as follows:

"Concur your taking initiative on PL integration by delivering aide-mémoire outlining U.S. position as approved Department's 448 [Document 388]. Request you include caveat numbered paragraph 4 Department's 448 re U.S. reservation right reconsider PL troop integration in light over-all political settlement achieved by RLG." (*Ibid.*, 751J.00/11-356)

<sup>4</sup>According to telegram 705 from Vientiane, November 2, the agreement was signed October 31 by the joint military commissions. (*Ibid.*, 751J.00/11-256)

said military commission would now deal with integration problem. Will report results contact Lao military soonest.

Parsons

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**392. Memorandum From the Director of the Office of Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, November 7, 1956.*

SUBJECT

Preventive Action in Laos

I am again sending you the attached telegram<sup>2</sup> on Laos which I was unable to discuss with you yesterday, but which I hope we can talk about tomorrow, November 8, at the meeting scheduled for 12 noon.<sup>3</sup>

Something must be done now to stop, if possible, the unfavorable trend in Laos. CIA agrees with our assessment that the situation is deteriorating and that negotiations with the Pathet Lao are being handled in a naive and slipshod manner. Despite efforts of Western powers at extending friendly advice to Lao leaders, particularly Souvanna Phouma, there seems to be an almost inexorable drift, probably unintentional on the Royal Government's part, toward dangerous compromise of its independence.

We have thus far confined our representations to expressions of concern over possible developments such as coalition government, Communist aid, and large-scale uncontrolled integration of Pathet Lao troops. These expressions of concern have been noted but unheeded. I am afraid the Lao position may erode beyond remedy unless we try to check it with strong action ahead of time. We have never threatened to withdraw aid on the exceedingly sound premise that we should not threaten unless we were prepared to carry through. Being prepared to carry through is a most serious step indeed, but I feel we must face this issue now before it is too late.

Preventive action, involving a threat we would follow up if need be, is required in Laos now to pull blithe leaders up short and to strengthen the hand of those who like us, are concerned at the recent

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<sup>1</sup>Source: Department of State, Central Files, 751G.00/11-756. Secret. Drafted by Byrne and Young and cleared by Kocher.

<sup>2</sup>Not attached; for text as it was sent, see *infra*.

<sup>3</sup>No record has been found of this meeting.

flirting with Communism. Laos is too "soft" to permit us to see the establishment of Communist missions in Vientiane and the installation of Pathet Lao in positions facilitating their subversion of the country. Laos' exceptional vulnerability means the Communists must if possible be barred at the gate since successful control after their entry would be difficult if not impossible.

I therefore recommend that, as suggested in my general policy memorandum on Laos which I sent you in September,<sup>4</sup> we make our position known in advance in terms responsible Lao authorities can understand. We should tell them that we may be obliged to reappraise our policy toward Laos, including the possible suspension of aid, if they take certain steps. This should eliminate misunderstandings if we find it necessary at some future point to withdraw aid; it should also give the Lao a chance to take stock of their position. Should our warning prove unavailing, we would know that further expenditure of funds in Laos was futile.

*Recommendation*<sup>5</sup>

That you sign the attached telegram giving Ambassador Parsons instructions for his next meeting with the Crown Prince (probably November 9 or 10) and permitting him at his discretion to inform key Lao leaders of the possible suspension of aid should certain dangerous developments occur.<sup>6</sup>

<sup>4</sup>Document 379.

<sup>5</sup>Robertson approved the recommendation "with emendations," but there was no indication on the source text as to what the emendations were.

<sup>6</sup>Sebald wrote the following note on the source text: "You know my views on this but I think you should listen to K.T.Y.'s views. W.J.S."

**393. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, November 8, 1956—6:47 p.m.*

556. Vientiane 712 repeated Paris 142 London 117 Saigon 158 Bangkok Phnom Penh Ottawa Unnumbered.<sup>2</sup> We fully share your

<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-556. Secret; Priority. Drafted by Young and Byrne, cleared with Kocher and Sebald, and approved by Robertson. Repeated to Bangkok, Saigon, Phnom Penh, Paris, London, Ottawa, and New Delhi.

<sup>2</sup>In telegram 712, November 5, Parsons expressed concern over the situation in Laos. (*Ibid.*)



concern over rapid Lao drift toward formal relations with Communist Bloc and continuing concessions to PL. Despite friendly Western advice and constant RLG protestations desire defend independence, RLG seems bent on making moves which ignore Communist performance elsewhere in world and which give unnecessarily privileged and therefore dangerous position to Communist PL. As you have pointed out whether PL do or do not want settlement it clear RLG should stand firm.

Request you inform Crown Prince next personal interview we are worried that, though many Lao leaders profess awareness intentions and menace of Communists, accommodation in international sphere and last-minute yielding in domestic negotiations seemingly go on unchecked. RLG-PL neutrality agreement including prospective multiplicity contacts Communist Bloc is case in point;<sup>3</sup> safeguards for RLG position now secret, public effect here will consequently be unfavorable, and once more concession is made to PL opinion while that of Free World apparently disregarded. We recognize some RLG actions taken for tactical reasons but as Crown Prince stated Singapore there no meeting Communists half way since they never appeased.

At your discretion you may also inform (in writing if you so desire) Crown Prince Souvanna and other leaders you deem appropriate that U.S. wishes make its position clear in advance in order preclude any future misunderstandings: Namely that it may be obliged reappraise its political and economical policy toward Laos if developments occur which in U.S. view might jeopardize Laos' prospects as independent state such as: 1) PL participation coalition government 2) integration PL troops in such numbers or in such manner as to imperil integrity Army 3) acceptance Chinese Communist or other Communist Bloc economic or technical assistance and missions 4) accumulation seemingly minor concessions to Communists which in our view would in their totality destroy Laos' ability preserve its independence. Believe inadvisable you mention Cambodia but if Lao argue Cambodian neutrality did not result alteration U.S. policy you might state temper U.S. changing owing recent developments around world.

FYI: Department increasingly alarmed over steadily weakening attitude Lao Cabinet under Souvanna leadership and simultaneously improving position PL-Viet Minh. Where is situation leading? Vagaries, inconsistencies and about-faces RLG incline us believe U.S. Gov-

<sup>3</sup>According to telegram 704 from Vientiane, November 2, the joint political commission agreed on November 1 to a policy of neutrality for Laos highlighted by diplomatic relations with all countries regardless of ideology and acceptance of all economic aid to Laos granted without strings. (*Ibid.*, 751J.00/11-256)

ernment should insure no responsible Lao authority left uncertain our position.

By foregoing we are in sense anticipating increasingly adverse Congressional and public reaction re Laos after U.S. elections when more attention will be given foreign affairs.

We steadily whittling away Cambodian program though not in manner or extent as to push Cambodia over to Communist side. But while gradual reduction aid may work Cambodia, owing its lack common border with Communists and greater ability finance own needs, we feel preventive action necessary Laos. Its exceptional vulnerability means Communists must if possible be barred at gate since successful control after their entry doubtful. End FYI.

Hoover

#### 394. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, November 15, 1956—3 p.m.*

775. Reference: Embassy telegram 767.<sup>2</sup> At outset talk with Crown Prince morning 14th I outlined sequence events since my audience with him 9th,<sup>3</sup> namely receipt 10th instructions Department telegram 566,<sup>4</sup> interview with Prime Minister 11th<sup>5</sup> in which I carried out instructions Department telegram 566 re Washington visit thus leading Souvanna to disclose Crown Prince had prevailed on him remain Vientiane. Subsequent gambit by Souvanna asking me have talk with Souphannouvong had given me opening convey briefly warning contained Department telegram 556.<sup>6</sup> I then showed Crown Prince copy of follow-up letter to Souvanna (summarized Embassy telegram 773<sup>7</sup>) and informed him our worries as set forth second paragraph Department telegram 556.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-1556. Secret; Priority. Repeated to London, Saigon, Bangkok, Ottawa, New Delhi, and Phnom Penh.

<sup>2</sup>Dated November 13, not printed. (*Ibid.*, 751J.00/11-1356)

<sup>3</sup>A report of that discussion is in telegram 753 from Vientiane, November 10, not printed. (*Ibid.*, 751J.00/11-1056)

<sup>4</sup>In telegram 566 to Vientiane, November 10, the Department suggested tentative dates for an unofficial and informal visit by Souvanna Phouma to Washington to coincide with a trip to the United Nations. (*Ibid.*, 751J.5-MSP/10-3156)

<sup>5</sup>A report of that interview is in telegram 763 from Vientiane, November 12. (*Ibid.*, 033.51J11/11-1256)

<sup>6</sup>*Supra.*

<sup>7</sup>Telegram 773 from Vientiane, November 14, contained the summary of a letter dated November 13 which Parsons gave to Souvanna Phouma on November 14. The letter was based on the instructions in telegram 556 to Vientiane.

Savang read with great deliberation and made no immediate comment except that Souvanna would surely show him this letter. Difficult to be sure but I thought predominant reaction was one of satisfaction, perhaps relief as well; in any event, he was more buoyant, less distressed than on 9th. After pause he remarked he had just received Prince Souphannouvong who professed good intentions of Pathet Lao and had even asked Savang's support for participation in government. Crown Prince said he had replied with three brief points: first, that any country or kingdom has a certain geographic entity, that country must follow its constitutional procedures and, finally, that he would not enter into matters of daily politics. To me Savang added coalition could come about only with resignation of government and then, without indicating his course of action, he said he would not accept PL in government.

Next phase of talk included series of criticisms of Souvanna. He hated say so but matters handled in such way that he thought quite likely Pathet Lao would soon read my letter to Souvanna. I replied PL already knew how they were regarded by US, that Department had given me discretion carry out instructions orally or in writing and that I had considered letter better served purpose of avoiding misunderstanding. Crown Prince said this was best and not to be concerned over possible reaction from Souvanna; he would not dare react strongly. Crown Prince then said government was naive ("inconsaient"). Perhaps I knew of Chou En-lai's recent telegram requesting message of congratulations on Sun Yat Sen anniversary. In any event, there was reply complying with request but it had not been despatched (apparently because of orders from Crown Prince). Souvanna did not foresee consequences of his actions.

Savang remarked for most part ministers not activated by principles, nor was opposition. It was therefore hard know where to turn. Perhaps U.S. would do well to work with opposition. I replied would find it difficult work with Bong Souvannavong to which Crown Prince casually replied Bong in other circumstances could be just as pro-American as anyone. (Perhaps foregoing should be assessed in terms Savang's aversion to Souvanna and his brothers.)

To put US attitude in perspective, I repeated to Crown Prince we had now taken two steps: First, aide-mémoire on integration PL effectives which was contingent on satisfactory over-all settlement; second, letter to Souvanna. Savang then indicated RLG reaction to position in [on] PL effectives was to ask French if they would finance balance of cost of integration over what US financed. He did not give me French reaction but said with emphasis he would never accept French aid for such purpose. More generally, he gave me impression he approved US steps if end result was strengthen Laos against PL. Contrariwise, he apparently would regret US actions if result was PL

acceptance and settlement. As before, (Embtel 753) he implied PL would accept final terms whatever they might be because they, as opposed to RLG, were united and on whole more able. I remarked we assumed national unity was goal, and therefore, we were also emphasizing internal security measures to aid RLG once settlement achieved. Crown Prince indicated national unity was beside the point, his thought apparently being that with firm direction and control PL would not be problem unless (as he also said) Chinese forced issue.

Crown Prince at one stage asked point blank if US support for Laos was firm. I replied that he had had personal assurances of Secretary (Deptel 326<sup>8</sup>) which was in its essence our policy. Nevertheless, he had also read letter to Souvanna and must realize our capabilities depended in part upon Lao actions. He then deplored difficulty of democracies in giving firm assurances of future actions which depended upon legislature. He also, at this point in conversation, again implied he was, if necessary prepared take measures outside normal channels keep a government in power which could maintain Laos integrity and independence. He also referred to loyalty of army and its unwillingness cede places to former PL. In fact, he had prevented, and he had so told Souphannouvong, army from killing PL who were brothers and he only supported hostilities when foreigners from across border came in and, with PL aid, attacked Laos. In closing this phase talk, Crown Prince seemed again evidence satisfaction our action but remarked it was more difficult to do what was done than prevent it in beginning. Mistakes had been made while he was away.

Much of foregoing was expressed in somewhat round-about terms. At least it is clear that Crown Prince does not favor settlement with Pathet Lao along lines thus far developed. I also believe Crown Prince needs our constant reassurance and that there is no doubt that he is working with US out of conviction that his interest and that of Royal House as well as country lie that way.

Talk lasted nearly an hour and with Crown Prince going over at length much familiar ground. I did not have good opportunity probe further into question whether Savang intends (a) precipitate incipient political crisis, or (b) make Souvanna stay on and act more responsibly (Embtel 770<sup>9</sup>). However, I did say pointedly during initial presentation that since Souvanna had assured me he was going New York before UN closed, probably January or February (Embtel 763), I

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<sup>8</sup>In telegram 326 to Vientiane, September 26, the Department summarized for the Embassy's benefit talks between Savang and American officials in Washington in September. (Department of State, Central Files, 751J.11/9-2656)

<sup>9</sup>Dated November 13, not printed. (*Ibid.*, 751J.00/11-1356)

assumed Prime Minister expected still be in power at that time. Crown Prince did not pick this up. I would judge he still has no alternative to Souvanna but with Assembly meeting next week situation could become kaleidoscopic.

Parsons

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395. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, November 20, 1956—7 p.m.*

802. Reference Deptel 556.<sup>2</sup> Prime Minister late yesterday after National Assembly session gave me his reaction to letter of November 13 (Embtel 773<sup>3</sup>) carrying out instructions reference tel. Meeting was at my initiative (1) because of British Ambassador's belief (Embtel 794<sup>4</sup>) he was about to resign largely because of American pressure, (2) my own feeling he should give me info on "political crisis" directly and, (3) his earlier remark (Embtel 778<sup>5</sup>) he wished discuss letter with me.

Souvanna's comment was limited to but one of four illustrative developments which we would consider as jeopardizing Lao independence and thus possibly leading to re-examination US policy. He said he noted letter specified coalition "without elections". I said I had added qualifying phrase on my own responsibility because I assumed that while we thought coalition unwise in any case, I did not see how we could oppose if coalition arrived at as result of elections and operation constitutional procedure.

PriMin then indicated key to settlement to PL problem was entry into govt of several PL representatives (including Souphanouvong) which he insisted could be arrived at in terms entirely consistent with maintenance Laos sovereignty and integrity. His arguments fell into two categories as follows:

(1) Souphanouvong and PL leaders not Communists and not under their control. In addition to fact that their behavior in Vientiane, oath of loyalty, etc., all supported this view, PriMin asserted (in reply to my query) that Souphanouvong's family were free and at

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-2056. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, Phnom Penh, New Delhi, and Ottawa.

<sup>2</sup>Document 393.

<sup>3</sup>See footnote 7, *supra*.

<sup>4</sup>Dated November 20, not printed. (Department of State, Central Files, 751J.00/11-2056)

<sup>5</sup>Dated November 16, not printed. (*Ibid.*, 751J.00/11-1656)

Sam Neua, that their persistent bargaining for more concessions was really due to fear of reprisals by RLG, and that intelligence report indicated subversion, infiltration and propaganda activity was diminished—and anyway was attributable to Vietminh, not PL. We must remember fear of reprisals kept alive by RLG agents continuing arrest PL here and there throughout past months.

(2) Admission of 2 or 3 PL leaders into govt would be based on written agreement PriMin could obtain, which would provide that in return for, and simultaneously with, admission of PL, there would be complete and unconditional restoration of Royal authority in two provinces and complete submission of PL effectives to RLG, with result they could be immediately removed from north and later subjected to screening, reindotration, and eventual incorporation of reduced number in ANL. Souvanna said there would be no expense to US beyond terms we had indicated in our aide-mémoire of November 6 (Embtel 731<sup>6</sup>) and PL would comply with RLG decisions on both civil and military integration. Whole problem would thus be settled at once, and he wished very much to have opportunity to try to put this through. If after 3 or 4 months it became clear that individuals, or former PL as whole, were acting disloyally and seeking to subvert country, they could and would be dealt with by RLG.

I asked whether this scheme would require approval of National Assembly. Prime Minister said, yes, it would.

In his presentation, Souvanna said with frankness and feeling that he had worked to limit of his resources for many months, that there was absolutely no material motive for him to remain in power, that his personal desires were quite to contrary. He had in fact so stated to Holliday that morning. He had now reached point where he could go no further without American support. If that support were withheld he would resign, and someone else—he did not know who—would have to take over. But he did wish to try solution in which he had faith, and which had now reached point described. His course of action depended on United States.

I told Prime Minister that I could not exceed my instructions, which were clear, as he knew, that I was not reflecting on his brother whom we could not know as he did but that it was most difficult for me or my government, in face of history of past several years, to believe PL were not Communist or controlled by Communists. Furthermore, this was not merely national problem but international one affecting US and others as well, which Prime Minister readily acknowledged. I went on to say I was not optimistic that there would be any change in our position but, as he had said he could obtain a written agreement, I wished to report what he said—and if he so desired, I would show him my message in advance so he could be sure his position was reported accurately. Souvanna said he did indeed

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<sup>6</sup>Document 391.

want me to consult my government as without American support he could do no more.

I sent substance of foregoing to Souvanna in English, suitably modified in minor respects, with note saying I wished insure accuracy as promised. He has now returned text with note thanking me and agreeing it is accurate.

Comment follows in subsequent telegram.<sup>7</sup>

**Parsons**

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<sup>7</sup>*Infra.*

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**396. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, November 21, 1956—5 p.m.*

809. Re Embtel 802.<sup>2</sup> My recommendation on Souvanna's plea for our support of his scheme for PL entry into Cabinet, in return for written agreement on restoration and integration, is negative for reasons set forth below. However, problem complicated by other aspects current crisis in Laos<sup>3</sup> and we should in my view seek to act in such way as not aggravate crisis.

US position is by no means only reason for Souvanna's malaise and we should decline accept responsibility for situation caused by his failure to face up to crux of PL problem before becoming so enmeshed. Other reasons for Souvanna's threat to resign are:

- (1) Genuine fatigue and depression;
- (2) Friction with Crown Prince;
- (3) Letter from King rejecting work of National Congress (Embtel 808<sup>4</sup>);

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-2156. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, Phnom Penh, New Delhi, and Ottawa.

<sup>2</sup>*Supra.*

<sup>3</sup>The crisis revolved around the work of the National Congress, called into session by Royal Order of June 9, 1956, to revise the Lao Constitution. Katay, the government reporter at the Congress, charged that the Congress had exceeded its authority in going beyond the draft provisions proposed by the government by commenting on nearly all points in the Lao constitution. (Telegram 855 from Vientiane, November 30; Department of State, Central Files, 751J.00/11-3056)

<sup>4</sup>According to telegram 808, November 21, the King declared that Congress had deviated from its mission and exceeded its authority by making general revisions to the constitution. (*Ibid.*, 751J.00/11-2156)

- (4) His brother Petsarath's attitude (Embtel 810<sup>5</sup>); and  
 (5) Differences with his ministers on PL issue particularly. In other words crisis is primarily internal.

On last point we now know from Nhouy and Ngon,<sup>6</sup> two senior Cabinet members, plus other sources that last week Cabinet almost unanimously rejected immediate broadening or reshuffling to include PL representatives. Cabinet view and US objective this coincided and we should not now turn around and side with Souvanna on this issue merely because he now asserts he can get written commitment on key questions. If I had faith he could actually get detailed written agreement, I would advocate wait and see attitude but issues are complex and there is not enough evidence to create such confidence.

Another consideration is that if Souvanna were enabled to go back to Cabinet and allege he had US support, this plus his threat to resign (and throw them out of jobs) might well cause number members take different stand. Last week he put up almost hopeless proposition to Cabinet, with apparently little personal expectation of success, but its rejection did not result, as Souvanna probably hoped, in Souphanouvong's ceasing pressures on him for coalition. Thus caught between two fires Souvanna is now evidently attempting converse maneuver to see if he can induce Cabinet and West cease opposition to coalition now.

If there were satisfactory alternative to Souvanna, if fall of government now could have constructive results, I would favor unequivocal negative response. But neither Crown Prince nor any one else has been able to come up with satisfactory replacement. Nhouy, who is close to Katay and Crown Prince and no adherent of Souvanna, told me he had begged Souvanna not to resign, that it would be end of Laos (Embtel 810). Even allowing for exaggeration it is clear Nhouy and others think he should stay on and I am impressed by their view. In choice between two unsatisfactory alternatives, least [garble] unsatisfactory, it seems to me, is to go along with opinion of responsible Lao who so far want Souvanna to stay.

This suggests we should in our reply to Prime Minister's appeal temper negative response. We might repeat US considers first essential is full detailed unequivocal agreement on restoration and reintegration, and what happens after that would depend thereupon: Geneva agreement calls for restoration and reintegration, and if Cabinet and Assembly agree thereafter interpret reintegration to embrace inclusion PL in Cabinet, that would be primarily internal Lao affair,

<sup>5</sup>According to telegram 810 from Vientiane, November 21, Petsarath refused to return to Laos until the questions of his salary, fringe benefits, housing, and title were settled. (*Ibid.*)

<sup>6</sup>Nhouy Adhay, Minister of Interior, and Ngon Sananikone, Minister of Education.



however regrettable from US viewpoint. I also favor repeating to Souvanna what I have already told him, that position we have taken pursuant Department telegram 546<sup>7</sup> and before is not personal and that we would have made same representations in circumstances no matter who headed government. Going further we could say we thought best interests of Laos indicated avoidance of difficult crisis now and we hoped he could thus see way to stay on despite our non-support of coalition now in return for PL promissory note. Finally as affirmation of our belief he should stay in we could hold out hope see him informally in Washington and seriously discuss our mutual problems at such time situation permitted him leave Laos. This last would have tonic effect and would in meantime probably increase our influence with him. Believe it would also be useful to us.

In my view it would be desirable consult with British, French and Canadians on problems raised this and reference telegram and, as Holliday was most helpful to me earlier this week, I have acquainted him in general terms with Souvanna's latest maneuver. Would appreciate Department's instructions<sup>8</sup> soonest as situation moving rapidly. Immediate preliminary reaction would be helpful as members of Canadian External Affairs due here tomorrow and Rob Scott from Singapore shortly thereafter.

Parsons

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<sup>7</sup>Telegram 546, November 6, noted that there was no attempt to discourage Souvanna Phouma from visiting Washington, but rather to outline the practical difficulties so that he could make his own decision whether or not to come. (*Ibid.*, 601.6151/11-556)

<sup>8</sup>See telegram 612, *infra*.

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### 397. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, November 22, 1956—1:18 p.m.*

612. Vientiane 809 repeated Paris 170 London 148 Saigon 193 pouched other addressees.<sup>2</sup> Concur we cannot support Souvanna's

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-2156. Secret; Priority. Drafted by Byrne, cleared with Kocher and Murphy, and approved by Sebald. Repeated to Saigon, Phnom Penh, Bangkok, Ottawa, New Delhi, Paris, and London, and to USUN for Young who was Senior Adviser to the U.S. Delegation to the U.N. General Assembly.

<sup>2</sup>*Supra*.

plan take PL into Cabinet but that negative response should be tempered insofar possible. Request you convey following Prime Minister:

U.S. has carefully considered Souvanna request American support for his proposal give PL two or three Cabinet positions in return written PL agreement permit restoration RLG authority two provinces and integration PL into national community. Because of firm U.S. conviction PL are Communist appendage Viet Minh and past painful experience with other attempts meet Communists half-way through coalition government, U.S. unable respond favorably Prime Minister's appeal for support. Since U.S. continues strongly believe entrance Communists into Cabinet would threaten Lao independence, U.S. considers it would violate own principles if it gave approval to potentially dangerous arrangement.

Moreover Geneva Agreement recognizes RLG sovereignty throughout Lao territory; PL are dissidents and therefore suppliants in reintegration negotiations. It consequently appears to U.S. that PL not RLG should demonstrate good faith. First essential is full detailed unequivocal agreement on restoration RLG authority two provinces and reintegration PL into national community. Acceptance PL into Cabinet now on other hand would represent unnecessary sacrifice RLG assets in return unenforceable commitment re subsequent PL fulfillment Geneva terms. Letter November 13 therefore still stands.

U.S. distressed learn Government crisis threatens over issue PL participation Cabinet. U.S. not aware PL of such stature and influence as be able provoke RLG crisis, which U.S. considers should be avoided in best interests Laos. Stable government patently required this important period Lao history.

At your discretion you might add Department believes might be useful discuss with Souvanna various Lao problems of mutual concern our two countries. Prime Minister was unable come Washington November 19 and 20 owing pressing issues requiring his presence Vientiane, but if situation permits him leave Laos attend UNGA early next year perhaps convenient time for informal unofficial visit Washington could be worked out.

FYI: We do not wish under any circumstances make statement implying possible acquiescence inclusion PL in Cabinet at any time, nor do we wish make plea Souvanna remain office too personal, even though we heed views sound leaders like Nhouy.

Agree you should discuss recent developments Vientiane with British French Canadians, at your discretion informing them U.S. position. End FYI.

Hoover

398. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>*Vientiane, November 24, 1956—4 p.m.*

822. Deptel 612.<sup>2</sup> Since mere reiteration our view PL leaders are Communists likely evoke more irritation with his comprehension of US position on part of Souvanna who firmly believes his brother is not Communist, I am preparing recapitulation reasons supporting contrary belief re Pathet Lao. This is to be used orally and will delay till Monday delivery aide-mémoire<sup>3</sup> embodying substance reference telegram.

Department will have noted from recent telegrams that few people here really sure Souphannouvong is Communist. There are many who believe he can be weaned eventually and that he is already much changed. Nhoy for instance does not think he is a Communist. Having taken oath of fealty, Souphannouvong is now treated as member princely family and Lao in good standing. I learned yesterday he is dining at British Embassy Tuesday . . . . Nevertheless there will be political consequences of social acceptance if only in terms of Souvanna's believing with more conviction that we are mistaken.

In connection with Department's views as expressed in FYI portion reference telegram time may come when we shall be faced with alternatives of acquiescence inclusion PL by constitutional means after elections or reappraisal our policy. If latter in turn meant withdrawal US support, it would be tantamount to acquiescence in letting Communists win here without further struggles. Whether we like it or not, I do not see much chance of going back to status quo ante Souvanna.

I do believe essential keep Pathet out of cabinet now and that their inclusion is undesirable at any foreseeable time. But I hope our position will not evolve in such manner as to commit us too inflexibly in advance and that Department merely wishes avoid having RLG believe that there is possibility we might at some time acquiesce in inclusion PL.

**Parsons**

<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-2456. Secret; Priority. Repeated to Paris, London, Saigon, Ottawa, Bangkok, Phnom Penh, and New Delhi. Passed to Young at USUN.

<sup>2</sup>*Supra.*

<sup>3</sup>Texts in French and English of this aide-mémoire, given to Souvanna Phouma on Tuesday, November 27, are in despatch 94 from Vientiane, November 28. (Department of State, Central Files, 751J.00/11-2856)

399. Memorandum From the Acting Director of the Office of Southeast Asian Affairs (Kocher) to the Deputy Assistant Secretary of State for Far Eastern Affairs (Sebald)<sup>1</sup>

*Washington, November 26, 1956.*

SUBJECT

British Démarche Re Coalition Government in Laos

Arthur de la Mare, Counselor at the British Embassy, handed us today the attached "piece of paper"<sup>2</sup> containing a proposed United States reply to Prime Minister Souvanna Phouma's recent request for support of his plan for Pathet Lao participation in a coalition government. . . .

To acquiesce in the British proposal would in effect mean rescinding our letter of November 13, giving Souvanna the impression that our so-called "firm" positions can be altered relatively easily and need therefore not be taken seriously.

We believe we should continue to stand on our November 13 letter, and in this case should give a negative reply to the British démarche, for the following reasons:

1. We suspect that Holliday's principal concern, that Souvanna will resign if his plan is not accepted and in so doing will blame the United States, is not valid. If we are correct in thinking Souvanna is bluffing, there is patently no cause to yield to his entreaties.

2. If, on the other hand, he does resign, we would indeed be faced with a prolonged Government crisis, but since the present Prime Minister has proven so unreliable and unsatisfactory from our point of view, the prospect of post-resignation confusion in Laos does not appear to us catastrophic. As for blaming the United States, we are not dismayed.

3. We know that the Cabinet is opposed to Souvanna's plan for coalition government, and that consequently he would not be able to ram it through without some external influential backing. It seems, therefore, that the Prime Minister is seeking American support with which to bludgeon the Cabinet into acquiescence. By an affirmative response to coalition, the United States would undoubtedly weaken the now-strong stand of the nationalist leaders in the Cabinet and Assembly, and would enable Souvanna to execute an arrangement unpalatable to the Lao themselves. The Prime Minister is thus creating his own pressure for coalition.

4. Souvanna's actions thus far lead us to believe that this dangerous concession to the Pathet Lao would *not* be his last. U.S. failure to stand firm against coalition at the present time would only facili-

<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-2656. Secret. Drafted by Byrne.

<sup>2</sup>A copy of the British paper, November 26, is attached to the source text but not printed.

tate his continuing down the garden path. We fail to see the logic of the British assumption that the U.S., through the leverage of its aid programs, could control the situation after coalition government when it may not be able to do so now.

5. Lack of American opposition to Lao compromise with the Communists, if known, would have unfortunate repercussions throughout Southeast Asia.

6. Assuming the Pathet Lao were willing to settle for coalition and failing that would break off negotiations, we consider no settlement better than a bad settlement. Laos would be in no worse position than it is now.

#### *Recommendation*

That you approve our informing the British that we cannot agree to their proposed American reply to Souvanna Phouma, and that we stand by our letter of November 13.<sup>3</sup>

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<sup>3</sup>Sebald initialed his approval of the recommendation. He also wrote the following qualification: "but there should be a further thinking through of this problem with a view to finding an alternative solution, at the same time retaining flexibility. WJS".

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#### 400. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, November 27, 1956—7 p.m.*

835. Department pass USUN/NY for Kenneth Young. Ref Deptel 612.<sup>2</sup> I gave Prime Minister afternoon 27th our unfavorable reply to his proposal bring 2 or 3 Pathet Lao into Cabinet in exchange for written agreement promising restoration of RLG authority in north and reintegration PL national community.

Before taking this up, I told Souvanna that funds for November-December support military budget (Icato 460<sup>3</sup>) had been received and there was, therefore, no reason fear further unintentional delay such as occurred October.

I told Souvanna my government's response included 3 points: First of all, an unfavorable reply to his proposal, second, our opinion

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-2756. Secret; Priority. Repeated to Paris, London, Saigon, Ottawa, Bangkok, Phnom Penh, New Delhi.

<sup>2</sup>Document 397.

<sup>3</sup>Not printed. (Washington National Records Center, ICA Message Files: FRC 58 A 403, Box 33, Vientiane)

that governmental crisis now would not be in national interest and third, that mindful of his inability leave Laos when important problems pending, nevertheless, we thought it useful and possible agree on date for unofficial discussions Washington should his duties permit him be in New York for GA early next year. I then gave Prime Minister aide-mémoire in close translation reftel. I included last operative paragraph reftel to assure use could not be made of document to claim US seeking upset him and also to emphasize our continuing desire reach constructive solution mutual problems.

Prime Minister's first remark was that he was deeply disappointed (navre). He then remarked that it had been an effort worth making. However, there were other and more important problems which were occupying him now, and it would therefore be best leave aside PL problems for present. Somsanith<sup>4</sup> was returning tomorrow and it would be necessary meet with him and several other unspecified ministers on these other important problems, one of which he subsequently identified as conflict between National Congress and Crown in which Souvanna is caught in middle. He then said he might have to request Katay's immediate return Vientiane (perhaps because National Congress yesterday voted that Katay was to blame for "misinterpreting" Congress work to government which in turn misinformed Crown).

Earlier in talk, it was necessary for me explain why we still continued believe PL dangerous to national safety. I repeated usual arguments such as

(1) Communist change of tactics from armed force in north to political overt and covert action throughout country would be spearhead by PL and

(2) continuing Commie-like tactics selling their willingness negotiate all over again for further concessions on neutrality, etc. Apart from foregoing, I said it was impossible for my government believe that movement which so many Lao had themselves branded as Communist as recently as May could have reformed by November. For instance, Prime Minister himself had introduced Sisouk at large meeting May 27 as person best qualified to speak on this problem. Sisouk had proceeded brand PL movement very frankly and I quoted extracts including Sisouk's description of Vietnam financial support for PL effectives. In this connection, I asked who had paid and was still paying PL effectives in north now, and wondered what effect this had had on their loyalty. Prime Minister had nothing new or particularly persuasive to say in answer foregoing but said in many long talks with his brother, Souphanouvong, he had become convinced he was not Communist and genuinely desired come back to fold. He then asked me if other Lao Ministers had not told me same thing.

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<sup>4</sup>Prince Somsanith.

I told Souvanna other Ministers had indeed said they not sure he was Communist and also that he sincerely wanted to return to national community. Nevertheless, it seemed unreasonable to me to be dissident one moment and Cabinet Minister the next, particularly as PL had thus far given no discernible proof their good faith. Souvanna said question of face involved and it therefore necessary make allowances. I said I understood this but he should remember US support dependent on public and congressional view of events in Laos. Souphanouvong and PL widely branded in US as Communists, in part on basis statement of Lao themselves such as I had quoted. If now US Congress were to read Souphanouvong taken into Cabinet, ready conclusion would be Laos was compromising itself with Communists. Souvanna said he could understand our viewpoint.

In separate telegrams tomorrow<sup>5</sup> will report conversations with British, French and Canadian representatives whom I have briefed on recent discussions which culminated in today's refusal to go along with Souvanna's proposal. For moment I have no comment other than that Souvanna: (1) Showed no rancor and was reasonable throughout, (2) gave no hint of resigning because of PL problem, (3) spoke only in terms of thinking of what do next when he returned to this problem. He made no commitment but I would be surprised if coalition idea is not shelved as impractical in present circumstances.

**Parsons**

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<sup>5</sup>Telegrams 843 and 847 from Vientiane, both dated November 28, neither printed. (Department of State, Central Files, 751J.00/11-2856)

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**401. Memorandum of a Conversation, Department of State,  
Washington, December 7, 1956<sup>1</sup>**

**SUBJECT**

Laos

**PARTICIPANTS**

His Excellency Katay D. Sasorith, Deputy Prime Minister of Laos

His Excellency Ourot R. Souvannavong, Ambassador of Laos

The Secretary of State

William J. Sebald, Acting Assistant Secretary of State for Far Eastern Affairs

Patricia M. Byrne, FE/SEA

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-756. Secret. Drafted by Byrne on December 10 and cleared by Kocher and Sebald.

At his own request, His Excellency Katay D. Sasorith, Deputy Prime Minister of Laos and Chief of the Lao Delegation to the Eleventh United Nations General Assembly, called on the Secretary at 10:45 a.m.

The Secretary began by saying he remembered with pleasure his visit to Vientiane in February 1955 and his interesting exchange of views with Katay. He remarked that Laos seemed still to be struggling with the same problems as at that time. Katay agreed, and went on to say that as a responsible Lao leader and in the name of the Royal Government he wished to thank the Secretary for the United States' generous aid to Laos. Laos was deeply aware of American support.

The Secretary replied that the United States was always ready to support Laos in its efforts to resist Communist encroachment, but that it could not take the place of Laos' own will to defend its independence. Primary responsibility lay with Laos, not the United States. As he had stated in Vientiane, the United States through SEATO would come to Laos' defense in the event of aggression if invited to do so. Laos could rely on us to be faithful to our promises, even if, as we had shown in the United Nations, being faithful to our promises was contrary to the interests of our traditional allies. We had two commitments: 1) Not to undertake aggression ourselves, and 2) to oppose aggression against our friends with all our power. It was difficult to break with one's friends. Therefore, the fact that we were faithful to our promise to oppose aggression even when this placed us in opposition to our friends was sure testimony that we would be faithful to our promise to resist the aggression of our enemies.

The Deputy Prime Minister responded with the statement that Laos was absolutely certain it would be defended in the event of Communist aggression. Without the Manila Pact Communist actions in Asia would be far worse, but now they were deterred by their fear of SEATO.

Hungary, said the Secretary, revealed the true Communist colors. They tried to entice with their promises of economic aid and their pledges not to intervene in internal affairs, but once they got a foot in, there was no way to get them out. They employed all possible means to maintain smaller states within their tight grasp.

The conversation ended at 10:55 a.m.



**402. Memorandum of a Conversation, Department of State,  
Washington, December 7, 1956<sup>1</sup>**

SUBJECT

Laos

PARTICIPANTS

His Excellency Katay D. Sasorith, Deputy Prime Minister of Laos  
His Excellency Ourot R. Souvannavong, Ambassador of Laos  
Mr. William J. Sebald, Acting Assistant Secretary for Far Eastern Affairs  
Mr. Eric Kocher, Acting Director, Southeast Asian Affairs  
Miss Patricia M. Byrne, FE/SEA

At his own request, His Excellency Katay D. Sasorith, Deputy Prime Minister of Laos and Chief of the Lao Delegation to the United Nations, called on Mr. Sebald at 10:55 a.m.

After welcoming Katay to Washington, Mr. Sebald said he was glad to have this opportunity to talk in the privacy of his office and in the time available wished to have a frank exchange on the Deputy Prime Minister's problems and ours. We were fairly well-informed on the situation in Laos, but naturally we did not understand it so well as did Katay. The nuances escaped us. It would therefore be helpful if he could give us his views on the situation as he saw it.

Katay replied that he was very happy to be here; coming to the United States had long been a dream of his, but it was only on being named head of the Lao Delegation to the UN that he was able to leave Laos and talk with the Secretary and others interested in his country.

The situation in Laos was not disquieting in its totality. While the international aspects were better, there had not been much improvement in the internal situation. Negotiations with the Pathet Lao had resulted in some agreements, but agreements were easy to achieve whereas their application was most difficult.

It now behooved the Royal Government to prevent Pathet Lao subversion and propaganda. Katay considered two things essential: 1) Establishment of an effective propaganda service; and 2) development of the National Police. Anonymous pro-Viet Minh propaganda, often accusing leaders like Katay of being American tools, had a harmful effect on the ignorant masses. While the Lao themselves could handle the propaganda content, it was essential that the United States help with funds, which were nonexistent. When Katay was Prime Minister, he had, by scrounging money from here and there in

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-756. Secret. Drafted by Byrne on December 10 and cleared by Kocher and Sebald. Briefing information for use in preparation for this meeting is in a memorandum from Byrne to Sebald, December 6, not printed. (*Ibid.*, 751J.13/12-656)

the budget, established the SSPP (Special Service for Political Propaganda). This organization had achieved excellent results, receiving the praise of all the foreign Ambassadors in Vientiane, but Souvanna Phouma had abolished it for lack of funds.

He was very happy that the United States had aided the development of the National Police. Since hostilities had in principle ended, it was the police rather than the Army which should assure internal security. Moreover, the military were generally poorly regarded by the people, whereas the police were received with greater confidence. It was therefore necessary to expand and reorganize the police as soon as possible.

USOM wished to take too direct a hand in the police program, as well as in other fields. It kept watch on every Lao move and controlled every expenditure. Katay insisted it would be far better for USOM to give Laos the credits and permit Laos to disburse the funds on a jointly agreed program. The present system of requiring a USOM signature for each purchase immobilized the aid program. He recognized the U.S. Government had a right to control the use of its aid funds, but he pled that this control not be complicated by too detailed procedures. These procedures now caused friction between middle- and lower-ranking civil servants in the USOM and in the Government, and gave the Government's enemies a wide field to charge the United States with trying to substitute for the French or that, when funds were delayed, the U.S. was unhappy over some Lao Government action.

In response to Mr. Sebald's question as to whether the Deputy Prime Minister would emphasize development of the police or of the Army, Katay said that an Army of 25,000 was sufficient for peacetime but must be maintained at that level to defend Laos in the event of invasion until SEATO help arrived. But it was now necessary to develop the police force so that small posts could blanket the country. The police would keep Communist and pro-Communist subversive activity under control and could spread propaganda in favor of the Royal Government. This would leave the Government free to tackle the subversion problem on the political plane.

To the latter end, Katay would like from the United States a draft law making the Communist party illegal. There were 20 members of his party in the Assembly who would constitute enough votes to pass such a law.

The Government must, however, have the means to support the loyal party members and to gain the favor of the villagers and Buddhist monks. It had no funds, for example, to repair pagodas, or fix leaking roofs of the monks' houses, or to construct community buildings. Only with such funds for small spot projects could the support of the people be maintained. As Prime Minister he had managed to

provide money for these purposes from social welfare, relief, and secret funds. Now nothing was done along these lines.

He was aware of U.S. Government's noninvolvement in religious matters, but as he had said in a memorandum to Mr. Young in New York,<sup>2</sup> religion was the primary weapon against Communism in Laos. Projects such as the restoration of historical monuments or of pagodas helped gain mass support through religion but also served as camouflage for providing the Lao Government with a slush fund for propaganda or for buying off self-interested potential troublemakers. He cited as an example of the need of such funds the fact that some Chinese had asked him for money and, when he was unable to comply, had begun publishing newspapers attacking the Lao Government. He asserted the funds for their enterprises must have come from the Communists via Hong Kong.

Mr. Sebald said he appreciated the foregoing helpful exposition of some of the Deputy Prime Minister's views and that he would like to attempt to put these problems in proper perspective. It seemed to us that the most important aspect of the whole Laos problem was that there must be a reasonably stable political situation in order to take measures and implement programs in such a way as to do the most good to insure the political independence of the country. This was the primary objective.

Under our constitutional system we in the Executive Branch must go before the Congress with our hat in hand, so to speak, to ask for money for programs we consider essential to accomplish our objectives. Members of Congress were generally well-informed and their thinking was pragmatic, based upon their experience in dealing with programs in numerous other countries. It was essential that we be able to demonstrate to the Congress that in Laos there existed the will to maintain its independence. If this could not be done, the Congress would ask why waste money on people who will not help themselves. This was the framework in which we worked.

Therefore Katay could readily understand that, when there was the possibility of Communists being taken in to the Government, our Congress immediately wondered whether it was advisable to support a potential enemy. When a series of concessions, the summation of which could be serious, was made to the Communist-supported Pathet Lao, the Congress asked itself why not write Laos off. We hoped this would not happen, since we had considerable faith in the common sense of Lao leaders. It was essential that there be the outward manifestation of Lao will and backbone.

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<sup>2</sup>A report of the Katay-Young conversation, November 24, and another summary of the memorandum handed to Young are in telegram 504 from USUN, November 26, not printed. (*Ibid.*, 751J.00/11-2656)

From what Mr. Sebald had heard of Katay's views, he thought Katay would agree that the way to deal with the Communists was to be firm and to demonstrate the strength one had. We knew Laos' resources were not great, but if it showed a will, help would flow. It was largely a question of attitude. Wherever the Communists were confronted with strength, they backed away; if they were given concessions, however, they only demanded more. We were convinced this was true. Mr. Sebald had spoken with considerable emphasis, but the important subject matter deserved such treatment.

Mr. Sebald went on to say we had great difficulty in convincing the Congress that such large amounts were necessary to support the Lao Army. We were aware of the history of the huge cost, that is, that the system had been inherited from the French, but the Lao Army nevertheless remained one of the most expensive in Asia. If the cost could be reduced, more money would be available for the police, for example. Mr. Sebald thought an effective police force excellent for a country like Laos. In Burma, it had been discovered that U.S. aid was best spent on modernizing and training the police. They were then able to get down to the village level and became the symbol of good government.

The conversation ended at 12:00.<sup>3</sup>

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<sup>3</sup>Katay met with Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, from 3 to 3:30 p.m. on December 7. A memorandum of that conversation by Byrne, December 7, is *ibid.*, 751J.00/12-756.

From 3:45 to 4:15 p.m., December 7, Katay met with Murphy. The discussion dealt with the difficulty, in Katay's view, of negotiating with the Pathet Lao because of their subordination to the Viet Minh and the need for U.S. funds to support a Lao counterpropaganda campaign against subversion. Murphy suggested that propaganda could only serve as an auxiliary to unspecified "other action." A report of the discussion is in a memorandum of conversation by Byrne, December 7. (*ibid.*)

At 4:20 p.m., December 7, Katay met with Hoover who told Katay that the United States was disturbed to learn that the Pathet Lao were to join the Lao Cabinet. Hoover hoped the report was untrue. Katay stated that if it were true, it was the Prime Minister's plan, not the government's. (Memorandum of conversation by Byrne, December 7; *ibid.*)

#### 403. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, December 11, 1956—7 p.m.*

921. Reference Embtel 915.<sup>2</sup> Following telegram attempts appraisal current situation and suggests US course of action in event re-evaluation its policy becomes necessary per November 13 letter (Embtel 773<sup>3</sup>).

1. Comparison Souvanna's present proposal for solution PL problem (see reference telegram) with proposal made to me November 19 (Embtel 802<sup>4</sup>) shows some progress. For first time it is provided PL movement would be formally dissolved and Souphanouvong himself would also publicly disavow all relationship to Communists, past, present or future. Current information indicates Souphanouvong plus possibly one other PL, would be brought into Cabinet whereas earlier, PL had requested four members in Cabinet and Souvanna proposed two or three to me. Nevertheless, broad outline of program much the same.

2. There is some possibility obtaining further modification as result foreign and domestic pressures. . . . On tenth National Assembly, after speech by Phoui Sananikone, voted 18 to 1 (Bong Souvannavong) plus two abstentions, against Bong proposal to seek PL views on situation in endeavor expedite agreement. Phoui had insisted negotiations should be left to government and that National Assembly not qualified take cognizance problem now. Secondly our impression is that if government asks for inclusion Souphanouvong alone, Assembly would go along whereas issue less favorable if two PL proposed. Thus, Assembly attitude, while apparently favorable to deal, is exerting some slight pressure on PL and Souvanna further to modify PL demands. Third possibility for obtaining modification will come when I next see Souvanna, probably several days hence. I am however delaying my call until receipt letter reaffirming agreement

<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-1156. Secret; Priority. Repeated to Paris, London, Bangkok, Ottawa, Saigon, New Delhi, and Phnom Penh and passed to Young at USUN.

<sup>2</sup>In telegram 915, December 10, the Embassy reported it had received a report of a proposal which Souvanna Phouma laid before the Lao Cabinet on the morning of December 10. The proposal called for formation of a coalition government by the addition of two Pathet Lao Cabinet ministers (one of whom would be Souphanouvong). At the same time, the Pathet Lao would make a formal written declaration to restore to the Royal Government authority in the two northern provinces and to integrate the Pathet Lao military into the Lao National Army. For all practical purposes the Pathet Lao movement would be dissolved. Formation of the coalition would be simultaneous with completion of these promises by the Pathet Lao. (*Ibid.*, 751J.00/12-1056)

<sup>3</sup>See footnote 7, Document 394.

<sup>4</sup>Document 395.

with USOM on import licensing procedure (Embtel 916<sup>5</sup>). This letter will not be delivered to me for one or two days, allegedly because Souvanna wishes sift allegations of graft about which he has heard orally. Letter now expected be brief polite reaffirmation of agreement on import procedure plus expression willingness examine question of three licenses, this in anticipation release December ANL funds.

3. When Souvanna's letter arrives, it is essential release these funds promptly. December 8 letter provided salutary shock in that no one now takes US aid for granted. Shock was at considerable cost to our relations because even some of our friends have said we are penalizing army for an unrelated matter, namely import procedures (we maintain grant dollars involved both matters). It has further been alleged we are using aid for political objectives. Further, one effect of December 8 letter was to cause Souvanna sound out French on possibility replacing US aid if latter cut off. Local French negative on this but reporting Paris. Another reason for terminating aid suspension is because Sen, Indian Commissioner, has learned about December 8 letter which means Hanoi radio may soon be in act. On basis many talks with various contacts last 24 hours, there is good deal reason to believe that if Laos has to choose between US aid and settlement PL problem along lines that are emerging, government and deputies may choose settlement and risk consequences. Generally agreed sentiment for union and fear of divided country very high.

4. I still do not understand basis for Crown Prince's confidence (Embtel 901<sup>6</sup>) that Souvanna would fall this week. It does seem to be general view that Savang does not have influence with many deputies who consider him too arbitrary. I do not wish to risk any action which might in any way impair effectiveness his activity but so far as I can see, he is out of picture in Luang Prabang whereas actual situation is that both government and assembly likely accept Souvanna's modified proposals. Decision still few days off because it now appears Souvanna wants Katay back in hopes preventing unfavorable vote him and followers. In meanwhile, rumors are circulating that Katay saw Vice President in Washington and subsequently sent

<sup>5</sup>In telegram 916, December 10, the Embassy reported that the Lao Cabinet accepted the U.S. complaint in a letter of December 8 that three import licenses for equipment were granted without USOM assent. This action by the Lao Government was in contravention of an agreement which committed Laos to expend dollars derived from U.S. aid only after consultation and agreement with USOM. (Department of State, Central Files, 751J.00/12-1056)

To back up its complaint about Lao failure to consult with USOM, the Embassy suggested and received Department of State approval to postpone temporarily the transfer of \$3.9 million for the Lao National Army on December 10. (Telegrams 896 from Vientiane and 695 to Vientiane, both December 7; *ibid.*, 751J.5-MSP/12-756 and 751J.00/12-756, respectively)

<sup>6</sup>Dated December 7, not printed. (*Ibid.*, 751J.00/12-756)

telegram here which his opponents using to claim he is American puppet.

5. At time August communiqués, Embassy reported that henceforth particular emphasis required on internal security measures in preparation for expected intensified overt and covert policy [garble] reinspired by communists. We have made progress on this front through effort of various agencies, Junior Chamber of Commerce, Operation Brotherhood, liaison with police, including Somsanith's visit to US. New and important developments are Souvanna's approval in principle of comprehensive civic action program (decree anticipated shortly and will be reported separately) and his approval of ANL plan to station one commando company in each of 56 districts to strengthen internal security and be instrumental in undertaking rehabilitation each area; also approved reorganization areas. Accompanying this has been increase general awareness danger which reached provincial and district levels with Nhouy Abhay's briefing at time regional officials here for That Luang festival. Degree of preparedness against subversion and infiltration is factor which should be taken under consideration in connection with our future attitude towards Laos.

6. My own belief now is that chances of settlement with PL along lines currently indicated are now such that we should be considering what we would do in that contingency. We do not yet need make decisions, particularly until we see whether Katay can generate opposition, but believe it timely consider seriously what to do if present tendencies should result in settlement. Settlement would include at least one of unfavorable developments (entry of PL in government) which would cause us re-evaluate our policy (letter of November 13 to Souvanna). Depending on integration terms, second unfavorable development may be involved. Nevertheless, I do not believe we should forthwith cut off aid or take any other irrevocable step. We cannot escape from fact that our aid is not marginal or replaceable except by Chinese Communists and Soviet bloc. Quickest and most complete victory Communists could win here would be by driving wedge severing Laos from US. We therefore, in my view, would have to seek course of action which would (1) continue demonstrate seriousness of matter, (2) be genuine re-evaluation, and (3) avoid any final commitment until we see if RLG-PL agreement implemented in good faith. If not so implemented, we should be in strong position here in future. Period between now and supplementary elections three or four months hence would presumably be time needed to appraise outcome.

7. Having gone so far to impress Lao that re-evaluation necessary in certain circumstances, I would think some clearly marked action to that end should be taken if we are to avoid conclusion that

US was in last analysis bluffing and hence diminution our weight here in future problems. It might not be enough for me merely to inform RLG officially that situation being reviewed and Washington decision forthcoming in due course. It would have much more impact if I were recalled for consultation on re-evaluation policy. End result such consultation would, I should hope, be decision continue aid at present levels for interim period of few months while caretaker coalition government is in charge pending elections or until such time as success or failure RLG-PL agreement could be determined. Such interim extension aid would have collateral advantage avoiding negotiation on ANL and military support at this time when 1957 military budget consideration not far advanced.

8. In suggesting foregoing line of thought, I am banking on belief that Souvanna's goal is solution PL problem and that he does not intend consciously or willingly deliver country to Communists. He may have collateral and subsidiary family ambitions which are unpalatable and perhaps inimical to our relations in long run, but main course and extent his ambition is to settle PL problem. However, not only he but any other Lao leader will need assurance of US support such as was reportedly given Katay. Western cause in Laos has been weakened by example of Hungary and, more than before, Lao wonder if we would really come to their aid.

**Parsons**

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**404. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, December 22, 1956—5 p.m.*

978. At Nhouy Abhay's request I called on him morning 22nd one hour before important Cabinet meeting which will discuss RLG terms for agreement to coalition government. Nhouy obviously desirous obtain US position before going into Cabinet meeting.

I first set forth at length US position on four import licenses along lines Department instruction (Deptels 762 and 757<sup>2</sup>). Said if

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-2256. Secret; Priority. Repeated to London, Paris, Bangkok, Saigon, Phnom Penh, New Delhi, and Ottawa and passed to Young at USUN.

<sup>2</sup>In telegrams 762 and 757, December 21 and 20, respectively, the Department and ICA authorized the Embassy to release funds for the Lao National Army for December on the condition that the Royal Lao Government submit a letter and give oral assurances that it would work more closely with USOM on import procedures in the future. (*Ibid.*, 751J.00/12-2156 and 033.51J11/12-2056, respectively)



Prime Minister will give satisfactory reply our letter (Embtel 963<sup>3</sup>) I will instruct Director USOM release funds at once for Army. Nhouy will transmit information to Prime Minister and I expect this problem be settled this weekend.

Re coalition government, I explained that US fundamentally opposed and that if RLG proceeds with plan it will undoubtedly lead to reevaluation US policy. We will take into account not only mere fact formation such government, but also portfolios given to PL, technical details how RLG intends implement dissolution PL movements, military integration and restoration RLG authority over two provinces. Stressed that if it became apparent RLG could not control PL once integrated into national community, that Laos on way lose its independence, that continuance US aid could not prevent this, then we would conclude aid should no longer be forthcoming.

Re import licenses, Nhouy replied that he will transmit information to Prime Minister. Personally he is satisfied severe US action this problem showed up importance avoid shady deals and will therefore have salutary effect. However, Army must be paid and therefore he is pleased problem on way to settlement.

Re coalition government, Nhouy pointed out RLG is not going in blindfolded. Detailed plan has already been worked out by government which calls for:

- (1) Immediate dissolution PL "organization",
- (2) Placing at disposal RLG general staff all PL fighting units and their matériel,
- (3) Immediate re-establishment RLG administration in two provinces,
- (4) That this settlement applies Article 19 of Geneva Agreement which implies withdrawal ICC from Laos and that henceforth all questions become internal problems. Nhouy stated propaganda units, RLG military, provincial governors and police have either already been alerted or will be in immediate future to get ready for their respective roles once agreement signed.

Nhouy then asserted that for this kind of solution Prime Minister disposes of majority both in Cabinet and Assembly, but should Souvanna want to make basic concessions from this plan, he would no longer have their support.

Coalition government is only temporary and will permit RLG and PL show their good faith live up obligations. If Souvanna does not adhere to agreement once accepted by making further conces-

<sup>3</sup>In telegram 963, December 20, the Embassy noted that Souvanna Phouma's reply of December 20 on the question of import procedures was not entirely satisfactory, but the Embassy suggested that it would be advantageous to settle the suspended funds matter before National Assembly debate on the Pathet Lao settlement. (*Ibid.*, 751J.00/12-2056) A summary of Souvanna's letter of December 20 is in telegram 962, December 20, not printed. (*Ibid.*)

sions, it would lead to his downfall and new majority could be found in Assembly. Under present conditions there is nobody to replace him at helm of government. If PL show their bad faith, however, ANL and police can undertake military action which Nhouy claims ANL is prepared to do. Once ICC out of way, there is nobody to interfere. Should ANL be opposed by Viet Minh volunteers or regular forces, problem would become international. In that case, Nhouy told me in strictest confidence RLG plans to first refer to agreements already signed with Viet Minh such as September Declaration in Hanoi wherein Viet Minh agree that PL problem is internal and to apply Five Principles. If that should fail, RLG would appeal to UN. Finally, Nhouy asserted as last resort RLG could appeal to SEATO for assistance. Nhouy asked me to keep this information secret.

Entire conversation was most cordial and I assured him again before leaving that US does not want to forsake Laos if Laos will take necessary steps to safeguard its own independence.

Nhouy did not specify when Souvanna might put coalition issue before Assembly, but we believe it will be in coming week.

Parsons

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405. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, December 22, 1956—7 p.m.*

979. Sopsaisana (of Crown Prince's household) was waiting see me on my return from seeing Nhouy Abhay (Embtel 978<sup>2</sup>). Sopsaisana said he was going to Luang Prabang 24th or 25th to accompany Crown Prince on visit to Nam Tha and certain points beyond in Phongsaly Province. Generals Ounthone and Somsanetharia accompanying. Purpose ostensibly receive oath of allegiance (as in Crown Prince's recent trip south) but actually trip of greater import. Area contained elements of undoubted loyalty to Crown, particularly auto-defense units. Population there never forgot Crown Prince had sat tight in Luang Prabang when menaced by Viet Minh invasion and their courage and loyalty certain. According Sopsaisana there was great discontent with prospect of coalition government putting Pathet Lao into seats of power. Already they had been restrained from local acts of violence only with some difficulty. Pathet Lao in

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-2256. Top Secret; Priority. Repeated to Paris.

<sup>2</sup>*Supra*.

these areas taken up new positions here and there and had even fired upon loyal elements despite cease-fire. If coalition proposal agreed by Cabinet and if Crown Prince and his companions found during trip that local elements as loyal and as dissatisfied as Sopsaisana understood them to be, there could be trouble amounting to "sort of rebellion". This could result in Viet Minh reaction from across border and it therefore necessary know United States position both in eventuality stated and in relation current RLG coalition proposal. Not up to Crown, urge pressure but what could we do?

Re coalition, I went over with Sopsaisana statement I had just made to Nhouy Abhay pointing out we had gone very far in exerting pressure, way beyond normal methods in fact. Import license incident had demonstrated US able act but almost settled and check for ANL should be delivered. I did not know what further pressure we could bring to bear at this time other than as set forth to Nhouy Abhay. Sopsaisana asked me to repeat to Souvanna what I said to Nhouy. I said I would once more even though it would not deflect him; moreover, I felt it my duty to do so.

As regards US position in event "rebellion", I said I wished speak with extreme caution as US must not be involved or act in such way it could be accused of complicity. Re Viet Minh intervention I said Crown Prince had received certain assurances in Washington and more recently assurances for benefit of Laos had been given Katay. These I outlined. I said that this was our position should Viet Minh attack and he could so remind Crown Prince. Sopsaisana then said Hungary raised doubts as to effectiveness such assurances. Accordingly I pointed out differences between Hungarian and Lao situations.

Returning to question armed action by elements loyal to Crown, I asked number of questions. Was Sopsaisana aware provisions Geneva accords and that ICC would probably find violation? He replied PL had already violated Geneva accords and he hoped I would tell Souvanna that his proposed PL "settlement" would also violate them. I asked if any one in government knows about possibility of independent action up north which would in effect be reaction to government's decision amounting to revolt. He said no one in government knows. I asked what would army's reaction be. He said there were many discontented elements in army who would welcome it but others probably would not. Army had several times nearly moved to clear up situation in north. Re reaction southern Laos Sopsaisana said (as had Nhouy) discontented elements there too and much opposition to coalition proposal.

At close of talk I told Sopsaisana that I could not say more than I had without guidance from Washington and that was almost impossible obtain over Christmas weekend; however, as he was not

leaving to join Crown Prince for two or three days, I would report at once and if I received reply, would get in touch with him.

Foregoing ties in with cryptic references (Embtel 901<sup>3</sup>) by Crown Prince which I had taken as indication possible coup d'état. It now clear that in royal entourage at least, possibility seems real (even though Sopsaisana took care say it would appear that PL attacked first). However, no indication from what Sopsaisana said that any well-developed or promising scheme is afoot and its success would depend upon reaction of army, population, and ministers opposed to Souvanna's policies—none of whom alerted according Sopsaisana. Even though objective of any such action is anti-Communist, in my view US should keep hands off, at this stage anyway. (In fact, I would appreciate Department's advice as to whether I should go further in discouraging it than indicated above.<sup>4</sup>) I am by no means assured of Crown Prince's action in internal matters as I am of his soundness in diagnosing external affairs and their effect on Laos. However, as Sopsaisana himself indicated, any action such as he described could boomerang fatally on Royal house if not successful. This leads me think that situation not quite so sensational or dangerous as Sopsaisana's language indicated. Perhaps he was instructed by Crown Prince sound out US and as I was cautious, so will caution prevail up north. In any event, it is unfortunate Savang not there speak for himself as it is unsatisfactory base evaluation on what Sopsaisana says.

Army attitude crucial and according . . . source army is now too divided unless Souvanna should give in much more. In fact deal now before cabinet apparently has good deal of army support (Nhoy so indicated to me this morning quoting his nephew Kou Prasith) on grounds it would give greater freedom to ANL to act if PL fail to behave.

In absence reaction from Department I will tell Sopsaisana before goes Luang Prabang that we do not have enough information

<sup>3</sup>Dated December 7, not printed. (Department of State, Central Files, 751J.00/12-756)

<sup>4</sup>The Department of State's advice was transmitted in telegram 768 to Vientiane, December 24, which reads as follows:

"Agree need for extreme caution re apparent Sopsaisana approach for US to support possible uprising auto-defense units against Souvanna Government.

"On return Crown Prince from North, however, you may take appropriate opportunity obtain his or Sopsaisana estimate of situation without however implying possible US involvement.

"Department also notes . . . ANL too divided at present to be counted on. Request your . . . estimate [*infra*] at what point Army may be expected take firm stand assuming further accommodation to PL and Communism occurs." (*Ibid.*, 751J.00/12-2256)

to judge satisfactorily but that for reasons indicated above I would personally urge great prudence.

**Parsons**

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**406. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, December 27, 1956—11 p.m.*

998. On subject present orientation ANL . . . . Owing factionalism and general lack political coordination, officer corps not now considered likely plan coup. Some officers consider Prime Minister indecisive and too soft toward PL, and feel army not sufficiently consulted on broad lines national policy. Nevertheless, current cabinet position on settlement (two PL in cabinet, dissolution PL movement, quick restoration RLG civil and military authority in north) has general approval higher officers because would give ANL chance to (1) immediately enter strategic points two provinces and proceed with PL demobilization; (2) assign new security missions to auto-defense; (3) screen and reindoctrinate PL accepted into forces; (4) in due course, when forces reduced, include PL integrees among first demobilized.

While General Sounthone recently turned down suggestion of coup as improper to army role, refusal did not preclude any further action in event situation worsens. Question at what point various military factions would unite and rise, general feeling is major portion of army would intervene if it appeared RLG on point of sellout to PL, e.g., failure secure adequate guarantees on PL integration or offer of post Minister Defense to PL. In other words, breaking point likely come only if army's existence or integrity threatened.

Meanwhile, army under aggressive leadership of Colonel Ouan is forging broad program to weld forces into more cohesive and influential organization, weed out incompetents and stress service to nation rather than political parties. Net effect such increases unity and efficiency will of course enhance capability for coup action if such contemplated in future.

**Parsons**

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-2756. Secret. Repeated to Paris.

#### 407. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, December 28, 1956—6 p.m.*

1005. Reference Embtel 1003.<sup>2</sup> As reported reference telegram decision now taken by RLG for PL settlement which includes coalition. It generally conceded National Assembly will accept this next week.

Embtel 921,<sup>3</sup> paragraph (6) to end, set forth ideas what US might do in this contingency, but indicated decisions not then necessary. Now however we must decide on at least interim course of action and quickly. Manner in which US reacts and use we make of next few months may be of crucial importance to future this country.

Fact of coalition itself does not mean Laos under Communist domination (although PL Ministers will at least work for implementation by RLG "in good faith" of November 2 agreement (Embtel 704<sup>4</sup>) on diplomatic relations with bloc countries and acceptance aid). Apart from Souvanna, other Ministers who prevented complete sell-out may be depended upon to make effort seek agreement on PL settlement carried out and exploited by RLG. Manner in which US assists them will be of major importance.

Agreement has positive aspects from our standpoint as well as negative. RLG will henceforth consider problem internal and that it free to act independent of ICC. With PL officially abolished as military force army better situated take direct hand in implementing settlement. Withdrawal of ICC if effected would not only enable army act with free hand against recalcitrant PL remnants but will remove from scene Samar Sen and rest of anti-West ICC elements. It is possible that Crown, seeing its future at stake, will urge ANL to act at first sign of PL double-cross and Souvanna might not be able to prevent this, particularly as other Ministers likely side with Crown, ANL and police in such circumstances.

Another positive aspect is that RLG now entitled take over administration of two provinces. While its capacity do so more doubtful, we now learn Chao Khouengs (Governors) have been designated and some at least of their assistants. RLG capacity could be reinforced by US ideas, planning capacity and materials—as continuation of what has been done already (see paragraph (5) Embtel 921). But we may need quickly new stocks of medicines, blankets, etc., if RLG

<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-2356. Secret; Priority. Repeated to Paris, London, Bangkok, Ottawa, Saigon, New Delhi, and Phnom Penh and passed to USUN for Young.

<sup>2</sup>Dated December 28, not printed. (*Ibid.*, 751J.00/12-2856)

<sup>3</sup>Document 403.

<sup>4</sup>See footnote 3, Document 393.

is to move in while PL in state of transition of sorts. (May need solicit OCB action facilitate requisite emergency support.) Should note also settlement further separates PL from Viet Minh and makes latter's control more difficult.

As to US course of action I continue believe we should not forthwith cut off aid or take any irrevocable step, thus making Communists present of this buffer zone. Yet having so often said re-evaluation necessary if coalition occurred, re-evaluation must be genuine. My return on consultation would serve demonstrate this (as suggested Embtel 921 paragraph 7). Apart from tactical considerations I believe at this juncture talks in Washington could serve clarify situation somewhat and help in reaching understanding as to our future actions and policy in different contingencies. If this accepted, timing should be soonest possible after Assembly action approving settlement. Announcement if required might state that after initial six months here I was called back on consultation to report on situation. RLG would of course understand purpose of visit "reappraisal". Suppose Hanoi Radio etc. might seek exploit my return to US but doubt that this important factor and might even help. My impression from import license episode is that withholding funds caused number of ministers have second thoughts about aid from China which shown to be only alternative if US aid withdrawn.

If settlement includes as expected taking PL into ANL for initial period, believe we should at once send note to RLG referring to previous *démarche* on integration of PL effectives and requesting information RLG intentions.

Assuming that result of re-evaluation is decision continue aid on provisional basis either through trial period (along French idea) or until conclusion complementary [*supplementary?*] elections, I think time has come to watch situation from standpoint of Souvanna being forced out of office. If he should show weakness in face PL non-performance or treachery, RLG colleagues and we might be on common ground in wishing force him out. It is less likely but we might also generate support if he seeks implement November 2 agreement on relations with or aid from Communist bloc too soon or on too sweeping basis. In meantime, since elements mentioned in Paris telegram 3135,<sup>5</sup> with perhaps a few additions, do represent our best

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<sup>5</sup>In telegram 3135, December 24, the Embassy in Paris reported on a discussion with Katay, who was returning to Laos from the United States via Europe. Katay believed that Souvanna Phouma, Souphannavong, and Petsarath, allied with Bong Souvanouvong and financed by the Viet Minh or Chinese, were plotting to take over Laos. The Embassy's view was that the "best hope of holding Laos" lay in the combination of Katay, Savang, Finance Minister Leaum Insiengmay, the Army, and the provincial police. (Department of State, Central Files, 751J.00/12-2456)

hope of holding Laos in long run, we must be seeking opportunities weld them into some sort of effective combination.

**Parsons**

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**408. Memorandum From the Acting Director of the Office of Southeast Asian Affairs (Kocher) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, December 29, 1956.*

**SUBJECT**

Proposed Recall for Consultation of Ambassador Parsons

It seems probable that within the next few days some form of coalition government including the Pathet Lao will be formed in Laos. Prime Minister Souvanna Phouma has presented to the Cabinet his proposal to bring two Pathet Lao into the Government in return for Pathet Lao agreement to dissolve the movement and permit restoration of the Royal Government's authority in the two provinces. Both the Cabinet and, we believe, the Pathet Lao have accepted the proposal, and it will soon be presented to the National Assembly.

While there is some fear among Lao leaders that this move may lead to withdrawal of American aid, the trend in the National Assembly is toward acceptance of Souvanna's plan.

You will recall that our letter of November 13 to Prime Minister Souvanna Phouma stated that we might be obliged to reappraise our political and economic policy toward Laos if developments occurred which in our view might jeopardize Lao's prospects for maintaining itself as an independent and sovereign state. One of the cited examples was Pathet Lao participation in a coalition government. The language of this warning was deliberately vague and flexible. In the present case, we do not need to take decisions on our aid policy before the fact, and even after the fact we would wish to do nothing precipitate: Withdrawal or reduction of American aid might mean the absorption of Laos by the Communists.

At the same time, we should be ready, if coalition materializes, to make some move which would make very clear to the Lao that we were indeed reappraising our policy with respect to their country. To do nothing would make our warnings meaningless and lead the Lao to believe that anything is permissible so far as we are concerned.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-2956. Secret. Drafted by Byrne.



I should like therefore to suggest the recall for consultation of Ambassador J. Graham Parsons immediately after any Lao decision on coalition with the Pathet Lao. Upon receipt of orders, the Ambassador could inform the Lao Government of the reason for his departure from Vientiane.

Such a move would serve the twofold purpose of 1) showing the Lao we were serious about reappraising our policy and 2) affording the opportunity of detailed discussion of our aid policy with the Ambassador without prejudicing the outcome of those discussions.

*Recommendation*

That you recall Ambassador Parsons for consultation in Washington should the Lao National Assembly accept Pathet Lao entry into the Cabinet.<sup>2</sup>

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<sup>2</sup>Robertson initialed his approval on the source text.

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**409. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, December 29, 1956—5 p.m.*

1014. Department pass USUN/NY for Kenneth Young. Following detailed summary of unofficial French translation RLG-PL declaration signed late December 28, expected be published December 29 or 30.

Since November 7 Prince Souvanna Phouma and Prince Souphanouvong have been exchanging views on application of joint declarations of August 5 and 10, 1956,<sup>2</sup> which defined broad principles re final settlement Lao problem in conformity Geneva agreement.

Two Princes note with satisfaction atmosphere of cordiality and mutual understanding increased between two parties, and that work of two mixed commissions established September 9, 1956, to find measures of implementing two joint declarations mentioned above have had initial success, namely, by signature of (1) agreement on means of implementing cease-fire, dated October 31; (2) agreement on means of implementing policy of peace and neutrality, dated November 2; (3) agreement on guarantee of civic rights of members and partisans of Pathet, dated December 24.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/12-2956. Confidential; Priority. Repeated to Paris, London, Bangkok, Ottawa, Saigon, New Delhi, and Phnom Penh.

<sup>2</sup>See footnote 3, Document 368, and footnote 2, Document 374, respectively.

Two Princes agree on necessity give wide publicity and sincere application to signed agreements on details in order satisfy expectations of entire people.

Two Princes agree to declare that insofar as pending questions are concerned, notably (1) guarantee of democratic freedoms of the people; (2) general complementary elections; (3) settlement of question of administration in two provinces; (4) settlement of military question; the two delegations at mixed political and military commissions have discussed these in detail, and views of two parties are very nearly in harmony. Also, two Princes agree on necessity for two delegations to increase their efforts to arrive at conclusion in shortest possible time.

Re question of general complementary elections, two Princes agree that electoral law, which will soon be elaborated by National Assembly, will guarantee to all citizens of both sexes right to elect and to stand for election according to principle of equal direct free and secret suffrage, and that law will include guarantees that elections are just and fraud impossible, in conformity with very spirit of constitution of kingdom.

In order to elicit cooperation between two parties, to realize national unity, and to facilitate settlement of pending questions, two Princes agree to proceed to broadening present Royal Government and transforming it into government of national union before holding of general complementary elections. Government of national union, in which representatives of PL will participate honorably, will thus constitute symbol of national reconciliation as base for political program suitable to objective of building peaceful, democratic, united, independent and prosperous Laos. Government national union must receive confidence of National Assembly in constitutional manner.

After formation government national union forces of PL will function as political organization called "Neo Lao Haksat" which will carry out its activities within legal framework as do other political parties.

Re question two provinces, two Princes agree that immediately after formation government national union, administration as well as fighting units in two provinces of Phongsaly and Sam Neua will be placed under administration of said government and reorganized according to Royal Government standards.

As to means of concrete execution, they will be entrusted by government of national union to political and military mixed commissions, which will come to agreement according to spirit of declarations of August 5 and 10 to accelerate settlement in manner reasonable and satisfactory to both parties, and in conformity with aspirations entire Lao people.

Finally, two Princes agree to meet again as soon as may be necessary. Done at Vientiane December 28, 1956.

Signed Prince Souvanna Phouma, signed Prince Souphanouvong.  
*End text.*

410. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, January 3, 1957—7:24 p.m.*

804. Vientiane 1005,<sup>2</sup> 1018,<sup>3</sup> 1029.<sup>4</sup> We greatly concerned see RLG coming off even worse than expected in December 28 communiqué. We have always considered, any formal agreement notwithstanding, PL would attempt frustrate effective restoration RLG administration two northern provinces and would insist troop reintegration terms be such as to enable PL subvert Army. Latest declaration, however, by exceptionally vague language re PL part bargain and PL membership commissions which will oversee execution "settlement", facilitates PL objective to unanticipated degree.

We hope you will be able exploit uneasiness shown by several Cabinet members to delay Assembly approval Souvanna's communiqué or insure version accepted by Assembly gives RLG at least minimum controls in assimilating PL and installing its authority throughout territory. Consequently, while there merit in proposal your returning here for consultation before Assembly decision, we estimate you can accomplish more by remaining Vientiane and spreading word along lines final paragraph Vientiane 1017<sup>5</sup> re totally disadvantageous impact of communiqué for RLG.

We presently intend however (unless future developments suggest different course action) recall you soonest after decision on coa-

<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-257. Secret; Priority. Drafted by Byrne, cleared by Kocher, and approved by Robertson. Repeated to Bangkok, New Delhi, Saigon, Phnom Penh, Paris, London, and to USUN for Young.

<sup>2</sup>Document 407.

<sup>3</sup>In telegram 1018, December 29, the Embassy reported that the Lao National Assembly would not take up the December 28 agreement with the Pathet Lao until January 7. The Embassy also reported on uneasiness over the agreement among some Assembly deputies, several government ministers, and the Lao National Army. Nevertheless, the Embassy noted, approval of the deal with the Pathet Lao seemed likely. (Department of State, Central Files, 751J.00/12-2956)

<sup>4</sup>In telegram 1029, January 2, the Embassy reported the views of the Canadian ICC Commissioner and British and French diplomats in Vientiane, all of whom were less pessimistic than American Embassy personnel about the chances for success of Pathet Lao-Royal Lao Government cooperation. (*Ibid.*, 751J.00/1-257)

<sup>5</sup>The last paragraph of telegram 1017, December 29, reads as follows:

"*Comment:* Fact, if such it is, that ICC will not be leaving coincident with application terms of agreement seems to us serious retreat on part RLG which until day or so ago was insisting on this. Souvanna had claimed problem would immediately become internal, thus permitting him crackdown on PL if they failed to deliver. Now PL are entering government, August communiqués have been elaborated in terms favorable to PL on domestic and foreign policy front, PL dissolution formula is watered down to vague phrase, RLG has no guarantee of restoration of authority in North, and no details have been settled re integration. In fact, PL will have equal status settling these problems through membership mixed commissions. In addition, ICC remains in position bar way RLG unilateral action enforce its authority." (*Ibid.*, 751J.00/12-2956)

lition to have you participate promised policy reappraisal and demonstrate seriousness with which we regard PL entry into Cabinet and other RLG concessions to PL. If after receipt separate message other channel you still believe advisable return Washington following acceptance coalition by Assembly, recommend you consult Crown Prince this score. Unless Savang considers recall unwise and you concur his reasoning, you might then let it be known to Lao leaders you have been asked return Washington if Assembly approves settlement including PL participation Government. Travel orders will be telegraphed when and if necessary.

We concur your recommendation re fast note to RLG referring previous U.S. démarche on integration PL troops if and after settlement reached.

In handing over check for January ANL requirements (Icato 525<sup>6</sup>) make clear we unwilling commit greater amount this time in view confusion current Lao political situation. FYI: We do not wish deliver to Lao sum which could tide them over considerable period and which would consequently vitiate or even negate effect of any re-evaluation following coalition decision. Since ICA administrative procedures completed on entire \$5 million however U.S. able act quickly release February funds if future political developments so demand. End FYI.

Dulles

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<sup>6</sup>Not printed. (*Ibid.*, 751J.5-MSP/12-3156)

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#### 411. Telegram From the Embassy in Laos to the Embassy in France <sup>1</sup>

*Vientiane, January 4, 1957—5 p.m.*

240. Reference: Paris 3251 to Department, repeated Vientiane 37.<sup>2</sup> View nature RLG-PL joint declaration, and fact of its probable presentation to National Assembly January 10 or shortly thereafter, believe it most important Katay return here before parliamentary consideration. His presence might contribute to more critical view-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-457. Secret; Priority. Repeated to the Department of State, which is the source text.

<sup>2</sup>In telegram 3251, January 3, the Embassy in Paris reported that Katay had not left Paris for Vientiane, having been allegedly detained by a "crise de foie." The real reason, the Embassy believed, was his doubts about being able to block the Assembly's approval of a coalition government with the Pathet Lao. (*Ibid.*, 751J.00/1-357)

point toward provisions of declaration, and afford possibility his rallying support for modification.

To this end I suggest Katay be urged send telegram to Souvanna request presentation be deferred until his return, which we assume would within reasonable time limits conform to original schedule of presentation. Purpose this gambit would be:

1. Ensure Katay's presence on political scene in time to bolster constructive opposition to worst features of declaration. Even though as Minister he will not have vote, he can participate debate as well as stimulate other members voice their criticism.

2. Provide test of Katay's often-professed desire to block unconscionable accommodation to PL and to support free world.

Despite current low ebb his political fortunes, we consider Katay's presence would not only be salutary in giving cohesion to political opposition to declaration but also force him face up to realities of moment by adopting clear-cut position, rather than by taking refuge in convenient absenteeism. Katay must realize if agreement goes through in present form, he or any other eventual successor to Prime Minister will be saddled with it. Perhaps it could be intimated to him that what he does at this juncture will undoubtedly be criterion in judging his eligibility for support he angled for so sedulously in Washington.

As for his apparent doubt he could block assembly approval of measure, we hardly think he in position judge temper of personalities and foresee outcome of debate having been so long and so far away from Laos.

There is, of course, risk that he might return only to judge opposition futile and go along with government of which he is nominal No. 2. At this stage we think risk worth taking. After all, he was absent when Cabinet decision taken, and even if he must respect majority view, he still entitled express his views before Assembly.<sup>3</sup>

**Parsons**

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<sup>3</sup>The Department, in telegram 2518 to Paris, concurred with the Embassy's views and hoped that Katay could be persuaded to return to Laos immediately. (*Ibid.*, 751J.00/1-457)

According to telegram 3268 from Paris, January 5, Katay planned to arrive in Vientiane on January 10. The Embassy noted that the coalition issue was to be presented to the National Assembly on that day, but Katay insisted Souvanna intended to hold off until the latter half of January. (*Ibid.*, 751J.00/1-557)

#### 412. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, January 8, 1957—9 a.m.*

1067. Department pass ICA, Defense, USIA. Joint Embassy/USOM/PEO/USIS message. Re Department's 792.<sup>2</sup> Following promulgation Prime Ministerial Decrees establishing civic action program representatives all United States agencies met January 4 to consider special United States support and to program and determine respective United States agency responsibilities. Representatives agreed RLG action most encouraging and timely in view rapidly changing political situation and need to start immediate internal program to check and remedy widespread subversive influence. Whether or not National Assembly accepts PL agreements PL political subversion and propaganda in provinces will continue and undoubtedly grow in intensity in months to come. This likely have net effect of steadily weakening already tenuous RLG control in provinces unless effective counter measures taken at once. To deal with situation RLG has agreed implement civic action program with priority attention probably to be given Sam Neua, Phong Saly provinces. Summary decree follows . . . .

Announced aims are to permit Office of Social and Political Action (SIDASP) obtain objectives defined in Article 4 of Prime Minister's Decision Number 122 of 22 May, 1956; to study and put into action plans to remedy harmful subversive action; and to orient efforts of official, private, civil or military organs qualified to exert decisive action in such specific areas as information, education, social services, youth and groups organized for patriotic action. Commissariat for civic action created on parallel level with office of social and political action in SIDASP. Its organization includes Commissioner responsible to Chief of SIDASP, central administration, school for civic action, inspectors for coordinating program in provinces, two mobile teams for each province. All planning, coordination to be effected by National Council for Civic Action composed of Civic Action Commissioner and representatives of Ministries of Public Health and Urbanism, Public Works, National Education, Agriculture, Finance, National Defense and Interior (Security, Auto-defense, Social Services), Information. Commissioner is given tasks of (1) establishing civic action school and recruiting teacher specialist from

<sup>1</sup>Source: Department of State, Central Files, 751J.001/1-857. Secret.

<sup>2</sup>In telegram 792, December 31, the Department requested recommendations from the Embassy regarding the following aspects of the civic action program in Laos: U.S. agency responsibilities, funding, and Lao Government organization through which U.S. aid should be channeled. (*Ibid.*, 751J.00/11-956)

interested ministries; (2) setting an order of priority among provinces for concentration civic action activity according to degree each is compromised by subversive activities, propaganda; (3) patterning programs in accordance differences, peculiarities between provinces, regions; (4) selecting and sending abroad officers for study of existing civic action programs; (5) naming provincial coordinating inspectors in cooperation with provincial governors; (6) liaison with friendly countries willing to offer financial and material support to program; (7) rendering progress reports to Prime Minister. All interested Ministries are called upon to implement decree according their respective capacities.

Basic concept of program (reference Vientiane Embassy telegram 748<sup>3</sup>) is one of selfhelp which designed stimulate local populace draw upon own resources, talents for basic improvements in health, education, public works, medicine, et cetera. Two key action elements are mobile teams and ANL. Teams be composed of technicians drawn various Ministries with mission put self-help program in motion through application technical skill. ANL commando-type units then take over to insure programs implemented, permitting mobile teams move on to other areas. Anticipated that ANL logistics and organizational facilities will provide basic framework for program.

US agencies regard promulgation of program as one of more reassuring signs indicated recent days of government recognition problem of outlying areas and desire cope with them. Also, program as contemplated one of first positive, imaginative approaches made by RLG and as such worthy our support. Because of scope of project and support required on immediate basis believe it necessary for program be treated on OCB level for authorization and allocation of additional funds to be earmarked to support it.

Inter-agency plan for rendering US assistance as follows: Implementation of program be in two stages (initial emergency period of three months commencing January 1957 immediately preceding supplementary elections and covering possible post-settlement developments) and longer range period to follow. All questions of inter-agency responsibilities and funding be categorized in terms of emergency versus long-term phase.

(a) Emergency phase: . . . Also envisaged that during emergency phase certain conventional procedures such as standard project approval may have to be waived.

(b) Long range period: Once program in being and emergency period over ICA to assume coordinating and planning responsibilities

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<sup>3</sup>Dated November 9, not printed. (Department of State, Central Files, 751J.00/11-956)

as action agency with ultimate aim of phasing entire project into already existing village development program. Other members country team to continue rendering their special support as long as required. It recognized that Defense (PEO) in view ANL participation may be required play especially active role conjunction ICA during longer term program. Conventional procedures for authorizations and support for program to prevail once emergency phase over.

(c) Funding: Estimated 300,000 US be required for emergency [garble]. Prior ICA assumption role as action agency budget for long term program to be devised on basis experience during emergency period and submitted for approval and allocation as a part of expanded ICA community development program.

(d) Aid channel: Emergency support funds to be channelled primarily to action element in RLG which is Commissioner for Civic Action and ANL as required. Contemplated Commissioner will authorize, allocate these funds in accordance advice, approval and agreement US program representatives.

(e) General considerations: (1) Intensive effort to be made throughout duration of program to obtain as much support as possible from appropriate RLG Ministries especially those already pinpointed in Civic Action Decree. (2) View importance, key role of Civic Action Commissioner, effort to be made secure best qualified person. Leading candidate at present is ANL officer who if selected would be charged with bringing about coordination down line between ANL and civilian agencies. (3) Every opportunity to be utilized for exploiting activities such non-government and volunteer service groups as CARE, Operation Brotherhood, in support of program. (4) Envisaged that US area surplus stocks to be drawn upon where necessary.

As foreshadowed by Embassy as early as August, shift in Communist tactics from guerrilla action by plans Viet Minh in two provinces to overt and covert political warfare in all provinces has placed premium on RLG counter-action. In sharp contrast to softness of Souvanna and most of top entourage has been receptivity, eagerness in fact, of younger civil and military officials to meet challenge which they know lies ahead. I consider this relatively inexpensive program well suited to unique situation this undeveloped, poorly organized and now highly vulnerable country. So long as we believe it worthwhile support Laos at all we should in my view support this program vigorously. I . . . urge prompt OCB consideration to permit activation in advance if possible of proposed PL "settlement." Further details of program, et cetera, will follow as feasible.

Parsons



413. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, January 10, 1957—6 p.m.*

1096. USUN for Kenneth Young. In past several days Embassy . . . has contacted key members of all groups in Assembly except that of Bong. Among others we have also talked with Souvanna, Sopsaisana, Nhouy Abhay and Oun Hueun who was Cabinet emissary to Crown Prince earlier this week. Have also kept in touch with Thai, British, French and Vietnamese. There is no Lao of importance who does not know that this is critical moment in Laos relations with U.S. Nevertheless, there is only slimmest chance coalition will not be approved, conceivably eleventh, much more likely some days later. Actual Assembly timetable still obscure but met in closed session morning tenth. Given emphasis in Deptels 804 to Vientiane,<sup>2</sup> 4636 to London (2526 to Paris)<sup>3</sup> and 2311 to Bangkok<sup>4</sup> on at least stiffening terms by introduction of safeguards we have deliberately followed tactic of seeking (1) insure searching questions are raised in National Assembly, (2) thus cause debate leading to introduction of safeguards or at least reservations, and (3) defeat deal if doubts and confusion should promote this now remote possibility. Parallel to this main endeavor have been efforts (1) get Katay into act, (2) promote return of Crown Prince to preside at customary Cabinet meeting before key decision, (3) insure prompt and adequate reporting of assembly proceedings both to us and publicly. Have sought avoid any act from which Souvanna could derive advantage by charging improper intervention and have found contacts uniformly ready and in some cases eager see us. Anti- Western bias not evident (except in case Leuam who reported still bitter regarding San Francisco incident<sup>5</sup>) but there are signs both Sen and Souvanna may have misrepresented our position.

Representatives other countries have not helped much except in reporting sense for they have concentrated on application after Assembly decision rather than on safeguards now which would promote effective application if deal goes through.

As of today, tenth, I believe it probable but by no means sure that there will be real debate and that Phoui Sananikone will intro-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-1057. Secret; Priority. Repeated to London, Paris, Ottawa, Saigon, Bangkok, New Delhi, and Phnom Penh.

<sup>2</sup>Document 410.

<sup>3</sup>Dated January 5, not printed. (Department of State, Central Files, 751J.00/1-357)

<sup>4</sup>Dated January 5, not printed. (*Ibid.*, 751J.00/1-257)

<sup>5</sup>Leuam left Washington earlier than expected and was unable to stay in the San Francisco hotel where he had confirmed reservations for later in the week. (Telegram 948 from Vientiane, December 18; *ibid.*, 033.51J11/12-1856)

duce reservations to put Souvanna on clear notice that effective integration and restoration must take place in next few weeks or he will be thrown out of office (Ministers along with him). Nhouy Abhay claimed to me yesterday he and four or five other Ministers ready and able overthrow government if deal not carried out in good faith. However, I repeat deal probably go through as desired and division very strong and even Nhouy (as well as all other Ministers) agreed in principle to bringing PL into government. If deal should go through without real debate, it will be fairly strong indication US and West influence at low ebb.

At moment see little more we can do except exploit chance opportunities. I am well aware, however, PL can logically insist implementation must work both ways and may soon seek hold government to November 2 agreement on diplomatic relations with other (Bloc) countries and acceptance aid offered without strings attached. We have in fact let drop idea this, too, is factor in our expected reevaluation.

In absence Crown Prince no chance consult re my recall (Deptel 804) as have not wished go through third party. I fully concur best be here through Assembly debate but unless deal defeated still consider I should participate prompt Washington reevaluation. When and how to reveal recall is difficult question. If I have to act before Crown Prince is available for consultation my present plan (subject Department's OK if time permits) is to . . . get word out to several contacts that they "think it likely" US Ambassador will go home if deal goes through and therefore best for Assembly at very least remedy deficiencies in December 28 communiqué. If I tell anyone (other than Savang) I should first tell Souvanna, which, of course, would not help. In fact it might give him opportunity to claim undue pressure on Assembly and ask immediate vote of confidence (no one yet ready throw him out) and in so doing fan anti-Western feeling. Katay arrived noon tenth too late attend closed session Assembly. Pending developments we taking no initiative sound him out directly.

**Parsons**

#### 414. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, January 16, 1957—9 a.m.*

1128. Following is roundup latest developments concerning Souvanna's proposal for formation coalition government.

1. Souvanna explains his proposal at closed session National Assembly (January 10): Meeting attended by two-thirds all Deputies. Souvanna reportedly asserted Pathet not Communists and PL have negotiated with RLG with sincerity. Since PL not Communist RLG decided enlarge Cabinet by offering them two posts (Embtel 985<sup>2</sup>). Continued that certain friendly nations discontented by policy bringing Pathet into national community. Specifically mentioned United States. Stated, however, he did not think US would stop aid program because Laos is not Communist. Asserted (a) Laos only asks right remain neutral; (b) US actually giving aid to Communist countries; (c) there is no reason for US not give aid Laos; and finally, (d) if US should stop aid program another country would help. Souvanna did not identify country. Asserted RLG would present plan settlement with Pathet to Assembly after Souphanouvong's return Vientiane. Pleaded Deputies not be influenced by opinion other countries. After creation Government National Union it would send only those functionaries not native to two provinces in that area. Stated government had already issued orders all chiefs of services be ready send functionaries from other provinces into two provinces. (This confirmed by French adviser who drafted instructions to Ministers.)

Souvanna answered questions raised by Deputies, of which most important were: (a) Functionaries native to two provinces, including Pathet, would be sent to work in other provinces; re PL army, Souvanna stated it would come under command ANL Commanding General who would dispose of them; (b) Commanding General, ANL, will announce whether maintain PL military as separate unit within ANL or break them up and scatter among regular ANL army.

2. Katay enters scene: One day after return Vientiane from long peregrination, Katay invited Deputies Nationalist Party, of which he is President, to party caucus January 11. Stressed United States give aid Laos so that it remains truly independent and also anti-Communist. Claimed questions enlarging government with Pathet and unification Laos by PL joining national community are secondary to United States. Emphasized, however, important for Laos show it is anti-Communist. Therefore he desirous present three laws to Nation-

<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-1657. Secret. Repeated to London, Paris, Ottawa, Saigon, Bangkok, Phnom Penh, and New Delhi.

<sup>2</sup>Dated December 24, not printed. (*Ibid.*, 751J.00/12-2456)

al Assembly for approval demonstrating Laos not Communist. Laws would consist of those relevant (a) subversive activities, (b) registration political parties, and (c) propaganda leaflets. Katay requested his project be adopted by National Assembly prior to formation coalition government. If Pathet accept laws RLG can proceed by taking Pathet into coalition government since Pathet will then also be bound by anti-Communist laws. Should National Assembly fail adopt these laws, Katay would give freedom action to members Nationalist Party revoking formation coalition government. Majority Deputies present said to have concurred in Katay's proposal. Possibility occurs to us Katay may have hit on idea legislation (a) as tactic gain time and (b) means paying debt to Thai who have similar legislation.

Following initial action within Party Katay put out leaflet draft law before Cabinet January 12 and obtained its agreement for presenting it to Assembly. Present indications are Katay as first move is working for acceptance by Assembly of three laws he evidently believes will impose appreciable limitations on PL activities in event settlement. In effect his actions in this regard have contributed to delaying consideration accord by Assembly. At same time he is reported to be studying RLG-PL accord with view to introducing modifications in its wording to strengthen it. In regard to latter effort, it not clear extent Katay support among Deputies and Cabinet Ministers to win acceptance any modifications he may propose. Indeed, without being cynical, we have no absolute assurance that he will follow through on opposing accord in its present form. However, according Thai Ambassador, Katay is now less disposed to accept deal than at first.

3. News on Crown Prince: Understand Crown Prince scheduled arrive Vientiane to preside over Cabinet meeting prior Souvanna presenting proposals to National Assembly. Interesting note Souvanna threatening remove Sopsaisana who, in dual capacity Director Protocol and Director Royal Household is closely tied to Crown, from present functions. Difficulty finding competent replacement who also acceptable to Crown major obstacle, but fact Souvanna contemplates this action evidence he is dissatisfied by Sopsaisana lobbying with Deputies, and other acts he considers unfriendly. May of course merely be effort intimidate Sopsaisana.

4. Souphanouvong delays returning Vientiane: Originally scheduled arrive before January 10, Souphanouvong has delayed his return and no arrival date so far announced. Only upon his arrival will it be known whether PL have accepted two specific Cabinet posts offered by RLG, or whether further bargaining will ensue re obtaining other positions. In addition to this obstacle, possible PL have misgivings about proposed anti-Communist law which would further delay Assembly action.

5. RLG elaborates military and civilian plans for provinces: As mentioned paragraph one above, RLG has already drafted detailed plans re military, police and civilian occupation two provinces. French advisers have played important role in his task, and assume Soulie has backed this up. No details as yet available.

6. Timetable: Although Oudom has returned from New Delhi upon Prime Minister's direct request and all Cabinet members now physically in Laos, it appears nevertheless Katay's proposal for anti-Communist laws and Souphanouvong's absence Vientiane will further delay Souvanna presenting himself before Assembly. French adviser to Prime Minister opined Assembly action would not take place earlier than next week.

Parsons

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415. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, January 18, 1957—5 p.m.*

1145. Hour's talk with Crown Prince a.m. produced little on which base RLG-PL deal. It did, however, confirm that they have not been swamped into acceptance without examination consequences and consideration of safeguards. In marked contrast to our last talk December 7 (Embtel 901<sup>2</sup>) Savang avoided dogmatic predictions. At same time depth his conviction re Communist and hence inimical nature PL never more evident. After amenities, I said I would admit to him I had been shocked by communiqué of December 28. Crown Prince indicated his agreement saying however that in such situation it necessary await inevitable reactions on part members of government and Assembly. While Souvanna had received prior support of Cabinet and many deputies for this type of deal, yet key Ministers had been absent. Savang had been kept informed daily basis of progress reactions and on doubts which had arisen. I was not to think Lao leaders unaware of faults in communiqué which were numerous.

In view this last remark, I did not, as I had previously intended, set forth our specific criticisms of text but merely said that all other faults aside, I had been curious about constitutionality procedures which Souvanna envisaged. Savang seized on this to indicate consti-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-1857. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, Phnom Penh, New Delhi, and Ottawa.

<sup>2</sup>See footnote 6, Document 403.

tutionality one of principal defects and then evinced doubt as to whether Souvanna could get 3/4 vote needed (actually 2/3 of members other than Ministers). Generalizing, he went on to say patience needed, also constancy. More than ever essential Lao leaders to feel sure of US support. One should now make allowance for frailties of character and not be too severe in face irregularities (a reference to import license problem) which regrettably natural. I referred back to November 13 letter recalling re-evaluation US policy required in event coalition, dilution of ANL with Communists, or acceptance Communist bloc aid or aid missions. November two agreement which Bong and Radio Hanoi had recently publicized also serious threat to US-Lao relations. US wished continue aid but if re-evaluation necessary, could not predict outcome. Capacity as opposed desire to help would be in doubt. Re bloc aid Savang said that in this or that capital he himself had received aid offers from bloc countries but had parried them. So long as Laos not Communist, it would never accept aid from Communist countries.

Crown Prince came back to coalition time and again emphasizing this above all was Communist objective. They did not care about elections as they knew PL would win very few seats, especially in north where as he had again personally confirmed, they were hated. Instead, every possible means being used to get into government where they could work on weak Ministers including Souvanna. This was gravest danger.

Savang remarked nature of PL more and more understood. For instance, pursuant cease fire, RLG-PL mixed teams had gone up north and PL field commanders had proved uncooperative even to point of refusing see PL representatives from Vientiane. We should remember also Communist effort has been diverted to Laos and Cambodia because of Diem's success which even went so far as cause insecurity in North Vietnam. In Cambodia vulnerability due Sihanouk's excessive "idealism"; here causes were facts of geography and Geneva. Character and life of Lao people such that they would not knowingly or willingly come under Communists. Danger was letting Communists into inside positions whence could control. They had even asked him if he would accept PL representatives in royal entourage. He had replied he had no need there of representatives any political group but he now considered this reply to have been an error on his part and a serious lack of finesse. PL now knew that he was against them and could thus spread word that Crown was both worried and partisan which was not posture Crown should maintain. I remarked PL could not have been in any doubt of Crown's attitude towards Communism as royalty everywhere necessarily against them.

Savang went on say whatever American position, he and other Lao would continue struggle against Communists. If it were no

longer possible on national plane, struggle would continue on personal plane as "resistance." Shifting to positive aspects US support in present situation, I said that . . . we would try continue, also civic action programs, also, so far as we could, . . . Savang repeated that . . . present danger was coalition.

During talk, I took occasion mention return of Ourot on consultation and outlined Assistant Secretary Robertson's remarks to him as set forth Deptel 849.<sup>3</sup> I said that I had told no one else but if coalition should go through, I would be recalled on consultation to participate reevaluation. This Savang said was perfectly normal and to be expected. I then reminded him of Secretary's statements to Katay (Deptel 715<sup>4</sup>) as further evidence our will to support Laos. In this context I said I wanted him know that ridiculous story of agreement President and Nehru on division spheres of influence in Far East between Communist China and India and consequent US withdrawal from Laos was completely devoid of foundation and malicious. Savang assured me had not credited this story but said with smile Indians certainly not disinterested here.

Concluding conversation, Savang said he did not know whether today, tomorrow or just when there would be break in current situation but he hoped we could be patient. He assured me struggle would be continued and while victory not assured, it would, so far as he was concerned, go on.

**Parsons**

<sup>3</sup>Not printed. (*Ibid.*, 751J.00/1-1257)

<sup>4</sup>Telegram 715, December 11, summarized the conversation between Katay and the Secretary in Washington on December 7. (Department of State, Central Files, 611.00/12-1156) See Document 401.

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#### 416. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, January 19, 1957—6 p.m.*

1154. Department pass USUN/NY for Kenneth Young. Saw Souvanna this a.m. to: (1) advise him my trip Phnom Penh meet General Lemnitzer (2) point out RLG failure either in document on

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-1957. Secret; Niact. Repeated priority to London and Paris, and to Bangkok, Saigon, Phnom Penh, and Ottawa.

PL problem summarized Embtel 1150<sup>2</sup> or elsewhere answer aide-mémoire of November 6 (Despatch No. 81<sup>3</sup>) on specifics integration PL effectives (3) acknowledge receipt but register fundamental difference viewpoint between US RLG which this document revealed once again (4) repeat concern re deficiencies December 28 communiqué. Said call entirely on my own initiative.

Souvanna made usual plea for three or four months reservation judgment and then said he thought US Government understood situation.

I said difficulty not lack of comprehension. Then citing Robertson-Ourot conversation (Deptel 849) said no basis for complacency about US attitude. Usual argument re nature PL and Communist tactics followed.

As result receipt Souvanna's document and of this morning's talk it occurs to me we may have been given one more opportunity express Washington viewpoint officially. This is most formal and thorough expression RLG stand on vital issue faced by Laos and if we so wish we may reply—although time is short.

If Department considers reply desirable and feasible suggest for consideration (1) brief reference to our contrary view of PL and their tactics which has so often been made known to RLG (2) our desire to support a solution in conformity Geneva Accords and January 7 resolution and (3) reservation of our position until impending decisions Vientiane can be made known and situation can be evaluated in light thereof. If Ourot is still in town he might be given copy together with oral elaboration our concern.<sup>4</sup>

I am under no illusions as to effect of this on Souvanna but if our concern can be disseminated it may help to strengthen hand of Katay and Phoui and to provide further incentive for them get together. Nevertheless up to moment I still feel deal unlikely be defeated or Souvanna overthrown until sometime later on. We may raise more doubts and obtain a few safeguards in addition to those now in prospect but as of this moment I still believe Souvanna will get this through Assembly—unless PL raises the ante.

**Parsons**

<sup>2</sup>Telegram 1150, January 19, contained a summary translation of the Lao Government's so-called "Chiefs of Mission memorandum", an explanation of the settlement with the Pathet Lao, sent to all diplomatic missions in Vientiane. (*Ibid.*)

<sup>3</sup>See footnote 2, Document 391.

<sup>4</sup>See Document 418.



417. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, January 22, 1957—5:37 p.m.*

894. Lao Ambassador called on Robertson January 18 inform him he recalled urgently Vientiane for consultation. Ourot not given reasons or target date for arrival Vientiane but assumed consultation connected coalition proposal. Therefore before leaving early next week he wished see Robertson "as friend and elder" obtain advice as to what he should say persuade RLG and Deputies support "our" position which was to fight Communism.

Robertson stated he would reply as friend and elder rather than Assistant Secretary. This was very crucial time Laos. By adopting firm position Lao could make much better agreement with PL than by merely accepting December 28 communiqué. As far as U.S. could see PL did not agree in this communiqué to anything more than already laid down at Geneva; in other words PL giving up nothing, but at same time demanding Cabinet positions, integration in unspecified number into Army, recognition as legal political party. In our opinion it would be dangerous accept such agreement. PL had not fulfilled Geneva pledges and there no assurance whatsoever they would do so now.

Crown Prince and other Lao leaders aware menace Communism, and it might appear presumptuous for Robertson 12,000 miles away indicate what course RLG should follow. Robertson wished merely suggest Lao leaders take firm stand make Souvanna insist PL not only promise but actually carry out commitments before RLG acted on its part bargain. Kind of agreement reached by RLG would inevitably affect Congressional support of Laos through appropriations. Robertson could not say now what Congress would do but it would be grave development if agreement appeared impair Laos' ability follow independent course. Congress would be very much aware political events Laos.

Concluding, Robertson said we had found through long experience that force and determination were only line Communists understood. If weakness demonstrated they pressed for additional gains. If RLG anxious prevent Communists from getting foothold Laos, it must realize necessity not yield on fundamentals. RLG must therefore adopt firm policy make PL perform before Government concessions given.

<sup>1</sup>Source: Department of State, Central Files, 601.51J11/1-2257. Secret. Drafted by Byrne, cleared by SEA and FE, and approved by Robertson. Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, and USUN for Young.

Ourot stated he more and more convinced by Robertson's thinking and would do utmost make U.S. position clear Vientiane.

Dulles

418. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, January 23, 1957—6:06 p.m.*

899. Vientiane 1154 repeated London 239 Paris 271 Bangkok Saigon Phnom Penh Unnumbered.<sup>2</sup> We concur we might as well take advantage opportunity once again express officially U.S. view Souvanna's coalition plan. You therefore authorized transmit note on instructions your Government along following lines subject modifications you believe local situation dictates:<sup>3</sup>

U.S. Government has honor acknowledge receipt telegraphic summary RLG memorandum January 16<sup>4</sup> outlining its policy and objectives with respect PL. U.S. cannot agree solution envisaged safeguards Lao national interests.

U.S. inability support RLG plan based on fundamental difference in U.S. and RLG appreciation nature PL movement. U.S. believes PL leaders either Communist or Communist-controlled. U.S. therefore concerned at prospect their representation Cabinet since past experience shows Communist pattern is to seek privileged positions within Cabinet, Army, civil service in order facilitate subversion and penetration effort.

U.S. desires see political settlement in Laos consonant with terms Geneva Agreement July 1954 and ICC resolution January 7, 1956,

<sup>1</sup>Source: Department of State, Central Files, 751J.00/1-1957. Secret; Priority. Drafted by Byrne, cleared by Kocher and Sebald, and approved by Robertson. Repeated to Saigon, Phnom Penh, Bangkok, Paris, London, and USUN for Young.

<sup>2</sup>Document 416.

<sup>3</sup>The note outlined was transmitted to Souvanna Phouma as follows:

"Letter to Prime Minister dated January 25 hand-carried by Embassy officer 26th. Excepting for amplification of references in introduction, only change was addition of following at beginning second sentence, second operative paragraph, reference telegram [899 to Vientiane]:

" 'In view of the intransigence of the PL leaders toward all solutions offered—whether national or international—since 1954'. (Then goes on 'US believes PL leaders either Communist or Communist-controlled,' etc.)

"This, of course, did not imply foregoing was only reason we believe PL are Communists." (Department of State, Central Files, 751J.00/1-2657)

Texts of the letter in English and French are in despatch 137 from Vientiane, January 28, not printed. (*Ibid.*, 751J.00/1-2857)

<sup>4</sup>See footnote 2, Document 416.

that is, in manner guaranteeing independence and sovereignty Laos. PL were to lay down arms and be reintegrated into national community as loyal citizens. Like Laos, U.S. is disturbed that 2-1/2 years after Geneva Conference such settlement still not achieved and PL continue in military control two northern provinces. Remedy this situation is not, however, to grant PL even greater concessions when they have clearly not fulfilled commitments made years ago.

U.S. policy toward Laos already well-known to RLG: RLG can count upon U.S. moral, material, political support so long as that support goes to government vigorously seeking maintain its independence. American ability support Laos consequently depends upon clear evidence RLG continues defend its own vital interests. In present situation U.S. will scrutinize impending RLG decisions most carefully in order ascertain whether RLG indeed defending its interests. If this scrutiny reveals RLG-PL settlement impairs Lao ability follow independent course, Congressional attitude will be adversely affected and U.S. may be obliged reassess its policy toward Laos.

FYI: Ourot leaving for Vientiane January 23. His farewell conversation with Robertson January 18 summarized Department's 894 to Vientiane.<sup>5</sup> End FYI.

Dulles

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<sup>5</sup>*Supra.*

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**419. Intelligence Estimate Prepared in the Office of the Assistant Chief of Staff of the Army, Intelligence<sup>1</sup>**

*Washington, undated.*

**SUMMARY OF CURRENT LAO ARMY CAPABILITIES (U)**

1. *General Status of Opposing Forces.* During the past two years, a relative stalemate has existed between the opposing military forces in

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<sup>1</sup>Source: Department of State, Central Files, 751G.55/1-2457. Secret. Transmitted as an enclosure to a letter from Colonel Robert L. Ashworth of the Office of the Assistant Chief of Staff, Intelligence, to Kocher, January 24. Drafted in response to a letter from Kocher to the Office of the Assistant Chief of Intelligence, January 18, requesting such intelligence. According to Kocher's letter, the Embassy in Laos received a report from French advisers to the Lao Government (telegram 1136 from Vientiane, January 17) that Souvanna Phouma was considering police action against the Pathet Lao in the event his direct negotiations with them failed. The French sources wanted to know if the United States would support such action. Kocher specifically wanted

*Continued*

Phong Saly and Sam Neua Provinces. Although the Pathet Lao (PL) enjoy a relative superiority over the Lao National Army (ANL) in formal combat units in both provinces (see attached map<sup>2</sup>), this has been offset to some extent by the development of ANL "auto-defense" forces numbering about 4,000 in Phong Saly Province and 2,000 in Sam Neua Province. Pathet Lao morale probably is lower than that of the ANL, and significant Pathet Lao defections might occur in the event hostilities were resumed. The Pathet Lao logistic system is probably less effective than that of the ANL, assuming that the latter's aerial resupply potential is utilized. Although it is unlikely that the French Air Force would utilize its aircraft to supply ANL combat operations, various Lao Government commercial contracts should provide the requisite airlift. Despite its own shortcomings and limited experience, the ANL probably would have a marked edge in staff planning and combat leadership since the Viet Minh reportedly have withdrawn their cadres and specialist detachments from the PL zone.

2. *Current ANL Capabilities.* In view of the above factors, and in the absence of Viet Minh intervention, it is estimated that the ANL could attack and seize most of the important towns and key communications centers in both provinces within a relatively brief period. The ANL would not, however, be capable of driving all Pathet Lao units from the two provinces, nor of preventing protracted PL guerrilla activity in the two provinces and from bases in North Vietnam. The PL are capable of creating diversions elsewhere in Laos which would prevent the ANL from concentrating sufficient forces in the north to control the disputed provinces.

3. *Viet Minh Capabilities.* The Viet Minh have an estimated 18,000 troops in areas adjacent to the two provinces, including one infantry division and two separate regiments. The Viet Minh are thus capable of intervening overtly in sufficient strength to save the PL from destruction, and of destroying the ANL forces if they so desire. Although the Viet Minh apparently would prefer to see the Pathet Lao attain a legal, integrated status in Laos, it is unlikely that the Viet Minh are prepared to accept the elimination of the Pathet Lao resistance movement before such an arrangement has been concluded. Because of the dangers of an enlarged conflict, it is unlikely that the Viet Minh would intervene overtly and in great strength to save the PL. It is more likely that they would seek to prevent the Pathet Lao from being crushed by infiltrating the relatively modest number of

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information on the Lao National Army's capabilities against the Pathet Lao without Viet Minh assistance and an estimate of Viet Minh intentions if the Lao National Army resorted to military action. Kocher's letter is *ibid.*, 751J.00/1-1857, and telegram 1136 from Vientiane is *ibid.*, 751J.00/1-1757.

<sup>2</sup>The attached map is not reproduced.

troops (perhaps the equivalent of three or four battalions) required to do so. These could be employed as "volunteers" integrated into Pathet Lao units, and their presence thereby both disclaimed and concealed.

4. *Conclusions.* Against the PL alone, the ANL could occupy most key points within the two provinces, but could not pacify the provinces so long as the Viet Minh continue to support the PL. If the ANL were to undertake such action, without prior, explicit warnings from the West against external "Communist" intervention, it is likely that the Viet Minh would infiltrate armed detachments to operate with the PL in sufficient strength to save the PL forces from destruction. In doing so, the Viet Minh probably would seek to conceal the nature and extent of their participation in order to avoid enlarging the conflict beyond Laos.

#### 420. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, February 1, 1957—3:49 p.m.*

946. Joint State-ICA-Defense-USIA message. Vientiane 1067.<sup>2</sup> We believe there great merit in proposed civic action program but need additional information with respect concrete aspects project.

Our understanding program, drawn from various sources, as follows: RLG program self-help, to be used initially in 10 provinces now under its control designed stimulate village communities draw upon own resources make basic improvements health education public works agriculture. In order use available manpower and skill most effectively program will be joint civilian-Army undertaking.

Two 11-man civilian mobile teams per province (i.e. ultimately 24 teams) composed technicians drawn from among existing personnel Government agencies and Ministries will put self-help program into motion each area. Most recruits already trained their specialties but all will require further training as "civic action" team. Six-to-eight-week training program already prepared and will be executed following Washington approval civic action project. Assume salaries mobile teams will continue be paid by respective Ministries.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-857. Secret; Priority. Drafted by Byrne and cleared by SEA, ICA, and USIA and Defense in substance. Repeated to CINCPAC, Saigon, Phnom Penh, Bangkok, and USUN for Young.

<sup>2</sup>Document 412.

Teams will give minor medical treatment, train village volunteers in use village medical kits, give basic sanitation instruction, start sanitation projects; assist villagers in local construction projects such as bridges draining systems roads, train them carry on after departure team; establish basic school for children and adults to teach three R's and train volunteers continue program; take census, issue identity cards, perform liaison with local auto-defense; propagandize villages about RLG, train volunteers as information agents for village, organize social veterans youth groups. Teams will spend approximately two weeks each village.

Following mobile teams into particular area but overlapping with them to extent necessary will be ANL commando-type units of 100 men each to supervise continuation programs, permitting mobile teams move on. Since 56 commando units required for 56 districts in which civic action could presently operate approximately 6,000 Army troops including headquarters staff will support some 250 to 300 civilians in mobile teams. Army through logistics and communications capabilities will thus provide basic framework for program. Commando units assure local security, support and supervise local auto-defense units, and assist civic action project. ANL now furnishing required four-month special training to cadre from each commando unit who will then give on-the-job training to remainder commando personnel. Since creation commando units represents reorganization ANL within 25,000 force level, these troops will continue be supported out of already-approved ANL military budget.

Commissioner for Civic Action reports to Chief SIDASP who in turn reports directly to Prime Minister. Commissioner will be ANL man presumably selected by Colonel Ouan. Assume National Council for Civic Action is advisory council and will have no administrative responsibility since multi-member administrative organ would probably render program ineffective.

. . . . .

ICA to finance all costs borne by U.S. including \$300,000 emergency period requirement.

Request confirmation and amplification foregoing summary our understanding project. In addition request comments or answers following points:

1. What are objects of \$300,000 expenditure by dollar and local currency cost?
2. . . .
3. Can you identify U.S. area surplus stocks to be drawn upon?
4. What is your best estimate annual cost program?

5. Does candidate for Commissioner Civic Action have proper qualifications, imagination and initiative?

6. Since it obviously impossible accomplish all mobile team tasks enumerated above in two weeks, assume activities undertaken will depend on priority needs and interests villagers. Will mobile teams return periodically?

7. We note Minister Public Health and Urbanism to be represented National Council for Civic Action and that Urbanism one of Cabinet posts possibly to be given PL if coalition approved. Request you make clear to RLG we would have strong reservations about supporting important anti-subversion instrument if instigators subversion have voice in program's coordinating committee.

8. With respect priority targets, while teams could now go into pockets Sam Neua and Phong Saly provinces presently controlled by RLG, appears to us major effort two northern provinces predicated upon settlement following which PL would permit entry RLG. In this case assume Army would precede civilian mobile teams. But if as highly possible PL obstruct effective RLG take-over two provinces what would be civic action role if at same time PL permitted operate as legal political party throughout country? If current negotiations break down and situation remains substantially as at present, is civic action program still of priority importance?

9. Request your views most advantageous use Army. Can Army participate civic action in numbers envisaged and still receive required conventional military training?

In view these many questions ICA reluctant commit funds until at least preliminary replies thereto available. Nevertheless if you satisfied sufficient basis action exists and immediate initiation civic action essential you authorized proceed, using funds within \$12 million FY 1957 non-military DS program (Icato 573<sup>3</sup>). Owing heavy expense Hungarian Refugee program and possibly augmented Middle East program, FY 1957 funding situation currently very tight and ICA not able allocate additional funds Laos this time. Which DS projects will you eliminate or reduce in order release funds for civic action?<sup>4</sup> Upon receipt your decision move ahead with civic action ICA will allot \$300,000 within current program NFCR. For long-range period project should be regularized by submission PPA.

Dulles

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<sup>3</sup>Dated January 18, not printed. (Washington National Records Center, ICA Message Files: FRC 58 A 403, Box 60, Vientiane)

<sup>4</sup>In telegram 1288 from Vientiane, the Embassy stated that it was its recommendation and understanding that the \$300,000 required for the emergency period would come from a special authorization by the OCB or "other pertinent agency" and not from already allocated ICA funds. . . . (Department of State, Central Files, 751J.00/2-857)

421. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, February 5, 1957—11 a.m.*

1275. USUN NY for Kenneth Young. Presumably as result my bringing up matter with Prime Minister January 19 in connection RLG memo on policy PL problem (Embtel 1154<sup>2</sup>) we have now received secret reply to our aide-mémoire delivered November 6 last on specifics integration PL effectives (Embtel 731;<sup>3</sup> Embassy despatch 81<sup>4</sup>). Reply dated February 2 is not from Prime Minister as customary but from Minister Foreign Affairs signed Bouasy.<sup>5</sup> *Begin summary translation:*

Minister Foreign Affairs presents compliments and has honor make known to Embassy its reply to aide-mémoire November 6, with view setting forth RLG position on question integration PL effectives into Lao Armed Forces.

a. Reasons which determine RLG action in the matter are following:

- (1) concern for attaining real unification of country, both on moral plane and from political and military viewpoints;
- (2) respect for Geneva agreements and declarations as well as joint declarations August 5 and 10 and agreement December 28, 1956.

b. Whatever governments concern may be scrupulously to avoid any reprisal or discriminatory measure, integration of PL effectives will take into account, in strictest manner possible, following safeguards (reservations):

- (1) screening of integrees; (2) limitation these effectives in terms of the prescribed tables of effectives of an ANL capable of being reduced to 15,000.

Would be premature and ill-advised define at this juncture detailed methods which will be adopted for screening and percentage of PL to be integrated.

c. RLG takes note of financial dispositions envisaged by US Government respecting payment of costs which might arise from PL integration.

d. Finally, RLG agrees with US Government that question of military integration should be reconsidered "in the light of the political settlement obtained by the RLG in its current dealings with the

<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-557. Secret. Repeated to London, Paris, Bangkok, Saigon, Phnom Penh, Ottawa, and USUN.

<sup>2</sup>Document 416.

<sup>3</sup>Document 391.

<sup>4</sup>See footnote 2, Document 391.

<sup>5</sup>The text of this note, in English and French versions, was transmitted in despatch 141 from Vientiane, February 7, not printed. (Department of State, Central Files, 751G.00/2-757)



Pathet Lao representatives" (cf., aide-mémoire November 6, 1956, at end).

Complimentary close; *end summary*.

In quoting aide-mémoire above, note uses exact text our French version (see Embassy despatch 81 last paragraph).

Department will recall that at time aide-mémoire presented to him (reference despatch) Souvanna was receptive and took no issue with our position; to contrary he urged us get together with Chief Staff to follow up training camp project, which was done without much effect.

Parsons

#### 422. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, February 13, 1957—5 p.m.*

1311. Department pass USUN for Kenneth Young. Reference Embtel 1305.<sup>2</sup> Following are comments on line suggested by Crown Prince in reference telegram, taking account combined views Embassy . . . and USOM:

1. Express cleavage between military and economic aid is indeed creative concept offering approach which may prove useful, distinguishing as it does between military aid which usually given on specific anti-Communist premise and economic aid which more generally humanitarian. However, not so easy as Crown Prince maintained to avoid (a) direct unknown circumstances. Accordingly consider suggestion should not be utilized if it appears likely coalition be defeated any way. If this unclear (as is probable) should be employed if at all in less blunt, more subtle, fashion as preview of elements entering into re- evaluation. As suggested reference telegram, this could be tied into indication that March and subsequent funding ANL not yet

<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-1357. Secret; Priority. Repeated to Paris, London, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>In telegram 1305, February 11, Savang suggested to Parsons that the United States could insure defeat of the Royal Government-Pathet Lao deal without a direct threat and without irrevocably committing itself. Should the Royal Lao Government take decisions which in the view of the United States rendered it impossible for the Lao Government to use the Army for anti-Communist purposes, then aid to the Lao National Army would cease. At the same time, Savang thought the United States should continue technical and economic aid to Laos. The prospect of 25,000 Lao soldiers without funds and employment, according to Savang, would insure defeat of any plans for coalition with the Pathet Lao. (*Ibid.*, 751J.00/2-157)

provided for and dependent on whether or not certain criteria for military aid set.

2. Crown Prince's concept nature military aid appears assume that immediately upon formation coalition government ANL ceases be anti-Communist element. This not necessarily so (even though we may assume Communists would in end succeed in dominating such government). In fact Savang himself asserts ANL would swing into action if government enlarged. Believe that after coalition need for ANL in fact initially greater either in event (a) there is sharp reaction anti-Communist elements or (b) PL show bad faith and RLG PL accord denounced. In fact Souvanna himself had often talked of so using ANL when PL problem becomes entirely internal one. Therefore formation coalition does not in our view necessarily avoid reasons for US support ANL.

3. If US should formally go on record that aid to ANL would be cut off in event coalition, it is conceivable Souvanna would turn to Communist Chinese (which thus far we believe he has not dared do). While this might precipitate "Civil War" which Savang foresees as consequence coalition, believe US should not take any action so drastic as to increase risk of ChiCom further complicating issue.

4. From USOM viewpoint idea distinguishing between economic and military aid acceptable, especially if considered as tactic which would assuredly defeat coalition. If not successful, we would have anticipated re-evaluation without full consideration of situation as it would appear in light actual Assembly acceptance coalition. Economic effects drastic curtailment or cut military aid would be extremely severe initially in view dislocation commercial import program, longer term effects less clear except for salutary elimination both consumption and currency inflation. From economist's point of view, more gradual curtailment of military aid (as feasible on political grounds) would be preferable.

5. Conclusion we reach is proposal should not be accepted in form which would necessitate formal note or even specific oral statement to Souvanna. Furthermore, we doubt circumstances would arise which should lead us to formal action before re-evaluation process. Nevertheless, we believe there is need and opportunity at this time keep pressure on and leave no doubt US concerned consequences Assembly acceptance deal. Accordingly thesis of differing characteristics and motivations US military and economic aid is one which could usefully be thrown out in casual conversations. In particular, general line should reach key ANL officers whose reaction and influence on deputies should be salutary. We will not, however, take any action along this line . . . pending Washington reaction.

Comments on certain other statements of Crown Prince follow in separate telegram.<sup>3</sup>

Parsons

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<sup>3</sup>*Infra.*

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423. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, February 13, 1957—5 p.m.*

1313. Department pass USUN for Kenneth Young. Reference Embtel 1311.<sup>2</sup> Following are comments on views expressed by Crown Prince Embtel 1305<sup>3</sup> other than suggested line of attack, commented on in reference telegram:

1. There is some disagreement in Embassy . . . with Savang's evaluation of temper of ANL, and especially with his broad statement civil war would follow "enlargement" of cabinet. Consider ANL ready accept inclusion two PL in cabinet provide integrity of ANL suitably guaranteed, including certainty Minister Defense (and probably also Interior) denied to PL. However, if once coalition tried and proved unsatisfactory, there are unspecific but nonetheless fairly firm indications army would move against PL units, including putting auto-defense to good use. We have had one report of ANLs tactical plans which may be related Crown Prince's remarks, but report not clear as to when or in what circumstances plan would be activated.

2. Re Savang's view of temper in home constituencies, opinion divided. Ngon Sananikone opined that feeling in villages would be for coalition to avoid further fratricide (Embtel 1278<sup>4</sup>). Bouasy, back from tour Vientiane province, reported astounded at extent PL have been able gain foothold there, and asserted belief more than half of deputies to be chosen in supplementary election Vientiane province would be PL if elections truly free. (This of course may be Bouasy's way of laying groundwork for request for assistance to his candidates). In discussion with French adviser Parizot, close to Prime Min-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-1357. Secret; Priority. Repeated to Paris, London, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>*Supra.*

<sup>3</sup>See footnote 2, *supra*.

<sup>4</sup>Dated February 7, not printed. (Department of State, Central Files, 751J.00/2-757)

ister, Embassy Office gathered Parizot concluded not all Lao deputies share belief constituencies oppose coalition. On other hand, Pheng Phong Savang<sup>5</sup> and Ourot agree with Crown Prince that home constituencies provide element of distrust to deal; Soulie also now shares this view. In any case, we have impression Crown Prince thinks as northerner and bases judgments largely on recent travels in north.

Meanwhile we have had one further credible report opposition to coalition gaining ground among Lao leaders. Question of successor to Souvanna is however worrisome factor. Soulie told me yesterday Kou Abhay, President King's council, expresses great anxiety this score.

3. We learn Katay did not actually stay in town for February 9 cabinet meeting, leaving for Pakse early morning that day. He did however leave strong imprint on RLG leaders with categorical stand on three guarantees. Absence in part indicative his virtual assumption leading opposition role but also necessitated by preparations for religious ceremonies in south of Pakse which Crown Prince attending 14.

4. Savang's estimate "ten days or so" (as of [February?] 10) before coalition question goes to Assembly is open to question. . . . had on good authority that Prime Minister calling on Ministers be back in town 18; nothing to go to Assembly before Pheng, and cabinet session must be held before further action. It thus not impossible question might be aired by 20th, but might be considerably later especially if assembly follows stated plan thrash out electoral law first.

Meanwhile there is matter of Souphanouvong agreeing to three additional guarantees (Embtel 1304).<sup>6</sup> We hear from three sources Souphanouvong signifying willingness subscribe on own responsibility to guarantees; last . . . source has it PL leader has assured Prime Minister latter will obtain satisfaction, but nothing in writing yet. Realize this may be simply tactic of Souphanouvong.<sup>7</sup>

**Parsons**

<sup>5</sup>Pheng Phong Savang was President of the National Assembly.

<sup>6</sup>These guarantees, according to telegram 1304, February 11, were dissolution of the Pathet Lao movement, submission of Pathet Lao forces to the National Army, and restoration of Royal Government civil administration in the two northern provinces. (Department of State, Central Files, 751J.00/2-1157)

<sup>7</sup>The Department, in telegram 1021 to Vientiane, February 16, instructed the Embassy to inform Savang that Congress and U.S. public opinion would probably be unwilling to distinguish between economic and military aid. Furthermore, Savang's plan would involve loss of flexibility. (*Ibid.*, 751J.00/2-1557)

#### 424. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, February 13, 1957—6 p.m.*

1315. Department pass ICA, Defense, USIA, USUN, CINCPAC. Joint Embassy USOM-PEO-USIS message. Reference: Deptel 946<sup>2</sup> and Embtel 1288.<sup>3</sup> With exception of question of emergency funding concept of civic action as presented reference substantially correct.

Believe, however, there may be some misunderstanding of role ANL commando units. ANL currently reorganizing and training commando elements with objective placing one company of 100 men in each of 56 districts with appropriate battalion and group headquarters. Primary role these units is to maintain security within respective districts. Army recognizes this impossible without cooperation local populace and placing large emphasis on commandos securing this cooperation through auto-defense and local assistance programs. Latter ties in directly with civic action program whereby commando companies would make available limited personnel (junior and non-commissioned officers) vehicles and commo facilities to assist civic action teams and to provide impetus to sustain program as civic action teams move on.

See Embtel 1288 regarding funding during emergency period. If annual civic action expenses met from existing USOM funds it would cause elimination of major segments USOM program in direct contrast to our interests in Laos. At same time reduction funds to these programs would generate opposition in Lao cabinet to whole concept civic action. Preliminary indications such objection already noted: some members of government evidently under misapprehension have voiced objection civic action because they understand this program could result in elimination of reduction of already existing programs. While steps taken correct this impression this reaction is danger signal which is most useful in indicating clearcut need fund civic action as new activity which distinct and complementary to existing programs.<sup>4</sup>

Following are replies specific questions:

<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-1357. Secret; Priority. Repeated to Saigon and Bangkok.

<sup>2</sup>Document 420.

<sup>3</sup>See footnote 4, Document 420.

<sup>4</sup>According to Icato 662 to Vientiane, ICA agreed to allot \$300,000 in addition to \$12 million Defense Support nonmilitary funds for Laos on the understanding that no additional funds for civic action could be provided to meet FY 1957 costs and FY 1958 requirements must be absorbed within the total approved FY 1958 program for Laos. (Department of State, Central Files, 751J.00/2-1457)

1. Objects of \$300,000 expenditure during emergency period are as follows:

- a. Establishment civic action school and office—\$20,000;
- b. Basic equipment for nine teams—\$207,000;
- c. Transportation of equipment—\$40,000;
- d. Re supply of expendable items—\$33,000.

It is estimated of total dollars 157,000 would be expended in dollars, 2,365,000 in baht and remainder in kip.

2. . . .

3. Plan draw upon MDAP surplus stocks Saigon.

4. Inter-agency committee estimates annual cost civic action program will be approximately \$2 million.

5. Colonel Oudon Sananikone appointed Commissioner Civic Action February 6. Considered energetic, highly qualified officer and one of best candidates for job. Wife Vice President Lao Women's association and holder of study grant in US where she resided six months.

6. Civic action teams will initiate village projects on basis priority needs and will return periodically to assess progress, meet problems which may have arisen and initiate new projects.

7. Will comply with request.

8. Army would precede teams into two provinces. Civic action teams would operate in areas under ANL control irrespective of PL contaminated or possibly contested areas. If current negotiations break down there is still imperative and urgent need for civil action in other ten provinces. In this regard it important appreciate goal of program as directed toward enhancing much-needed stability of RLG as well as anti-PL characteristics.

9. As this primarily support organization, it is only organization of its size with characteristics of centralized command, communications, logistics, etc. which covers entire country. Essential point is army garrisons already established in key areas and it important use their latent capabilities which could make important contribution to Lao economy. ANL considers such program as essential to primary mission of guaranteeing security these areas and at same time obtaining full support and cooperation local population. Program as envisaged will in no way interfere with conventional military training or operations and if anything would enhance capabilities of Army.

**Parsons**

**425. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, February 20, 1957—7:39 p.m.*

1044. Vientiane 1359.<sup>2</sup> Department assumes Lao Government and leaders sufficiently aware acceptance ChiCom economic aid falls within purview November 13 letter and would probably result in US reappraisal economic and political policy vis-à-vis Laos. If such not case, however, at your discretion in contacts with Lao leaders you may wish at appropriate times indicate that November 13 letter defining US policy also applies to eventualities other than coalition government.

**Dulles**

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-2057. Secret. Drafted by Kocher and cleared by Corcoran and Sebald. Repeated to London, Paris, Saigon, Ottawa, Phnom Penh, New Delhi, and Bangkok.

<sup>2</sup>In telegram 1359 from Vientiane, February 20, the Embassy confirmed information which it had tentatively reported in telegram 1351, February 19. The information was that Souphanouvong had asked Souvanna Phouma to request economic aid from the People's Republic of China as evidence of Laos' neutrality and in return for Pathet Lao agreement to guarantees requested by the Royal Lao Government. (*Ibid.*, 751G.00/2-2057 and 751J.00/2-1957, respectively)

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**426. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, February 25, 1957—5 p.m.*

1390. With emerging prospect RLG may have seek some means solving PL problem other than by series accommodations initiated by Souvanna last summer, US should be in position offer some constructive ideas. We will be credited with lion's share responsibility if negotiations break down and will have to shift from predominantly negative to positive role if our influence to be maintained. There is already indication Lao may turn to us soon for such ideas. For instance, I am to see Nhouy Abhay tomorrow and I hear he wants discuss courses action Laos might now follow domestically and internationally. Also, in light indications Phoui has now come out in clear cut opposition both to coalition and Chinese aid, it may be timely for me seek opening for general talk with Souvanna. Belief at moment

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-2557. Secret; Limit Distribution. Repeated to Paris, London, Bangkok, Saigon, and Phnom Penh.

other Lao leaders prefer keep him in office to bear brunt of search for better solution rather than face government crisis because failure his policy. This not usual parliamentary reward for failure but Laos is sui generis.

Implications possible entry into new period here affect all agencies but especially USOM and its relationship to import controls. In this sector, we have been under extremely heavy fire and our relations with Leuam have deteriorated in part because of issue I made over violation licensing procedures last fall when we temporarily cut off funds for ANL. De Paul<sup>2</sup> and I hope come up with major proposal this front next few days.

It obvious that emphasis on internal security programs which we foreshadowed last August should be intensified. This means support for civic action, other related programs, cooperating role of ANL and various security activities . . . .

General subject being explored . . . . Preliminary ideas for application by Embassy follow in Embtel 1391.<sup>3</sup> Should stress this message not to be construed as indicating coalition defeated; it does mean however prospects are now such we must be ready for that eventuality.

Parsons

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<sup>2</sup>N. Carter de Paul, Jr., Director of USOM in Laos.

<sup>3</sup>*Infra.*

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#### 427. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, February 25, 1957—5 p.m.*

1391. If negotiations between two brothers should break down anticipate immediate need meet Lao disposition place responsibility on US for bringing about defeat and therefore for coming up with alternate constructive course of action. On purely personal basis pending Department's comment, I expect put forward following ideas if approached:

1. Laos stands for peaceful reunification all Lao of good faith. Therefore, despite any breakdown RLG-PL talks and immediately

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/2-2557. Secret; Priority. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.



thereafter, RLG should proclaim its intent continue observe cease-fire.

2. US doesn't pretend advise on Lao psychology but RLG might consider further step of propaganda campaign directed to all Lao on some such theme as "unification and reconstruction through peace".

3. RLG might further announce would welcome all Lao of good faith from two provinces who wish demonstrate their independence of Viet Minh and their desire enter national community. Laws of Laos would apply and RLG would extend amnesty and avoid reprisals as amply evidenced during RLG-PL negotiations which failed due excessive demands PL leaders and finally indications they were agents of Chinese and Viet Minh. Honorable future guaranteed to those who rally to national community by appearing at designated reception (screening and reindoctrination) points. (Embassy currently analyzing various RLG-PL agreements to determine what specific provisions unobjectionable from US viewpoint and safe to offer to PL defectors.)

4. Intensified civic action, developmental and medical assistance programs in 10 loyal provinces with US assisting in background to extent funding and other existing limitations permit. Particular emphasis on good showing in RLG territory adjacent PL pockets.

5. RLG analyze what promises could be made for betterment conditions two provinces once RLG authority restored. Crown Prince quoted several times of late as believing discontent there widespread owing failure of PL (and thus Viet Minh) take better care populace.

6. In addition foregoing, am uncertain if it would be useful for RLG document its extraordinary efforts since July 1956 reach agreement in recital destined for Geneva co-chairmen. Advantage of placing blame on PL for breakdown might be over balanced by other factors.

Would appreciate comment, also any evaluation from Saigon or Washington on Viet Minh reaction and courses of action in event RLG-PL negotiations broken off. While this is possibility now, issue hangs in balance as Embtel 1381 indicated.<sup>2</sup>

Parsons

<sup>2</sup>Dated February 23, not printed. (*Ibid.*, 751J.00/2-2357)

428. **Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, March 5, 1957—6:39 p.m.*

1108. Lao Ambassador today handed us copy "most secret" mimeographed note dated Vientiane February 22<sup>2</sup> which apparently also being given other interested states. Gist as follows:

After summarizing RLG efforts solve PL problem, culminating December 28 communiqué, note states diverse reactions various foreign Governments to January 16 note<sup>3</sup> explaining RLG policy have led RLG wonder whether Western Powers see search for solution to PL problem in same manner. Different attitudes which RLG discerned among Great Powers caused malaise public opinion, embarrassed RLG in delicate task, and compromised favorable settlement PL problem.

RLG expresses wish joint U.K., French, U.S. declaration will emphasize interest three governments attach, in order maintain peace Southeast Asia, to effective reunification Laos respecting full sovereignty RLG and integrity national territory. Such declaration designed avoid all misunderstanding would give RLG effective encouragement and moral support. *End Summary.*

Request comments Vientiane, Paris, London. Text being pouched.

**Dulles**

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/3-557. Secret. Drafted by Byrne and approved by Kocher. Also sent to Paris and London, and repeated to Saigon, Phnom Penh, Bangkok, and USUN for Young.

<sup>2</sup>Not printed. (*Ibid.*, FE Files: Lot 59 D 19, Laos 1957)

<sup>3</sup>See footnote 2, Document 416.

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429. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, March 14, 1957—noon.*

1513. Department pass Defense, ICA, USIA.

I. My 1391<sup>2</sup> put forth preliminary and personal thoughts re our approach to possible contingency RLG-PL negotiations had broken

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/3-1456. Secret. Repeated to Paris, London, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>Document 427.

down and US expected come up with positive alternative course. As part of broader framework of general positive program for Laos, combined US agencies have at my request come to agreement, as first step, on recommended political posture in contingency of breakdown or, as appears more probable, semi-suspension. This is not addressed to situation of settlement; assumption is latter would be through some form of coalition, thus entailing US reappraisal. Neither does it enter into broader field of US role in economic, social and administrative aspects of question, which presumably must in large part cover twin contingencies of coalition or breakdown. Outline which follows covers (a) RLG position vis-à-vis PL which would be acceptable to US, (b) US relation to such position. Outline follows.

A. In event negotiations broken off, or indefinitely suspended, US would be prepared support RLG internal position on following lines:

1. In line January 7 ICC resolution giving practical interpretation Geneva Agreement, RLG is lawful sovereign and cannot allow PL foster two-equal-parties concept, nor subscribe their premature unconstitutional entry into government.

2. Within that framework, RLG stands for peaceful reunification and will always leave door open to resumption negotiations. Meanwhile, RLG:

- (a) Proclaims intent continue respect cease-fire as long as PL do so.
- (b) Welcomes all Lao of good faith, offers amnesty and freedom from reprisals all who wish shake off VM yoke and rally to national community. Honorable future guaranteed; designated reception points, resettlement facilities, etc.

3. RLG prepared engage in intensified program of national unity through peace. Intensified civic action, economic and cultural development, medical assistance programs in ten provinces, special projects each province and in those parts of two provinces loyal to RLG. Special attention to those loyal provinces now underdeveloped in respect to rest (e.g., Attapeu). (Would also give special attention to provinces adjacent Phong Saly and Sam Neua, for showcase value.)

4. RLG prepared step up measures for internal stability and security in all its territory, to limit and diminish foreign Communist subversion and build up strong and independent Laos.

5. Door being always open, RLG stands ready renegotiate with any group of PL leaders who willing and able throw off foreign yoke, stand up for national rights of Lao brothers in foreign-dominated territory, and return to national community on same terms as did Lao Issara in 1949. RLG willing negotiate on internal (Lao) matters only, will make no commitments on future foreign policy.

- (a) RLG willing give suitable guarantees that its part of any agreed settlement carried out.
- (b) When two provinces returned to rightful authority they will be assured of comparable benefits any development and assistance programs, with due allowance for their relative under-development (and within limitations of future aid programs).

#### B. Concomitant US assurances to RLG:

1. Foreign policy: US would not oppose diplomatic relations with members UN (this is empirical formula to cut out ChiCom and Vietminh; in practice, discourage relations with Soviet bloc on all available bases, e.g., situation Hungary). While believing in principle collective security US would respect RLG policy of genuine neutrality so long this does not involve acts liable undermine Lao independence. US would of course back Laos to maximum re membership UN agencies, etc.

#### 2. Military and security:

- (a) In event of military action not involving external attack, RLG may be assured full US logistical support.
- (b) As regards external attack, Secretary's general assurances apply. US would also support referral to UN and SEATO.
- (c) US prepared aid RLG build up ANL and police as effective instruments to protect Lao independence and foster national morale and well-being, e.g., to reorganize ANL into mobile contact groups to live more closely with people and maintain internal security (e.g., one commando company in each province, with attached technical services such as engineers, signal and medical, to aid local peoples progress); to train Lao take over many as feasible of functions now performed by foreign advisers, "nationalize" ANL as true army of Lao people; to continue police program; to aid RLG to continue to train and equip auto-defense units; to build up national information program.

II. References to aid and developmental programs in foregoing would of course be in relation to availability of funds. Combined agencies now seeking develop economic, social and administrative aspects of a positive program for Laos and US support therefore. Will submit views in subsequent message soon as possible; Toica 860<sup>3</sup> was preliminary segment in economic field.

Appreciate Department's views.

**Parsons**

<sup>3</sup>Not printed. (Washington National Records Center, ICA Message Files: FRC 58 A 403, Box 60, Vientiane)

430. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>*Vientiane, March 15, 1957—6 p.m.*

1523. Department pass Defense, CINCPAC. After well-nigh disastrous agreement December 28 between Souvanna and Souphanouvong which included coalition, our tactics as stated Embtel 1018<sup>2</sup> were to (1) delay adoption agreements; (2) create doubts and reservations; and (3) if possible defeat it. Today National Assembly closed (Embtel 1519<sup>3</sup>) without government having been able present agreement based on December 28 communiqué. Thus, this chapter in Laos has just come to close.

Turning points in struggle were return of Katay January 10, decision British locally string along with US, conversion of Phoui Sananikone and, latterly, staunch assist from Communists themselves in pushing for ChiCom aid as condition to settlement. Much credit due key Lao also, especially as future looks to them uncertain and dangerous.

While one chapter has closed, no grounds for complacency. Mixed commissions remain and so does Souphanouvong, who is quite attractive and persuasive figure. With Petsarath's return in about week, three brothers will at last be reunited. The two younger have no doubt both fastened their hopes in older, who is a commanding figure. It will be imperative prevent if possible Petsarath from committing himself prematurely before he has sounded more responsible Lao opinion.

Despite dangers we foresee, there may be only limited opportunity for actual negotiations next two months. Former head of political commission, Ngon Sananikone, has gone Paris, new head Nou-Ing leaves late March for US as leader grantee. We hear rumors Petsarath wishes tour all twelve provinces soon after arrival, and Souvanna is again talking of trip Europe and US late April early May.

According unconfirmed . . . reports . . . Souvanna in secret session Assembly yesterday reviewed negotiations along lines undelivered letter to Souphanouvong (Embtel 1448<sup>4</sup>). Re failure negotia-

<sup>1</sup>Source: Department of State, Central Files, 751J.00/3-1557. Secret; Priority. Repeated to Paris, London, Ottawa, Saigon, Phnom Penh, New Delhi, Manila, Djakarta, Hong Kong, and Singapore.

<sup>2</sup>See footnote 3, Document 410.

<sup>3</sup>Not printed. (Department of State, Central Files, 751J.00/3-1557)

<sup>4</sup>According to telegram 1448 from Vientiane, March 6, the Royal Government insisted in this letter on the guarantees of dissolution of the Pathet Lao movement, submission of Pathet Lao forces, and Royal Government civil administration of the two northern provinces, as well as refusal by Laos to entertain the idea of aid from Peking. (Department of State, Central Files, 751J.00/3-657)

tions he asked Assembly whether PL or RLG at fault. Assembly answered PL. More important, Souvanna himself spoke in terms critical of PL, placing blame on them rather than on foreigners who interfered. Allegedly he also said Laos could not afford alienate its western friends. Be that as it may, his attitude has changed materially, although I do not doubt he still dreams of national unity to be accomplished by Petsarath if not by himself. This incidentally would constitute family hegemony.

At one point in Assembly yesterday . . . Souvanna reportedly said he would step down when Assembly met again May 11 if agreement with PL had not been reached. Both Phoui and Bong rose to protest against this. Souvanna asked Assembly to tell him if it saw other avenues open to PL settlement.

As already reported (Embtel 1506<sup>5</sup>) Souvanna worried actual rupture with PL would lead to resumption hostilities. Best military assessment (including talks with Kou Prasith, Director Defense Department and Colonel Ouan, Chief of Staff) indicates no great apprehension at present, but movement on PL lines of communication is into Laos not out as in November-December. This suggests PL do not expect early agreement and are settling in again for long pull. In fact, I believe failure PL to capitalize on opportunity they had in January may well have been due to belief Viet Minh and HICOM that Lao cadres not well enough indoctrinated to carry on as hardcore party after entry PL into national community. In other words, Communists as well as we may find Lao hard to activate.

With Souvanna, whatever his motives, shifting ground somewhat, and with position we have developed on behind-scenes basis with other Lao leaders, it is timely watch for opportunities play constructive and positive role. This means above all that administration of aid problems relating to import program and exchange stabilization must be tackled seriously if our operations here in those fields are to support and not hamper our policy. While we will try develop recommendations more practicable from Washington viewpoint than those which have repeatedly been turned down, I hope Washington agencies fully aware key importance these problems which so closely related to survival of Laos. As immediate constructive move I continue favor common declaration developed from US and UK texts and concur fully in reasoning presented by Yost in points 1 to 3 Paris telegram 4722 to Department.<sup>6</sup>

Parsons

<sup>5</sup>Dated March 13, not printed. (*Ibid.*, 751J.00/3-1357)

<sup>6</sup>In telegram 4722, March 14, the Embassy suggested that, in order to dispel doubts, the common declaration should be identical if not joint; that it must be public; and that the British draft was a good starting point. (*Ibid.*, 751J.00/3-1556) For a draft of the common declaration, see the attachment to the memorandum, *infra*.

431. **Memorandum From the Deputy Director of the Office of Southeast Asian Affairs (Kocher) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, April 11, 1957.*

SUBJECT

British-French-U.S. Response to Royal Lao Government Note

I am attaching a copy of a draft reply to the Lao Government Note of February 22, 1957<sup>2</sup> requesting a joint British-French-United States declaration on the reunification of Laos. All three Western Powers have agreed that a joint public declaration is not justified by the present Lao political situation, but that we should strive for language to be used in three separate but identical Notes to the Lao Government which would then be published.

The attached draft represents language for such Notes agreed upon this morning in the tripartite working-level talks held with the British and French and chaired by Ken Young.<sup>3</sup> Except for certain minor changes made today which the British and French are transmitting to their governments, the draft has the approval of the Quai d'Orsay and the British Foreign Office.<sup>4</sup> For our part, we made it clear to de la Mare and Landy<sup>5</sup> that the draft was subject to higher-level Departmental approval. Judging from earlier communications, we believe the text will be acceptable to our Embassy at Vientiane,<sup>6</sup> but we shall again request its views by telegram today.<sup>7</sup>

We have succeeded in deleting any reference (desired by the British and French) to the right of the Lao people to decide the composition of their Government by constitutional means and indeed any mention of the Constitution at all, using the argument that since

<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-1157. Secret. Drafted by Byrne and cleared with Sebald.

<sup>2</sup>See Document 428.

<sup>3</sup>A record of the tripartite meeting of April 11 is in telegram 1303 to Vientiane, April 11, not printed. (Department of State, Central Files, 751J.00/4-1157) Reports of earlier tripartite meetings, April 8, April 3, and April 1, are in telegrams 1289, 1263, and 1251 to Vientiane, April 8, 3, and 1, respectively, none printed. (*Ibid.*, 751J.00/4-857, 751J.00/4-357, and 751J.00/4-157)

<sup>4</sup>That approval is contained in telegrams 5416 from London, April 4, and 5124 from Paris, April 5, neither printed. (*Ibid.*, 751J.00/4-467 and 751J.00/4-557, respectively)

<sup>5</sup>Pierre Landy was Counselor of the French Embassy in Washington and A.J. de la Mare was Counselor of the British Embassy.

<sup>6</sup>Reference is to telegrams 1661, 1674, and 1711 from Vientiane, April 3, 5, and 10, none printed. (Department of State, Central Files, 751J.00/4-357, 751J.00/4-557, and 751J.00/4-1057, respectively)

<sup>7</sup>The Department requested comments from the Embassy in telegram 1303 to Vientiane. (*Ibid.*, 751J.00/4-1157) The Embassy, in telegram 1737 from Vientiane, April 13, noted that the working-level text was better than it had hoped for and offered no further comments. (*Ibid.*, 751J.00/4-1357)

coalition would not be considered by the Lao to be an infringement of their Constitution, Souvanna might use the British and French phraseology as an indication of Western support of coalition at a later date.

We were less successful in our wish to spell out neutrality, acceptance of aid from Communist China, and Pathet Lao entry into the Cabinet as issues extraneous to the fundamental problem of reunification. Nevertheless, we did obtain a British substitution which retains an allusion to the undesirable Pathet Lao demands but is less specific.

With respect to the mechanics of the response, the tripartite working group has, subject to higher clearance, agreed that, when a text acceptable to all three Powers is obtained, the originals of the three Notes will be delivered to the Lao Ambassadors in Washington, Paris, and London, with oral comments on the nature of the "extraneous" matters mentioned in the Notes. We are proposing delivery at 11 a.m. in Washington (4 p.m. in London and Paris) on Tuesday, April 16. Information copies would be sent to the Lao Foreign Ministry from the three Western Embassies in Vientiane to arrive during the morning of April 18 local time. Publication would take place 48 hours after the Notes' delivery to the three Lao Ambassadors, or, as the working group is suggesting, at noon on Thursday, April 18 in Washington, which would be 5 p.m. in Paris and London. In handing the Notes to the Lao Ambassadors we would request them to inform their Government of the April 18th publication and suggest that the text appear in the *Lao Presse* on that date. It would be made clear that, if publication by the Lao Government did not take place within a reasonable time, we would disseminate the text in Vientiane.

The Notes in English from the British and the United States will have attached an "informal French translation" provided by the Quai d'Orsay. In turn, the French Note will include an "informal English translation" which will, in fact, be the official text of our Note.

#### *Recommendation*

That you approve the attached draft reply to the Royal Lao Government and the mechanics of delivery and publication as suggested above.<sup>8</sup>

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<sup>8</sup>Robertson initialed his approval on the source text. Sebald wrote the following marginal note: "Having followed this work very closely, I think the result is as good as can be expected in any tripartite negotiation. WJS".



## [Attachment]

## PROPOSED TRIPARTITE WORKING-LEVEL DRAFT

In response to the request of the Royal Government of Laos to the Governments of the United Kingdom, France, and the United States for a statement of their policy toward Laos, the Government of the United States (France or the United Kingdom) confirms its interest in the peace, sovereignty, independence, unity, and territorial integrity of the Kingdom of Laos. The Government of the United States therefore continues fully to support the principle of the complete authority of the Royal Government of Laos over all its territory. It maintains the hope that a political settlement and the reunification of Laos will be effected in accordance with the principles of the Geneva Agreements on Laos of July 1954 and the Resolution of the International Control Commission of January 7, 1956.

The Government of the United States regrets that these objectives have so far been made impossible because the Pathet Lao forces, in spite of these Agreements and of the Resolution of the International Control Commission, have sought to place extraneous conditions upon their acceptance of the authority of the Royal Government and upon their reintegration into the national community. The Government of the United States welcomes the firmness with which the Kingdom of Laos has resisted this maneuver and is confident that the Royal Government will continue in its determination that the political future of the Kingdom of Laos shall not be dictated by dissident groups enjoying no constitutional status.

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432. **Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, April 16, 1957—7:20 p.m.*

1324. Department's 1303 repeated Paris 4095 London 7196 pouched other addressees.<sup>2</sup> This morning Robertson handed to Ourot

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-1657. Secret; Priority. Drafted by Byrne, cleared by Kocher, and approved by Robertson. Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, Ottawa, and New Delhi. A briefing memorandum, April 16, from Young to Robertson for use in preparation for this meeting is *ibid.*

<sup>2</sup>See footnote 7, *supra*.

text contained reference telegram (Quai French translation attached) as U.S. reply to RLG February 22 Note.

In commenting Robertson said we should like emphasize what is stated in Note. That is at Geneva Conference 1954 there had been unequivocal recognition sovereignty RLG over all Lao territory including two disputed provinces. Under Geneva Agreements PL, which we and Ourot knew were controlled by Viet Minh, had no right of any kind interpose conditions upon which they would accept Geneva terms. If conditions for acceptance existed they should have been stated at Geneva by PL sponsors Chou and Dong. There had been no conditions but only flat statement sovereignty resided RLG. When PL brought in extraneous issues like neutrality, aid from Communist Bloc and coalition government, they making demands which had nothing to do with settlement envisaged Geneva. We believed therefore that RLG would be entirely correct insisting original Geneva Agreement be carried out.

We noticed PL attempted dictate Lao foreign policy. We thought however that foreign policy was responsibility duly constituted government. We not arguing pros and cons neutrality, but believed country's foreign policy should be carefully considered by constituted authorities and not dictated by dissident groups in rebellion against legitimate government.

Robertson added British, French, U.S. replies being delivered today Washington, Paris, London and that information copies would be given Lao Foreign Ministry next few days. We contemplated publication Washington, Paris, London, Vientiane some time after Easter holidays. Precise date would be subject consultation four governments but we suggested it be early next week.

Ourot received Note favorably, stating he hoped RLG would be satisfied since it appeared to him good assurance Western support Lao efforts preserve liberty. He announced intention cable text Vientiane today, mentioning coalition, aid from Communist Bloc, and neutrality as examples PL extraneous demands, and would inform RLG Note should be considered secret until publication on date after Easter to be agreed upon by four governments.

*For Vientiane:* We have concurred British French proposal Souvanna be given chance join in on publicity and have accepted advisability avoiding publication during long Easter week-end. This would mean that if Souvanna should decline disseminate text Vientiane we could do so next week knowing he had been given ample time consider matter. Since Secretary may hold press conference April 23, date British suggested for release Note, we proposing simultaneous publication 12:15 p.m. Washington time April 24, when regular De-

partment news conference takes place.<sup>3</sup> We shall attempt brief small group newsmen beforehand.

In order discuss publication with Souvanna, believe necessary you deliver not send information copy Note (with French translation from Gassouin) April 18. Request you comment along lines Robertson's remarks to Ourot. You should add we contemplate publication after Easter and suggest simultaneous release four Capitals would be appropriate. We shall wire release date time when agreement reached with British French.

We understand Foreign Office instructed Holliday take publication for granted when speaking to Souvanna but added that if Souvanna objected strongly to publication Foreign Office would naturally give consideration to anything he might have say. We shall if necessary press for publication in any event.

**Herter**

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<sup>3</sup>The note was released at that time on April 24. For text as released (which was identical to the draft as approved by Robertson attached to the memorandum, *supra*), see Department of State *Bulletin*, May 13, 1957, pp. 771-772.

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**433. Memorandum From the Director of the Office of Southeast Asian Affairs (Young) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>**

*Washington, May 7, 1957.*

**SUBJECT**

Discussions with Thai re Laos

I am attaching for your approval a telegram<sup>2</sup> in response to Bangkok's 3233, April 26,<sup>3</sup> in which Ambassador Bishop suggests the desirability of frankly discussing developments in Laos with Prime Minister Phibun because of the "apparently recent deterioration of the military and political situation in Laos".

This recommendation seems to me to raise two questions: First, what is the situation in Laos, and second, whether further discussions with the Thai on this subject would be profitable. With respect to the political assessment, I do not believe that the word "deteriora-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-2657. Secret. Drafted by Byrne and cleared by SEA.

<sup>2</sup>Sent as telegram 3713 to Bangkok, Document 435.

<sup>3</sup>Not printed. (Department of State, Central Files, 751J.00/4-2657)

tion" fits the situation over the past four months. We all recognize the Lao problem as continually critical, but at the same time it cannot be denied that Embassy Vientiane, backstopped by Washington, has been successful in staving off the unfavorable and possibly disastrous decision on coalition with the Communists which appeared inevitable last January. I consider that, to arm Ambassador Bishop in future contacts with the Thai, he should be given our evaluation of the Lao situation as of this moment, an objective which the attached telegram attempts briefly to fulfill.

The second question is perhaps more difficult. We have always considered the Thai rather a special instrument in Southeast Asia, an anti-Communist country by virtue of being Asian could do certain things in the area which the United States could not. Consequently, we have over the past two years given the Thai our thinking on Laos in the hope that they would be stimulated to action which would supplement our own effort to preserve Lao independence. Unfortunately, almost nothing tangible has transpired, and I have come to regard these contacts as wasted effort or at least of dubious value. Despite the patent importance of Laos to Thai security and the obvious logic, owing to cultural, ethnic, and geographic ties, of Thai assistance to Laos, the Thai have not picked up the ball and have made no sacrifice whatsoever in their own interest.

Ambassador Parsons in his 1819,<sup>4</sup> commenting on Bangkok's 3233, also manifests doubt on the utility of continuing the discussions unless the Thai are prepared to take action in some of the fields he enumerates. He concludes with the statement that "as seen from here, the burden is on the Thai to create an atmosphere in which cooperation beneficial to the Laos situation would take place."

We do not wish summarily to terminate the effort to stimulate Thai interest and activity in Laos, but rather merely to set forth the problem with a request for possible remedial measures. The attached telegram describes our disappointment with the results thus far and asks the field to suggest galvanizing action if the effort with the Thai is to be pursued.

#### *Recommendation*

That you approve the attached telegram to Bangkok and Vientiane. (Tab A)

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<sup>4</sup>Dated April 29, not printed. (*Ibid.*, 751J.00/4-2957)

## 434. Editorial Note

President Ngo Dinh Diem of the Republic of Vietnam visited the United States for 21 days in May 1957. As part of his official discussions with United States officials in Washington, he met with Dulles and others on May 9. The situation in Laos was one of the topics of discussion. For a record of that conversation, see the memorandum of conversation, May 9, volume I, page 801.

435. Telegram From the Department of State to the Embassy in Thailand<sup>1</sup>

*Washington, May 9, 1957—8:07 p.m.*

3713. Bangkok 3233 repeated Vientiane 556;<sup>2</sup> Vientiane 1819 repeated Bangkok 84 pouched other addressees.<sup>3</sup> Bangkok's 3233 raises two questions: 1) U.S. estimate Lao situation and 2) desirability further consultation with Thai re Laos.

Re 1), we do not feel there has been "recent deterioration military and political situation Laos" if statement applies (as we assume) period since last discussion Laos with Phibun January 7. At that time Lao Assembly acceptance coalition government including Pathet Lao based December 28 communiqué appeared virtually certain and we foresaw necessity early reappraisal U.S. political and economic policies toward Laos.

At present, while political situation still critical and will require utmost vigilance, so far as we know no unfavorable decisions yet taken. Assembly adjournment March 15 means coalition proposal in abeyance at least until next regular session May 11. RLG has insisted three additional guarantees from Pathet Lao (dissolution PL movement, submission PL troops to authority Lao National Army, and restoration RLG administration two disputed provinces simultaneously with PL entry into Cabinet) to which PL have given no response whatsoever. Moreover RLG has rejected PL condition of acceptance Chinese Communist aid as extraneous to problem at hand.

Entire issue coalition will probably be revived within matter weeks, but there ground hope RLG may then assume somewhat

<sup>1</sup>Source: Department of State, Central Files, 751J.00/4-2657. Secret. Drafted by Young and Byrne, cleared by SEA and FE, and approved by Robertson. Sent also to Vientiane and repeated to Saigon, Phnom Penh, Paris, and London.

<sup>2</sup>See footnote 3, Document 433.

<sup>3</sup>See footnote 4, Document 433.

tougher policy toward PL. Negotiations have apparently produced increasing RLG awareness PL unreliable and not free agents, an education process to which PL contributed greatly by injecting acceptance Chinese Communist aid condition into negotiations. Souvanna Phouma himself seemingly at least partially disillusioned, and some public blaming of PL for lack settlement has taken place.

It consequently appears fair to say already bad situation has not deteriorated last four months and Embassy Vientiane has been successful in holding operation. Problem not satisfactorily resolved however but we hope PL may not have it so easy next round. Further concern now is Petsarath, still unknown quantity.<sup>4</sup> His intelligence, stature, and strong personality indicate he will exercise significant influence Lao politics, so that his as yet uncertain attitudes key questions will be important to execution U.S. policy.

With respect military situation see Vientiane 1805 repeated Paris 400 London 360 pouched other addressees.<sup>5</sup> There appears be no basic change but merely PL return to isolated attacks ANL outposts as form military pressure induce RLG make political concessions to PL. Such attacks had been for most part suspended when PL considered their aims would be achieved in political negotiations. Since Vientiane assessment indicates general PL offensive unlikely we do not believe Lao military situation warrants SEATO consideration this time.

Re 2), foregoing tentative evaluation for Bangkok's information only. We have doubts re utility discussion Lao political situation with Thai present time. Over past two years Thai have enjoyed special status by being given in confidence U.S. thinking re Laos in Ambassadors' conversations with Phibun, personal messages from Secretary, and discussions between Thai and Department officials. Thus far these contacts have proven disappointingly unproductive in tangible Thai assistance to Laos even though strategic considerations would argue importance Laos to Thai security. Phibun himself has flatly stated Thai have little or no influence Lao Government (Bangkok's 1974 repeated Vientiane 333<sup>6</sup>). We are puzzled by Thai failure take initiative re Laos despite geographic ethnic cultural links.

Unless more visible results than heretofore are forthcoming, we question point of periodic discussions Thai re Laos. Further consideration is increasing rather than diminishing suspicion between Thai and Lao which we note from field reports and Department contacts. We recognize exchange with Thai would be valuable if they made

<sup>4</sup>According to telegram 1584 from Vientiane, March 22, Prince Petsarath arrived in Vientiane on that day. (Department of State, Central Files, 751J.11/3-2257)

<sup>5</sup>The military situation as analyzed in telegram 1805 from Vientiane, April 24, is summarized in this paragraph. (*Ibid.*, 751J.00/4-2457)

<sup>6</sup>Dated January 8, not printed. (*Ibid.*, 751J.00/1-857)

concrete contribution in any of five fields suggested Vientiane 1819, but are much less enthusiastic re mere briefing session.

We regret Thai Government has been unresponsive U.S. policy promoting increased Thai interest and activity Laos to supplement our efforts there. We should appreciate Vientiane comments on further stimulation Thai interest with respect Laos.<sup>7</sup> Request Bangkok's full assessment current Thai attitudes toward Laos and recommendations possible U.S. measures bring about concrete Thai assistance to neighbor if such assistance appears desirable and feasible.<sup>8</sup>

Dulles

<sup>7</sup>The Embassy responded in telegram 1934 from Vientiane, May 17, with a brief observation that the deterioration of Thai-Lao relations was in part a product of worsening Franco-Thai relations. Otherwise, the Embassy believed the burden was on Thailand to create an atmosphere of cooperation with Laos. (*Ibid.*, 751J.00/5-1757)

<sup>8</sup>In telegram 3481 from Bangkok, May 22, the Embassy expressed doubts about the progress of Thai-Lao military planning until the danger of Pathet Lao integration in Laos passed and until events in Laos became more stable. (*Ibid.*, 751J.00/5-2257)

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436. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, May 10, 1957—6 p.m.*

1888. Reference: Embtel 1880.<sup>2</sup> With approach Assembly opening, situation here again warming up with conflicting and shifting currents of opinion flowing about two key issues (1) government crisis and (2) PL problem. Into this complex have been injected additional elements of (1) ICC flurry over tripartite notes and (2) Petsarath.

1. While Petsarath has been canny and cautious about committing himself publicly, (except for initial press conference) and while I am convinced from his own statements and all other evidence that he does not wish to come into power before visiting all of Laos, his views on PL problem are decidedly disturbing. . . . have learned that Petsarath considers December 28 agreement approved by Cabinet as honorable commitment which should be implemented in order permit RLG to man its northern borders, determine if there is really Communist interference from outside and to make problem of units purely internal one which RLG could handle. . . . Petsarath accept-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/5-1057. Secret; Priority. Repeated to Paris, London, Ottawa, New Delhi, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Dated May 10, not printed. (*Ibid.*)

ed recommendation of Pheng Phongsavan, President National Assembly, that he, Petsarath, tell Souphanouvong that both sides should drop demands for guarantees which had complicated situation since December 28 and proceed on basis agreement of that date. Souphanouvong readily agreed drop Chinese aid and Petsarath who opposes Chinese aid anyway, thought he had achieved success and proceeded tell Souvanna, at same time urging him go ahead once more on basis December 28 agreement. Souvanna, so Petsarath said, was now considering matter.

2. Katay . . . held caucus May 9 of 13 members of Nationalist Party which agreed in principle support Pheng Phongsavan for President of National Assembly. Other candidate would be Quinim. Possibly Phoui, but Quinim could surely be defeated. Katay also now favors continuance Souvanna in office for time being and avoidance crisis. As interim tactic for dealing with PL problem, he favors RLG sending letter to ICC asking whether PL have right to inject external matters (diplomatic relations with Communist bloc) and to require acceptance Chinese aid as part of negotiation PL problem. Copies of such a letter would be sent to Geneva co-presidents. Presumably he expects negative reply but should response be vague, he would favor reference to UN. In any event, Katay is more adamant than before that PL must be dissolved before any of its present members enter government and two provinces must be effectively under RLG authority beforehand.

3. Souvanna has been extremely reticent of late and such remarks as he has made (Embtel 1886<sup>3</sup>) somewhat disturbing because of fear that he may again misrepresent US position on coalition. I am seeing Crown Prince 11th reaffirm our views so that in consultations he may have privately over next several weeks with Ministers and Deputies, he will know our position unchanged. In this connection, I plan show him excellent summary just received of Young's conversation with two Lao Deputies April 21.<sup>4</sup> We are also taking steps make sure Phoui and Katay thoroughly briefed. I hope in my next conversation with Souvanna to have opportunity remind him our attitude on coalition unchanged.

Although in Laos pendulum can swing suddenly and violently, I do not believe that RLG and Assembly likely be stampeded by any Petsarath-Souvanna-Souphanouvong move to go back to unvarnished December 28 agreement. We have had so much evidence from Ministers, Assembly members and key civil servants that Pathet Lao are now regarded as agents of Communist seeking take over Laos

<sup>3</sup>Dated May 10, not printed. (*Ibid.*, 751J.00/5-1057)

<sup>4</sup>Reference is to a telegraphic summary of a memorandum of conversation by Young, April 21, not printed. (*Ibid.*, 751J.00/4-2157)



that it would be far more difficult now than it was last December to promote deal without guarantees. In this fundamental sense, situation here has improved although at very least, we may expect some anxious moments over next few weeks.

Parsons

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437. **Telegram From the Department of State to the Embassy in France<sup>1</sup>**

*Washington, May 25, 1957—8:21 p.m.*

4702. Vientiane 1971 repeated Paris 429 London 389 Saigon Phnom Penh Bangkok Unnumbered; Vientiane 1957 repeated Paris 425 London 385 Saigon Phnom Penh Bangkok Unnumbered.<sup>2</sup> Unless you perceive objections or disadvantages to following procedure, you should inform Quai d'Orsay we again receiving reports French Vientiane in contrast U.K. and U.S. taking position that coalition government including Pathet Lao acceptable. Foreign Office has heretofore insisted French shared American British view such move on RLG part dangerous to prospects Laos' survival as free state. Moreover we understood French along with U.K. and U.S. cited coalition as example PL conditions extraneous to fundamental problem reunification in oral comments on delivering April 16 note.<sup>3</sup>

We therefore disturbed this revival reports French support hazardous Souvanna proposal. Resurrection coalition, advocates of which can only be strengthened if alleged French attitude true, when Congressional temper is for reduction Mutual Security appropriations heightens our concern. Executive Branch has difficulty each year defending Laos program because of striking disparity between population and aid request figures but has thus far been able justify relatively large expenditure as sum needed (in view Laos extreme lack own resources) assist this vulnerable country maintain its independence. If however at moment when Congress already seeking means reduce U.S. foreign aid outlay Lao take Communists into government, Congress could only assume Laos not doing utmost preserve its independence and therefore not good investment for Free World.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/5-2357. Secret; Priority. Drafted by Byrne and cleared with SEA, WE, and FE. Repeated to Vientiane, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>Dated May 21 and 23, neither printed. (*Ibid.*, 751J.00/5-2157 and 751J.00/5-2357)

<sup>3</sup>Attached to Document 431.

We believe French could be of great help in explaining these facts of life to Laos. U.S. wishes continue support Laos but, as often stated before, ability do so depends in large part on Laos' own actions.

We shall make similar representation here.

Dulles

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438. **Telegram From the Embassy in France to the Department of State<sup>1</sup>**

*Paris, May 25, 1957—1 p.m.*

6027. Reference Deptel 4702.<sup>2</sup> Pursuant instructions Yost discussed Laos at length with Daridan and Lebel last evening. We described serious Congressional reaction to entry Communists into RLG and also, on basis personal experience, explained why we felt such "solution" is clearly more dangerous to security and independence of Laos than is maintenance status quo.

Daridan, as invariably in past, insisted there is no difference in feeling and objectives between US and France, but simply difference in tactics and manner necessitated by France's delicate position as former governing power. He said that in order retain any influence whatsoever France must avoid appearance of intervening in internal affairs and must be ultra tactful in handling Laos leaders.

We replied we understood French difficulty but felt this particular issue so fundamental and grave that, unless we all exerted together full measure of influence we have, all Western positions in Laos would be undermined and perhaps lost. Daridan agreed and said that, in order avoid any possible misunderstanding on Souvanna's part, Gassouin would be at once instructed to inform him again that there is no difference between French and US position and French are equally opposed to coalition which would bring Communism into RLG.

However, further probing brought out that difference does exist between French and US position. French would regard with equanimity, would even welcome, coalition govt on two conditions: (1) that "guarantees" (restoration RLG administration in two provinces, dissolution PL as party, disarming PL forces) would be agreed by PL and would be carried out simultaneously with establishment coalition

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/5-2557. Secret; Priority. Repeated to Saigon, London, and priority to Vientiane.

<sup>2</sup>*Supra.*

govt, and (2) that Souphannouvong would "split away" from PL before entering govt. We pointed out that Souvanna has been claiming for years that Souphannouvong is "not really a Communist", that nevertheless he has always remained subject to Communist dictation, and that we would believe he had "split away" only if he issued public statement denouncing PL as Communist controlled and antinational. Daridan agreed some such declaration would be required before split could be considered genuine.

In passing Daridan expressed hope we would not attempt to unseat Souvanna, saying (1) this would be interference in internal affairs which would be deeply resented and (2) Petsarath would be more likely successor than Katay. We said we knew of no effort to unseat Souvanna but expressed opinion his prestige so committed to early agreement with PL that if this fell through again he might well fall with it. Daridan noted Deputies certainly not prepared support coalition without adequate guarantees.

*Comment:* We believe that, while we can count on French to oppose coalition without strict safeguards, we cannot count on them to oppose coalition per se. Their motives are (1) to promote settlement PL problem, dissolution ICC and termination their Geneva obligations and (2), more important, to preserve French influence through support Laos leaders who are sympathetic to them. They dread Katay developing into second Diem with resulting exclusion French influence from Laos. (Recent termination French naval and air missions in Vietnam, which they attribute to US initiative, has had considerable effect on their attitude and behavior in Laos.)

While this difference of approach could be important, we hope that it need not become so. It would seem to us, as far as we can judge from this distance, that best tactic vis-à-vis French would be (1) to hold them firmly to guarantees and conditions (such as those mentioned fourth paragraph this message) which it is practically certain Souphannouvong and PL would reject, and (2) to reassure them in concrete and convincing fashion that we have no desire to weaken their position in Laos.

**Houghton**

### 439. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, May 28, 1957—5:49 p.m.*

1474. Vientiane 1896.<sup>2</sup>

1. Concur your proposed response prospective foreign inquiries re U.S. attitude concerning choice Lao Prime Minister.

2. Among ourselves however it clear some Lao leaders preferable to others. Problem is to find man who could check Souvanna's coalition course, enjoy Crown Prince's support and share his views on coalition (Vientiane 1982 repeated London 393 Paris 433 Saigon Phnom Penh Bangkok Unnumbered<sup>3</sup>) with which we fully agree, box in Petsarath so that he does not appear to Lao as only solution, and provide leadership for civic action, efficacious utilization American aid, monetary reform, and other internal ills besetting Laos.

3. Of two principal problems confronting Laos, political settlement and economic and social development, RLG has always seemed expend disproportionate amount energy on PL issue almost to exclusion advancement 10 provinces presently under RLG control. Lao desire political settlement understandable and we do not wish minimize importance reunification. Nevertheless we feel Lao should make greater effort consolidate control and increase loyalty population through improvement economic situation outside Sam Neua, Phong Saly.

4. In our view Souvanna has made little if any headway to date on either problem. His plan to achieve reunification through coalition could be disastrous to Lao and U.S. security interests, he apparently still misjudges PL, he has not given Army firm leadership, and so far as we aware has not pushed economic development.

5. Petsarath possesses required drive and leadership pull Laos up by bootstraps in economic and social reform but views on PL (Vientiane 1970 repeated Paris 428 London 388 Bangkok 935 Saigon

<sup>1</sup>Source: Department of State, Central Files, 751J.13/5-1357. Secret; Priority; Limit Distribution. Drafted by Byrne, cleared with Kocher and Jones, and approved by Robertson. Repeated to Saigon, Phnom Penh, Bangkok, Paris, and London.

<sup>2</sup>Telegram 1896 from Vientiane, May 13, reads in part as follows:

"Should any Lao leader or group seek my view as to whether Souvanna should be refused confidence of National Assembly, I plan say this no affair of ours and that we are interested only in government which will vigorously defend Lao independence thus affording us chance continue support efforts of Lao build their country." (*Ibid.*)

<sup>3</sup>Telegram 1982 from Vientiane, May 25, reported on a conversation between Savang and Blakeney. During the conversation Savang said he opposed the entry of Souphanouvong or any other Pathet Lao into the government as "too dangerous," and did not believe Souvanna's solution proposed in January-February would be accepted. (*Ibid.*, 601.4351J/5-2557)

Phnom Penh Unnumbered<sup>4</sup>) decidedly harmful. Further, pro-PL sentiments and advocacy accommodation to Communist neighbors far more dangerous in "strong man" like Petsarath than in supple Souvanna. Three brothers, singly or in combination, definite liability to U.S. interest.

6. In current situation we feel only Katay comes close to filling bill. He is tough politician who seems convinced PL duplicity and who strong enough resist their demands. At same time he able administrator and aware political importance giving tangible benefits to masses in order obtain their loyalty. Katay has disadvantages, chiefly widespread dislike of him among other Lao politicians, and we therefore encouraged at possible rapprochement with Phoui. We should appreciate elucidation nature personal enmity Katay engenders.

Accordingly, request your comments following points:

1. What are Katay's prospects becoming Prime Minister? Can and should we do anything further this development? Are there other candidates who meet criteria outlined above?

2. Since Katay at present seems content have Souvanna remain in office, is there some way he and Souvanna could temporarily divide responsibility government, that is, Souvanna to handle foreign affairs while Katay took over active supervision concrete domestic programs such as civic action, aid, administrative reform?

3. What is your estimate of Petsarath's chances assuming RLG leadership? What steps would you suggest to change his views on PL and accommodation to Communist Bloc? How can his influence be reduced and his assumption power prevented if his position re Communists cannot be reversed?

4. Regardless who is Prime Minister, is there any means reducing Lao political factionalism and bringing about semblance unity among Independents, Democrats, Nationalists?

5. Can we somehow (perhaps by clear-cut statement our support his views re coalition) stimulate Crown Prince to direct action in cooperation with Katay to unite all elements including Army opposed to taking PL into Cabinet and willing move ahead vigorously on broad-scale internal development program?

Dulles

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<sup>4</sup>Telegram 1970, May 23, reported on a conversation with a local correspondent who had interviewed Petsarath. Petsarath had not changed his favorable view of Pathet Lao administration of the two northern provinces. He was convinced that civil war must be avoided and that the Pathet Lao could play a useful role once they were integrated into Lao society. (*Ibid.*, 751J.00/5-2357)

440. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, May 29, 1957—6:58 p.m.*

1478. Department's 4702 to Paris repeated Vientiane 1461 London 8212 Saigon Phnom Penh Bangkok Unnumbered; Paris 6027 repeated Saigon 92 London 945 Vientiane 77.<sup>2</sup> On instructions Robertson, Young today reviewed U.S. position re coalition, French position Laos, and Petsarath for Landy, Counselor French Embassy.

Young stated we somewhat concerned at difference emphasis French and U.S. views on coalition. We believed Laos so spongy that coalition would give Communists chance set up base geographically and administratively throughout Laos. Far from settling problem, coalition, we feared, would only further weaken and divide Laos. We adhered to position set forth on delivery three notes, i.e. coalition extraneous to reunification, and hoped French through influential status Laos could impress upon Lao relationship entry Communists into government, increased subversive potential, and U.S. Congressional support.

Young then stated we hoped French in no doubt re U.S. attitude French position Laos. We not trying through devious or obvious means replace French Indochina. Nor were we trying divide Laos, either by abandonment two provinces to PL or by Southern secession. We understood difficulties integrating Laos but nevertheless like French we saw Laos as territorial entity.

Young's third point concerned Petsarath. While we had reserved judgment for considerable period we now considered Petsarath's views harmful Western position Laos and Southeast Asia. We were totally opposed his reported opinion PL not Communist and Viet Minh ties broken; moreover his desire accommodate both domestic and foreign Communist elements seemed open door to subversion even wider than Souvanna had. We started from fundamental premise Chinese Communists backed by USSR using Laos and Cambodia as fulcrum for take-over all Southeast Asia, and were therefore distressed that influential Petsarath appeared have swallowed Communist line.

Landy informed us Quai, following Yost's talk May 24,<sup>3</sup> instructed French Vientiane warn Lao entry few Communists would mean end Laos, end U.S. support, and end French Military Mission.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/5-2957 Secret. Drafted by Byrne; cleared by Kocher; approved by Young; repeated to Paris, Saigon, Phnom Penh, Bangkok, and London.

<sup>2</sup>Documents 437 and 438.

<sup>3</sup>See Document 438.

He added French had endeavored obtain postponement coalition issue but Petsarath had again stirred things up, though it appeared responsible Lao opinion opposed coalition and considered two provinces unimportant. He promised further details current instructions to Gassouin later this week.

Dulles

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#### 441. Editorial Note

After extended postponement of debate by the Lao National Assembly on the Pathet Lao problem, Souvanna Phouma addressed the Assembly on May 27 reviewing past negotiations, assessing the present situation, and setting forth his government's future policies. The Lao Prime Minister listed what he considered constituted progress in the negotiations and chided the Pathet Lao for their attempts to impose their own view of the relationship between political parties and the state. Souvanna Phouma outlined his future policies as a continuation of efforts to obtain a satisfactory settlement with the Pathet Lao based on a solution which would be arrived at independently and which would not endanger the Lao constitution or the sovereignty of the legal government. Telegram 1990 from Vientiane, May 27, not printed, contains an extensive summary of the speech. (Department of State, Central Files, 751J.13/5-2757)

On May 29 the National Assembly brought down the Souvanna government by failing to approve its future policies by a vote of 11 to 13. The Embassy's immediate analysis of what it termed the "strange and unexpected debacle" of Souvanna Phouma's defeat is in telegram 2012 from Vientiane, not printed. (*Ibid.*, 751J.00/5-2957) A summary of the 3-day debate is in despatch 251 from Vientiane, June 4, not printed. (*Ibid.*, 751J.00/6-457) On May 30 Souvanna Phouma resigned.

#### 442. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

Vientiane, May 31, 1957—6 p.m.

2026. In view Department's much appreciated efforts obtain effective French backing for our view of dangers of RLG-PL coalition am submitting following delicate information by telegram:

Embtel 1998<sup>2</sup> called attention enigmatic reference in Souvanna's speech 27th to reason for requesting by means tripartite notes guarantee of unity, integrity of Laos. I have following reasons to believe this was allusion to reported US plot to foster separatist movement and buffer state in south:

(1) French Military Attaché officially raised question with then Army Attaché in February (ARMA R-37-57<sup>3</sup>).

(2) More recently French adviser in talk with Embassy officer scoffed at latter's denials and even grew irritated when Embassy officer persisted in saying it unthinkable that US engaged in any such plot with Boun Oum or Katay.

(3) More recently another report reached me that French earlier this year had allegedly conveyed information by Souvanna Phouma purportedly based on "documentary evidence in Paris" that US in back separatist movement in Southern Laos . . . .

(4) . . .

As regards "documentary evidence" we believe it possible that after talks in Washington Katay carried with him through Paris papers relating to his request for support of program construction monuments, etc., in south. Possibly these documents reached French unbeknownst to him.

On 29th, before Assembly votes taken I asked Souvanna for audience today. I read enigmatic passage in his speech and asked him if he could explain background in private. He merely mentioned that every country had right to unity and it was useful for him to have this underwritten in "common declaration". I then said that from French sources I had heard rumors of suspicions that US fostering separatist movement in south and that possibly this was reason for asking for tripartite notes (which it will be recalled was brainchild of French adviser Parizot<sup>4</sup>). Souvanna replied that there had in fact been incidents in the south, that these had been linked to separatism, and that through his services of information, which existed a bit everywhere, US had been linked with movement. I said that I wished

<sup>1</sup>Source: Department of State, Central Files, 751J.13/5-3157. Secret; Limit Distribution. Repeated to Paris and London.

<sup>2</sup>Dated May 28, not printed. (*Ibid.*, 751J.13/5-2857)

<sup>3</sup>Not found.

<sup>4</sup>Governor Parizot was adviser to Souvanna Phouma and son-in-law of Petsarath.



that this had been brought to my attention so that I could have denied it directly. Souvanna replied that of course indications were not sufficiently precise or sure to raise such a question. I then said that I took this matter extremely seriously, so much so that if there were ever given by [*me?*] any evidence that I could consider genuine, I would offer my resignation at once to Washington as it was unthinkable that any such activity contrary to US policy could go on without my knowledge.

I deliberately took this means of challenging Prime Minister to produce evidence both because I wished to scotch story once and for all, and because I have had . . . reported French involvement in Lao Government suspicion of American complicity in separatist movement. In closing my remarks to Prime Minister I reiterated story preposterous because it was American policy to assist Laos in consolidating its independence and defending its liberty and not the reverse to partition and abandonment of heart of country. Souvanna replied that since I had told him he believed my assurance there was no American involvement in southern separatist movement. I do not know what repercussions will ensue if Souvanna reveals this to Parizot or to other French, but it should be noted that I did not accuse French to Souvanna of seeking prejudice him against US, although I consider burden of proof is on them demonstrate this not so. On other hand Souvanna admitted accuracy our information re reference in his speech of 27th.

Should Department consider raising this with French I should appreciate being consulted in view sensitivity of some of information involved.<sup>5</sup>

Parsons

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<sup>5</sup>In telegram 1499 to Vientiane, June 4, the Department noted that it had already denied to the French in Washington (see Document 440) any attempt to foster southern secession. Any further representation would imply French complicity in spreading the rumors. (Department of State, Central Files, 751J.13/5-3157)

443. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

Vientiane, June 3, 1957—6 p.m.

2049. Reference Deptel 1474.<sup>2</sup> Reftel overtaken by events. Next following telegram,<sup>3</sup> which not limited distribution, should be read in context reference Deptel.

While I concur fully paragraphs 2-5 inclusive, paragraph 3 particularly valuable and as matter of fact for past few weeks in various talks here we have increasingly stressed importance positive efforts in 10 provinces under RLG control.

Following responds to request for comment:

1. Recent telegrams . . . report currently promising prospects Katay becoming Prime Minister and Embassy actions respect thereto. Phoui also meets criteria reasonably well and does not have certain of Katay's disadvantages, least of which difficulty I find in having close, stable and responsive relationship with him. Phoui much easier to work with and would welcome his becoming Foreign Minister in Katay Cabinet. Lao finds Katay arbitrary, often tactless, always opportunistic, and quite a few can recall real or fancied double-cross at his hands. No doubt also he is generally thought to be venal. These qualities explain the antagonisms he engenders but he is still recognized as astute political leader whose strong qualities contrast favorably with Souvanna's weaknesses. Katay has probably deliberately sought to overcome label of American stooge with which he was earlier tagged and this is factor which we must remember in dealing with him if he becomes Prime Minister.

2. If Souvanna should make serious bid become Deputy Prime Minister in Katay Cabinet he might, as Katay did, stand almost completely apart from responsibility of government or he might be assigned specific sphere of action. In view his susceptibility to hitherto often unhelpful French influence and his softness to PL and to his two brothers it would be disadvantageous from US viewpoint if he had much to say in foreign affairs.

3. Embtel 2011<sup>4</sup> indicates Petsarath out of picture at present, long crisis could increase danger of resort to him, but I still believe he does not wish to make personal bid until later on if then. Before receipt reftel I had already taken means of long personal talk seek influence Petsarath's views. I think most promising course is to continue such efforts and I derive some encouragement from development reported Embtel 2047.<sup>5</sup> Petsarath has tendency emphasize

<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-357. Secret; Priority; Limit Distribution. Repeated to London, Paris, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>Document 439.

<sup>3</sup>*Infra*.

<sup>4</sup>Dated May 29, not printed. (Department of State, Central Files, 751J.11/5-2957)

<sup>5</sup>In telegram 2047, June 4, the Embassy reported that Petsarath or his advisers were attempting by public statements to mitigate what the Embassy considered to be a too pro-Pathet Lao stance. (*Ibid.*, 751J.11/6-457)

points of agreement with each caller he sees; therefore not sure how much real effect we can have.

4. Problem reducing political factionalism is long-term one but we should soon see results present Lao efforts, which we naturally have been seconding, to bring independents and nationalists together and carry democrats along.

5. Crown Prince has done good deal behind scenes to bring about current situation and set stage for Lao leaders including Katay to reconcile their differences. There is slim chance Colonel Phoumi now commander second military district might be Voravong clan nominee for Katay Cabinet which would of course help tie in ANL.

See next following telegram for idea possible US contribution.

**Parsons**

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**444. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, June 3, 1957—6 p.m.*

2050. 1. Given different motives of Bong and Phoui whose votes brought Souvanna down, it still appears his fall last week was accidental and not result of calculated maneuver. Yet there is little doubt he did not enjoy confidence of assembly majority for many of nationalists who maintained party discipline were at heart opposed, like Katay, whatever their motives. In this sense defeat of government was due and represented widespread anxiety over so-called "three brothers policy" and possible consequences not least of which was danger of loss US aid.

2. It hardly secret that US was not in sympathy Souvanna's policy of appeasement and viewed PL as Communists. I personally acquainted various leaders with prospect reappraisal our policy toward Laos if PL come into government or certain other dangerous concessions come about. . . .

3. View dim perspective, if Katay or someone else acceptable to us succeeds in forming government, it may be last chance. If new government fails to end neglect and drift in 10 loyal provinces, to counter subversion and propaganda and to pursue energetically program of social and economic progress, result may be chaos or resort to Petsarath—a strong man with, to date, the wrong ideas. At that stage our prospects for another holding operation would no doubt be dim and all the ill effects on Thailand, Vietnam, and beyond which

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-357. Secret; Priority.

we have feared and which makes Laos important to us would be in more imminent prospect.

4. We must therefore not reward new and more promising government by wavering or diminishing our support. I have been deeply concerned of late at word from visiting US officials and other informal indications that aid to Laos in FY 1958 may be cut drastically regardless outcome of our efforts to keep Communists out of RLG. If that were to happen at this juncture effect on US position would be severe. My own influence would be substantially at an end if after having talked of reappraisal under certain circumstances aid were cut even though our friends in Laos had heeded our warning. This does not mean that we should slacken efforts to achieve economies without loss of strength, particularly in ANL program, but such efforts must be accompanied by continued demonstration effectiveness and constancy our support. Furthermore with critical importance of promoting positive aspects our policy we must somehow keep civil action and Operation Brotherhood programs in forefront of battle for progress in 10 loyal provinces.

5. As one concrete step to be taken immediately upon formation Katay or other government satisfactory to us, I recommend that Secretary send message which I would deliver initially in telegraphic form and which could be made public at option new Prime Minister. Apart from greeting and congratulating him upon assumption of office such message could emphasize particularly our desire cooperate in vital task economic and social development. While not neglecting importance national unity to which any RLG must be dedicated we believe next government should put new emphasis on constructive tasks and that we should associate ourselves with its drive to reach and benefit population and cement its loyalty to crown. Whereas last government was pre-occupied with wooing PL to detriment all else, new one should be encouraged make new departure on vigorous broad-scale internal development program.

**Parsons**

445. Letter From the Director of the Office of Southeast Asian Affairs (Young) to the Ambassador in Laos (Parsons)<sup>1</sup>

Washington, June 4, 1957.

DEAR JEFF: You will be interested in some of the high points of the rather lengthy discussion which took place Wednesday, May 22, at the OCB meeting<sup>2</sup> on the Laos Outline Plan of Operations.<sup>3</sup> Three main topics arose: The strategic importance of Laos, the cost and size of the Army and police forces, and support for one man à la Diem.

My main impression is that the members of the Board were extremely interested in the problem of Laos, which they recognized as a tough one, and they were anxious that the courses of action of the Outline Plan succeed. Although there was at times considerable levity, sparked chiefly by General Cutler of the White House, there was clearly a basic acceptance of the importance of Laos to our security.

Governor Herter began with an expression of our concern that all agencies were "dragging their feet" in Laos, which was of considerable strategic importance as a buffer state. (I had briefed him on the need of urging much faster execution of programs.) We had to contend with an uncertain situation in the North and a difficult government. The American financial outlay was clearly disproportionate to the population and size of the country, but we had to take into account Laos' strategic significance rather than its numbers. The important question was whether we could hold the area. Economic soundness could not be the only criterion for the aid program; we had also to consider the requirements of a highly competitive effort against the Communists.

To a question as to why the Lao Army cost us so much, Mr. Hollister said that we were paying too much per soldier throughout Indochina. We had, however, to recognize that in this part of the world one could not pay a soldier without also paying for his family and that we had inherited inordinately high troop pay scales from the French. Each month he resisted turning over \$2.5 million for the Army, and each month the State Department insisted it had to be done for political reasons. He just did not know the answer to the problem.

<sup>1</sup>Source: Department of State, EA Files: Laos, Lot 68 D 77, Top Secret Laos 1957. Top Secret; Official-Informal. Drafted by Byrne.

<sup>2</sup>Another briefer report on the OCB discussion of May 22 on Laos is *ibid.*, OCB Files: Lot 62 D 430, Preliminary Notes of OCB Meetings.

<sup>3</sup>The "Outline Plan of Operations With Respect to Laos," May 29, was approved by the OCB on May 22 and modified on June 4. A copy is *ibid.*: Lot 61 D 385, Laos Documents.

On costs, Mr. Allen Dulles twice suggested that ICA should by now have found some way to "lick" the unfavorable exchange rate . . . . Hollister responded that Washington agencies were working on the problem, but it was not easy. The matter was exceptionally complicated and could not be hastily remedied. A rise in prices after an ill-thought-out devaluation could quickly offset any temporary benefits from the devaluation. Further inconclusive discussion of the exchange rate followed.

Then, Mr. Hollister suggested that perhaps the way to reduce the cost of the Army was to reconsider its use: It would be worthless against the Viet Minh, so that its mission might better be only to assure internal security.

General Cutler commented that the French had started the Army wrong so far as pay was concerned, but he thought that, since the Pathet Lao were also Lao, perhaps we were supporting 25,000 lemons against 6,000 Pathet Lao citrons. Perhaps the whole idea ought to be reassessed.

I gave a strong defense of the need to support the ANL, pointing out that it was one of our major anti-Communist assets in Laos. We had reduced the cost per man inherited from the French throughout Indochina and had succeeded in getting the Lao Government to pare the Army from 30,000 down to 25,000. It was politically and militarily unwise to cut the force level further in the absence of a political settlement insuring Lao Government control over the Pathet Lao and in the absence of a police force fully capable of handling internal security.

General Cutler and Mansfield Sprague, Assistant Secretary of Defense for International Security Affairs, asked me whether the Army could be reduced if the police were built up. Yes, I said. Could the Army be cut in another year, asked Sprague. Maybe, I replied, but always with the two provisos of an adequate police force and some successful solution to the Pathet Lao problem.

Cutler thought the police a fine idea, but found \$5 million a year a fantastically high expenditure for Laos. Hollister came through to defend the need of vehicles, equipment, and construction, apparently to General Cutler's satisfaction.

Cutler then concentrated on the need to support some strong political personality in Laos and would not be deterred by the tangential remarks of other Board members. Courses of action concerning the reduction or termination of U.S. aid were all very well, he said, but if we cut off aid, Laos would soon be in Communist hands. We had to do something to make our disengagement unnecessary. . . .

I explained that there now appeared to be only two strong leaders, Katay and Petsarath, that we considered Petsarath's views dangerous, and that we had already taken steps to give support to

Katay. . . . As a result of Cutler's persistence, Courses of Action 20-1 and 20-2<sup>4</sup> were added to the Laos Outline Plan. I think they strengthen the paper.

Other questions of interest were: 1) Cutler asked why we spend money on economic development for such an "unreliable" people. I emphasized the Lao were not unreliable, and Hollister stressed the need of building up local resources in order eventually to reduce Laos' dependence upon outside aid. 2) Governor Herter was curious as to how we envisaged the termination of the Geneva Accords. I said we had no concrete plan, that it was probably a long-range problem, and outlined the various and unpredictable factors involved, such as the Geneva co-Chairmen, the ICC, and the Lao Government. 3) Sprague wished to know whether Laos would eventually federate with Thailand. I thought this unlikely, in view of the Lao mistrust of the Thai, but thought there might be increasing cooperation with the Philippines.

Upon the Board's approval of the paper, subject to the changes resulting from the meeting, Governor Herter reiterated our fear that we were all dragging our feet in Laos, and declared this could not go on if we were to hold the place. For a little country, Laos presented one of our toughest problems.

As I hope will be evident from the foregoing, the discussion was lively, and everyone was sooner or later put on the spot by General Cutler's direct questions designed to provoke and stimulate. The paper as a whole was very favorably received, and for the moment at least Laos' importance seemed to be understood. Both Governor Herter and General Cutler commended Pat Byrne and the working group for their work.

One copy each of the Top Secret and Abridged (Secret) versions of the Laos Outline Plan will shortly be pouched to you under cover of a letter from the Under Secretary. We hope it will prove helpful to you in accomplishing what we wish to accomplish in Laos.

Sincerely,

Kenneth T. Young, Jr.<sup>5</sup>

<sup>4</sup>These actions in the approved paper read as follows:

"20-1. To forestall seizure of power by Communist or other anti-U.S. elements, promote and support Lao leaders who will cooperate with the U.S., resist Pathet Lao demands, vigorously pursue economic and social development programs, and secure support of the Army, Police and the Throne."

"20-2. In case of an imminent or actual Communist attempt to seize control from within, and assuming some manifest local desire for U.S. assistance, take all feasible measures to thwart the attempt, including even military action after appropriate Congressional action." (*Ibid.*)

<sup>5</sup>Printed from a copy that bears this typed signature.

**446. Memorandum of a Conversation, Department of State,  
Washington, June 5, 1957<sup>1</sup>**

**SUBJECT**

Laos

**PARTICIPANTS**

The Secretary  
Ambassador Alphand  
Mr. Charles Lucet, Minister, French Embassy  
C. Burke Elbrick, EUR

Ambassador Alphand said that the French Government is very worried about the situation in Laos and referred to the fact that no Cabinet now existed in the country. The Laotian Ambassador in Paris had made a *démarche*, to the French Government in asking that the latter continue its economic and financial aid to Laos. The French Government is prepared to do this and hopes that the United States will also continue its aid. The Secretary said that he was not acquainted with the most recent developments in Laos but he understood that no Government had yet been created. He said that we would make a note of the French Government's request.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-557. Confidential. Drafted by Elbrick. The following marginal note by Macomber appears on the source text: "OK, WM".

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**447. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, June 6, 1957—6 p.m.*

2077. Reference: Embtel 2050.<sup>2</sup>

(1) United States is on record against entry Pathet Lao into government before or after elections and as warning such entry would mean reappraisal (and possible loss) of aid. Presumably Katay feels entitled to know whether same consequences would follow admission of former Pathet Lao to government headed by him after he had succeeded in restoring royal authority in two provinces, reintegrated Pathet Lao civil and military on acceptable terms and obtained disso-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-657. Secret. Repeated to Paris, London, Saigon, Phnom Penh, Ottawa, and New Delhi.

<sup>2</sup>Document 444.



lution Pathet Lao as such. At some time Katay or some other Lao leader likely press me on this.

(2) Following considerations are pertinent:

(a) As pointed out last paragraph reference telegram national unity key problem in Laos.

(b) No Lao could advocate abandonment negotiations with Pathet Lao or appear accept loss two provinces or openly advocate recapture HY [by?] force.

(c) All political leaders give at least lip service to inclusion former Pathet Lao representatives in government at some stage. Katay, Phoui and Kings Council all clear that this last step, not first as with Souvanna, coming only after Pathet Lao guarantees and actual performance. Privately, in my opinion, they plus Crown Prince do not think there is much chance Pathet Lao will go along, and thus hardly expect reach last step. As it is however, RLG when under Katay will probably wish take this step if they feel it safe under then conditions.

(3) Department desired me encourage Katay-Phoui rapprochement (Deptel 1467<sup>3</sup>) and I have assumed it also favored Katay-Phoui government. Certainly no other combination so promising from standpoint United States interest in saving Laos (as stated reference telegram). Were I to reiterate flatly at this stage policy set forth November 13 letter, I doubt it would alter Katay-Phoui plank. It would instead merely lend credence to reports which some of our friends are not above peddling, that United States more interested in keeping couple of Pathet Lao (Commies) out of government than in helping Laos with settlement of its national problem. I doubt even United Kingdom Ambassador would find it possible support us in such attitude. We would thus be alone, with diminished chances of influencing evolution of affairs here.

(4) In view foregoing I should appreciate Department's reaction soonest to following line for use if statement our attitude becomes necessary in situation which I would regard as substantially different from that which obtained under Souvanna:

The United States interest in Laos is that it become a peaceful united country while maintaining its freedom, independence and democratic form of government.

To accomplish this it is necessary that RLG be in actual control of entire territory of Laos and that RLG itself be free of elements whose aim is to subvert government and overthrow constitution.

Indeed, purpose of United States aid would be defeated if representatives of any political party or movement, under whatever name, whose aim is subversion, are admitted to government. Under such

<sup>3</sup>Dated May 24, not printed. (Department of State, Central Files, 601.4351J/5-2457)

circumstances the continuance of aid would have to be reconsidered. This decision would be ours. (For present, we do not necessarily include Bong among such representatives.)

Hence, if schedule such as recommended by King's council (RLG control of the provinces, administrative and military integration of ex-PL organizations, formation of Neo Hak Sat party and participation in government) is followed one step at a time, then continuance of US attitude would be reviewed upon completion of each step and would depend on our determination of following questions:

(Step 1) Whether military and administrative control of two provinces has in fact passed completely into the hands of RLG. Our findings would be based on our own investigations, on the spot.

(Step 2) Whether integration of ex-PL cadres (administrative and military) has been carried out in a manner safeguarding integrity and security of RLG and ANL.

(Step 3) Whether the Neo Hak Sat, or any other successor to PL was in fact an independent political party, free from foreign domination, and loyal to constitution and crown.

(Step 4) Whether the ex-PL or any other candidates advanced by Neo Hak Sat for ministerial appointments in accordance constitutional procedures are themselves independent and without subversive or disloyal intentions or connections. In judging the reality of independence and loyalty, one of the criteria to be met by ex-PL would be the conduct and patriotism of former members of Lao Issara who came back as loyal citizens and have since become honored participants in RLG.

Finally, as our attitude dependent on future circumstances as outlined no need and in fact undesirable attempt define position more precisely now.

Parsons

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#### 448. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, June 7, 1957—8:28 p.m.*

1521. British démarche (London 6704 repeated Paris 1050 Vientiane 42<sup>2</sup>) and Katay's prospective assumption power raise two ques-

<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-757. Secret; Priority; Limit Distribution. Drafted by Young and Byrne, cleared by Kocher, and approved by Robertson. Repeated to Paris and London.

<sup>2</sup>In telegram 6704 from London, June 7, the Embassy transmitted a report of an oral démarche from the British Foreign Office suggesting British and U.S. support of a Lao Government under Katay based on the following four points: (1) resumption of

*Continued*

tions re coalition: A) What we tell British French Katay; and B) what we decide among ourselves.

Re A), we see no reason bring up coalition issue with Katay nor does there appear be need make definite decision now when all factors completely uncertain. Katay has not asked our position on coalition and at same time he aware our support. We should propose therefore say nothing to Katay until and unless we have to, and continue tell British French we hope he succeeds forming government but shall wait and see with respect our own policy decisions.

Re B), it becoming increasingly possible we may be confronted requirement reassess our policy on coalition. Katay or other pro-U.S. Lao leader may soon raise question. Further, while we believe it highly unlikely PL will accept conditions posed by Katay for their entry into Cabinet, we cannot count entirely on continued PL intransigence. It just barely possible Katay will carry out announced program to point where PL participation government comes next.

We therefore put forth for consideration among ourselves possibility our tacitly accepting (i.e. heralded reappraisal would not result sanctions through aid program) two PL in minor positions Cabinet provided 1) Katay heads best Cabinet in sight and works vigorously on economic social development programs; 2) RLG authority restored two provinces, PL movement dissolved, and PL troops integrated into ANL with adequate controls before PL participation Cabinet; 3) we satisfied RLG has such command situation that PL entry government would not increase Communist subversive capability. Secondary factor in such possible eventual acceptance coalition would be prospect gaining effective British French support for anti-Communist Katay Government.

We wish stress anything we said near future to Katay British or French would be most guarded and so phrased as avoid commitment. No open shift our policy coalition would take place if at all until PL had performed on foregoing commitments Katay reportedly intends exact before PL entry Cabinet. We have succeeded in preventing disastrous developments under Souvanna by standing firm on coalition and do not wish to lose ground thus gained by premature or unnecessary change.

Request your comments.

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negotiations on the basis of the December 28 declaration; (2) guarantees of dissolution of the Pathet Lao movement, integration of Pathet Lao forces into the Lao National Army, and restoration of Royal Lao Government's authority in the two northern provinces; (3) acceptance of two former Pathet Lao into the proposed Katay government; and (4) a commitment by Katay to resign after 2 months if no agreement was reached with the Pathet Lao. (*Ibid.*, 751J.00/6-457)

Vientiane 2077 repeated Paris 459 London 420<sup>3</sup> and Vientiane 2081 repeated London 419 Paris 458 just received.<sup>4</sup> Would statement our attitude re coalition (Vientiane 2077) be used orally in answer questions from Lao leaders? Issued publicly? Made on our initiative? Second sentence Step 4 not clear. Is last paragraph Vientiane 2077 part of proposed statement?<sup>5</sup>

Herter

<sup>3</sup>*Supra.*

<sup>4</sup>In telegram 2081 from Vientiane, June 6, the Embassy agreed with the British proposal at least on the importance of the United States supporting Katay in an attempt to form a government, but did not believe it wise to raise the issue of coalition. (Department of State, Central Files, 751J.00/6-657)

<sup>5</sup>In telegram 2107 from Vientiane, June 11, the Embassy noted that it proposed making a statement orally to Lao leaders only in answer to anticipated questions. (*Ibid.*, 751J.00/6-1157)

#### 449. Telegram From the Department of State to Embassy in Laos<sup>1</sup>

*Washington, June 18, 1957—8:06 p.m.*

1567. Vientiane 2077;<sup>2</sup> Vientiane 2107.<sup>3</sup> Assume you concur Department's 1521 to Vientiane.<sup>4</sup> Your proposed statement (Vientiane 2077) in response anticipated questions Katay or other pro-U.S. Lao leader re our position coalition appears meet our desire avoid commitment in discussing coalition with foreigners while at same time permitting some flexibility. You therefore given discretion use statement orally as you deem necessary in appropriate situations.

We are not of course prepared shift our policy now in hypothetical situation, nor are we willing in private conversation with Lao or other foreigners go beyond implied flexibility your proposed statement. As stated Department's 1521, we have succeeded in preventing disastrous developments under Souvanna by standing firm on coalition and do not wish lose ground by premature or unnecessary change.

Dulles

<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-1157. Secret. Drafted by Byrne; cleared by Kocher, Young (in draft), and Jones; approved by Robertson; and repeated to Paris, London, Saigon, and Phnom Penh.

<sup>2</sup>Document 447.

<sup>3</sup>See footnote 5, *supra*.

<sup>4</sup>*Supra.*

450. Memorandum From the Secretary of State's Special Assistant for Intelligence (Cumming) to the Under Secretary of State (Herter)<sup>1</sup>

Washington, June 21, 1957.

SUBJECT

Intelligence Note: *The Government Crisis in Laos*

The failure of Katay Sasorith's attempt to form a government based on the Nationalist and Independent parties creates the prospect of a prolonged governmental crisis in Laos. The longer it continues, the less likely it will be that its resolution will provide a stable government resistant to further concessions to the Communist Pathet Lao.

In the National Assembly vote on 20 June, Katay fell short of the required two-thirds majority by a single vote (18-8-2). Among the factors contributing to the adverse vote were:

- (1) the refusal of the small democratic Party of the Voravong family to join the government because of opposition to Phoui Sananikone, leader of the Independent Party, who was designated as Minister of National Defense;
- (2) the firm stand taken on the Pathet Lao issue in Katay's policy statement,<sup>2</sup> which cemented the opposition of the National Union Party of Bong Souvannavong;
- (3) miscalculation by Katay of the behavior of a few deputies.

The Crown will reportedly next designate Bong as formateur in the confident expectation he would fail and thereby improve the chances that Phoui would subsequently succeed. The outgoing Prime Minister, Souvanna Phouma, is another possible future choice. In view of Phoui's alignment with Katay in adopting a relatively firm position on the Pathet Lao issue, Crown Prince Savang personally favors Phoui. However, the general Lao desire to achieve a "final settlement" with the Pathet Lao might make it easier for Souvanna (who has shown greater flexibility and willingness to compromise) to win Assembly approval.

Any government will have to be a coalition, and the longer the crisis continues, the more likely it will be that the present tentative harmony between the Nationalist and Independent parties will deteriorate and that Bong's neutralist National Union Party will have to

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<sup>1</sup>Source: Department of State, Laos Files: Lot 63 D 3, 361.2 Cabinet (1956-1958). Secret. Drafted by William C. Hamilton, Division of Research for the Far East, Office of the Special Assistant for Intelligence.

<sup>2</sup>Summaries of this speech are in telegrams 2109 and 2162 from Vientiane, June 12 and 20, neither printed. (*Ibid.*, Central Files, 751J.00/6-1257 and 751J.00/6-2057, respectively)

be included in the cabinet. Other possible solutions (particularly if the hiatus is protracted) include an effort by the Crown Prince to form a government himself or a resort to Prince Petsarath, despite the royal family's opposition to his resumption of an active political role.

Future formateurs are unlikely to repeat Katay's apparent error of formulating a program implying that the Royal Government would not consider further concessions until the Pathet Lao has demonstrated good faith by disbanding its military units and allowing restoration of the Royal Government's administration in the northern provinces.

A similar memorandum has been addressed to the Secretary.<sup>3</sup>

<sup>3</sup>Not found in Department of State files.

#### 451. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, June 22, 1957—noon.*

2182. Following comments on government crisis here sent now in view possibility Embassy Paris may be talking re Laos with French and Tomlinson 24th.<sup>2</sup>

Defeat of Katay has had or threatens have consequences as follows:

1. Pathet Lao and their allies who were virtually panicked by probability week ago of Katay success have been given respite. We may expect Hanoi Radio, et cetera, et cetera, celebrate victory for "peace and neutrality" over American efforts through Katay use Laos its ends. At same time in Laos efforts may be made hamper police and ANL repressive measures which were stepped up after fall of Souvanna.

2. PEO contacts with ANL yesterday indicated number of leaders who committed themselves rather eagerly to Katay line somewhat disoriented and discouraged. Do not believe this extends much to key commanders.

3. Defeat Katay and refusal Phoui (which not necessarily final) remove for time being two candidates most acceptable to United States. For moment no one who could form what might be called "rightwing coalition" likely be designated. Now remains to defeat

<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-2257. Secret; Priority. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>See Document 453.

"leftwing coalition" under Bong if he is in fact designated. Defeat should be safely accomplished although Bong's skillful manipulator and may drive some wedges which will hurt later.

4. In view foregoing there is possibility Souvanna-Petsarath faction will derive principal profit from this exercise. From Pheng yesterday we gained impression Assembly would be disposed accept Souvanna government with Katay and Phoui as his principal lieutenants. Such government would have hard time carrying out policy line of any of principals involved. In any event importance Souvanna faction likely weigh more heavily in next round.

5. Prospects for "right-wing coalition" also dependent on removing opposition Leuam and Voravong who believed to have sabotaged Katay for personal reasons. Tactics for such effort (by pressure or appeasement) almost inevitably involves United States attitudes toward these individuals. We are therefore giving particular attention to this but not clear yet what can be done.

6. Failure Katay is regarded also as setback for United States as key politicians particularly and leading elements generally regard him as United States favorite. French, on other hand, have come through first round in good shape as Souvanna appears be moving into more strategic position.

7. Optimism of Crown hard to take at face value but it safe to assume Savang as determined as ever bring about "right-wing coalition" under Katay, Phoui or members their groups and to avoid another Souvanna government and above all a Petsarath government. Crown Prince returning Luang Prabang for several days but will be back for next more critical round. Because of party and family groupings situation extremely complicated; no one can foretell outcome.

United States position. It seems to me important not let anyone conclude United States policy has in any way been altered by events and we will support any Lao leader who firmly defends his country's interests. Otherwise I expect merely keep in close touch with usual contacts, stress importance forming strong government soonest and watch for opportunities use such influence as we have. It does not seem to me that any special message to Crown Prince or any public comments about Laos warranted at this time but if extremely critical situation arose this is possibility. Tripartite statement from Paris would obviously be undesirable even if it were possible to agree on one.

Parsons

452. Letter From the Ambassador in Laos (Parsons) to the Director of the Office of Southeast Asian Affairs (Young)<sup>1</sup>

*Vientiane, June 25, 1957.*

DEAR KEN: I promised a few comments on your most interesting letter of June 4 on the meeting on the "Laos Outline Plan".<sup>2</sup> It is most encouraging to us to note the importance attached to Laos by the top people back home. We shall feel confident of support when we deserve it.

I particularly welcomed the emphasis given by the Under Secretary on foot dragging by Washington agencies. To you I would say that we have noted a distinct upswing in responsiveness from virtually all agencies back home over the past few months and I would give State's efforts particular credit for that. There are two areas in which expedited action seems to me particularly desirable at the moment. One you have taken care of through your efforts with Captain Robbins and the promised telephone call from Walter Robertson to Mr. Sprague in Defense. Incidentally, a comptroller for PEO arrived last week—I hope a good one. The other area where we badly want hurry-up action is the one in which Mr. Hollister at the meeting in question rightly responded that it was not easy to lick the unfavorable exchange rate. Beginning I think last October or November, Carter de Paul and I set this forth as a problem of great urgency and I have at various times ruffled feathers I believe in repeating that it is just that and in viewing with some alarm academic approaches to it. With the visit of the IMF delegation and subsequently that of their boss, Dr. Raj, I hope that we may soon, after nearly 8 months, be off dead center.<sup>3</sup>

As a footnote on the foregoing, I have my own private reservations as to the reaction of the Lao Ministers concerned when it comes to the point of really facing up to remedial measures. This thing has progressively further corrupted people in high places and the vested interests of all too many "Excellencies" may be involved. It is one of our more discouraging problems.

You will be interested to know that Rothwell Brown<sup>4</sup> told me the other day that he believed that in the past three or four months,

<sup>1</sup>Source: Department of State, Central Files, 751G.00/6-2557. Top Secret; Official-  
Informal.

<sup>2</sup>Document 445.

<sup>3</sup>Although Laos was not a member of the International Monetary Fund, members of the staff visited Laos and prepared a draft report on the Lao financial and monetary situation. Dr. James S. Raj was Director of the IMF Asian Department. Documentation on the IMF in Laos and elsewhere is in Department of State, Central File 398.13.

<sup>4</sup>Head of the Programs Evaluation Office in Vientiane.



he has lately achieved a clear saving at the rate of at least 100 thousand dollars per annum through the prevention of graft on ANL travel orders to neighboring areas (\$20,000 in June alone, an abnormally big travel month). You can see the profit possibilities, again thanks to the exchange cross rate between the kip and the baht. This would have been caught and stopped much sooner if PEO had been adequately staffed. There are many other loopholes to plug I feel sure, and in the end we shall count savings of considerably greater magnitude if PEO can do the job.

I agree with the comments which you made during the meeting, particularly with respect to reduction of the ANL and build-up of the police. You will remember that the U.S. agencies concerned went on record last fall as being willing to work towards a force level of 15,000 beginning a year after successful reintegration of the PL in accordance with our specifications.

. . . . .

The two versions of the outline plan<sup>5</sup> have just come in and I hope to study them in the next several days. I thoroughly expect to find that these are excellent papers.

Best wishes as always,

Yours sincerely,

Jeff

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<sup>5</sup>Reference is to the abridged and unabridged versions of the Outline Plan.

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453. Telegram From the Embassy in France to the Department of State<sup>1</sup>

*Paris, June 26, 1957—4 p.m.*

6628. Re Deptel 5186.<sup>2</sup>

1. We met with UK and French representatives at Quai d'Orsay afternoon June 24 for informal exchange of views concerning Laos.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-2657. Secret; Priority. Repeated to London, priority to Vientiane, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>In telegram 5186 to Paris, June 22, the Department reversed its opposition to Yost's participation in tripartite talks on Laos as described in telegram 6628. (*Ibid.*, 751J.00/6-2257)

2. Lebel opened discussion by stressing informal and unofficial nature of meeting. French then developed thesis:

(a) Present policy of US-UK-France in opposition to coalition is negative one and appears to Lao to run at cross purposes to universal Lao desire for peace and reunification.

(b) Continuing to stand pat and emphasized dangers of coalition may result in build up public pressures to point where Lao, in reaction, may eventually go too far in accommodation with PL.

(c) Time no longer working for us but for PL.

(d) While attention RLG and Army concentrated on two northern provinces, Pathet Lao is making quiet progress in remaining ten.

3. UK . . . spoke along following lines:

(a) UK Ambassador in recent trip had noted "malaise" in loyal provinces, but idea that Pathet Lao making gains was "news" to British.

(b) UK agrees with French time no longer on our side but working in favor of PL.

(c) UK believes "something like coalition" inevitable eventually. Problem is to concentrate on obtaining necessary safeguards. Should prior conditions be met, three powers would have no grounds for objection. UK doubts Lao willing face division indefinitely.

(d) Three powers must preserve common front in Laos. However, our public attitudes should clearly be in favor of reunification.

4. US representatives pointed out Lao situation currently very fluid and we see no present grounds for change in western policy. We are limiting ourselves at this time vis-à-vis Laotians to urging strong government committed to maintaining security and independence of Laos. It is true there is predominant sentiment in Laos in favor of reunification and probably growing weariness with warfare in north. However, we believe there is still strong feeling among politically articulate Laotians against accepting reunification on PL terms and against coalition at least until certain conditions are met. We believe western powers should continue to use their influence to support this feeling. To condone coalition lest PL otherwise extend influence in ten provinces would be unreasonable since coalition would merely facilitate their doing exactly this. We do not believe coalition is by any means inevitable. We have seen no evidence PL will accept any terms which will not threaten security of Laos and we still hope Lao Government can be formed which will not accept such terms. Continued separation of two provinces is certainly preferable to Communist control of all Laos. We believe RLG, while continuing to seek reunification, should concentrate main energies on developing and securing ten provinces through effective economy, information and police programs.

5. . . . requesting that his words not be repeated back to him as "UK proposal"—which it was not—raised question whether "neu-

tralization" of Laos might persuade Chinese and Soviet Communists relinquish Communist control of northern provinces. Both French and US took dim view of this line, which was dropped.

6. It was agreed by all three that Petsarath, who was leaning toward PL before his return to Laos, is leaning further now, was impressed by PL achievements in two provinces, and would be dangerous Prime Minister.

7. Meeting concluded with plea . . . , echoed by all, that three powers maintain close and friendly cooperation Laos and not permit any appearance of difference among them.

*Comment:* It was obvious that French and British are inclined to push for "more flexible" policy and particularly to prepare us for "inevitability" of coalition. We were surprised British went so far in this direction. While they did not seriously contest our arguments, we doubt that they were convinced, except of fact that we are not yet prepared to shift our position. Common view on Petsarath and particularly on necessity of maintaining solid tripartite front vis-à-vis Laotians were positive factors. Nevertheless French and British positions are obviously softening and we should recommend, if we wish to hold them in line, continued vigorous US missionary work in Vientiane, Washington, London and Paris. In order to convince French and British it may be necessary to give more emphasis to "positive" elements our program, such as intention to proceed more rapidly with economic development.

Houghton

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454. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State<sup>1</sup>

*Washington, June 28, 1957.*

SUBJECT

U.S. Policy Implications of Lao Cabinet Crisis

Although the situation in Laos does not require any immediate U.S. decisions, I believe developments there to be so important that I am informing you of them beforehand in preparation for action which may soon have to be taken.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/6-2857. Secret. Drafted by Byrne and cleared by Kocher, Young (in draft), and Jones. A marginal note on the source text indicates that the Secretary saw this memorandum.

To the problem of the Pathet Lao has been added a Cabinet crisis in which Lao Government policy toward the Pathet Lao is a highly important issue. This complicated political situation presents the following policy problems for the United States:

1. *Need of a strong, effective government:* Of the two principal problems confronting Laos (a political settlement with the Pathet Lao and economic and social development), the Royal Government has always seemed to expend a disproportionate amount of energy on the Pathet Lao issue almost to the exclusion of the advancement of the ten provinces presently under Government control. The problem is to find a man who could handle negotiations with the Pathet Lao without making dangerous concessions and at the same time provide leadership for civic action, the efficacious utilization of American aid (about which there is increasing criticism in Laos), monetary reform, and other internal ills besetting Laos. If such a man does not soon come to power, Laos will drift toward pro-Communist neutralism under a weak leader, or will be steered that way by a "strong man" such as Prince Petsarath, who possesses drive and leadership but whose advocacy of accommodation to Laos' Communist neighbors is decidedly dangerous.

2. *Whom to support:* Despite our desire in principle not to play personal politics, it has become necessary to support in discreet fashion an anti-Communist leader in Laos. We had backed Katay, since he is pro-American, anti-Communist, and one of the strongest personalities in Laos. He knows the political value of bringing tangible benefits to the Lao masses, and could be expected to utilize American aid more effectively.

Katay's failure to form a government has thrown the question open once again. The only other promising candidate from our point of view is Phoui, leader of the second largest party and Katay's temporary ally. We hope some arrangement under which either Katay or Phoui becomes Prime Minister can be worked out. We must in any event do what we can to keep out pro-Communist Bong (who is currently trying to form a government but who is expected to fail), Prince Petsarath, and outgoing Prime Minister Souvanna Phouma (not pro-Communist but a push-over for the Pathet Lao).

If a pro-Western candidate comes to power, the U.S. should get behind him by putting all programs in Laos on a "crash" basis.

3. *Coalition government including the Communists:* You will recall that in our letter of November 13, 1956 to Prime Minister Souvanna we stated we might be obliged to reappraise our political and economic policies in Laos if the Lao Government took certain steps, and cited Pathet Lao participation in a coalition government as one example of such steps. Since then the Lao Assembly has approved Royal Government-Pathet Lao agreements on, among other things, eventual

Pathet Lao entry into the Cabinet. It seems likely that any Prime Minister will have to include this eventuality in his program.

We may thus soon be faced once again with the necessity to take a position on coalition. We need not now decide publicly on our stand in a completely hypothetical situation, but we should privately be prepared to be flexible if a strong anti-Communist becomes Prime Minister. Ambassador Parsons shares this view. We may wish at some future time *tacitly* to accept coalition (that is, we would not reduce or withdraw our aid) if 1) the Pathet Lao were integrated into the National Army under an adequate control system, 2) the Government's administration were actually restored in the two provinces, and 3) the Government was in such command of the situation that Pathet Lao entry into the Cabinet did not represent a material increase in Communist subversive potential because their ability to maneuver under the foregoing conditions would be so thoroughly circumscribed. We would not, however, openly shift our policy on coalition, if at all, until the Pathet Lao had fulfilled the foregoing conditions. We have succeeded in preventing disastrous developments under Souvanna by standing firm against coalition and do not wish to lose ground by a premature or unnecessary change.

4. *U.S. aid in FY 1958*: In order to stave off dangerous concessions to the Pathet Lao under Souvanna, we have repeatedly stated that we might be obliged to reappraise our political and economic policies toward Laos if, for example, the Pathet Lao were included in the Government. Fear of a cut in American aid has been an effective deterrent on otherwise foolhardy Lao leaders, and they have not taken the dangerous steps we have so diligently tried to prevent. (Ambassador Parsons and his staff in Vientiane have done an excellent job of pointing out to the right people at the right time the dangers of coalition to Lao independence and U.S. support.)

This means that if Katay or another anti-Communist comes to power we must maintain the FY 1958 aid level to the greatest extent possible within the overall MSP funds available. A cut, even though the result of the Congress's economy drive, would be interpreted by the Lao as politically motivated. If we reduce our aid to Laos when they have not yielded to Pathet Lao pressures, we deprive ourselves of our major weapon in the coming battles to keep up Lao resistance against Communist enticements.

5. *Pathet Lao hostilities*: To influence the Lao Government to accept a settlement on Communist terms, the Pathet Lao have for the past two months stepped up isolated military incidents in the two provinces, and their delegation in Vientiane uses the threat of military action to intimidate Lao Assembly delegates. If a strongly anti-Pathet Lao Prime Minister comes to power, this form of military pressure may be expected to increase. We believe the Communists do not

intend to launch a major offensive. Nevertheless, military incidents even of a relatively modest scale might lead to the possibility of a Lao Government appeal to some international body for support.

6. *Appeal to the United Nations:* In recent months responsible Lao leaders have increasingly referred to a resort to the United Nations to settle the Pathet Lao problem if bilateral negotiations became stalemated and the Geneva machinery yielded no results. The King's Council communiqué of June 4<sup>2</sup> and Katay's declaration in his investiture attempt [*speech*]<sup>3</sup> made official mention of the possibility. We do not know what mechanism the Lao Government would use, but consider that at best the Lao Government would gain merely a propaganda victory for its position. If the Lao do indeed call upon the United Nations, they will undoubtedly expect support from us.

As the foregoing indicates, we are in an extremely fluid and unsatisfactory situation, but if a tough, anti-Communist leader becomes Prime Minister we may be given the first real opening in over a year to move ahead to assist the Lao Government in undertaking a broad-scale political and economic action program. If such a leader does not appear, the accomplishment of U.S. objectives in Laos will be more difficult.

<sup>2</sup>A summary is in telegram 2065 from Vientiane, June 5, not printed. (*Ibid.*, 751J.00/6-557)

<sup>3</sup>See footnote 2, Document 450.

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#### 455. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, July 5, 1957—4 p.m.*

29. Reference: Paris telegram 6628 to Department.<sup>2</sup> Following comments on UK, French policy Laos as seen from here:

1. UK. It apparent for some time Foreign Office and Holliday have been searching for some more positive line of action than one which they willingly followed with us to prevent disastrous accommodation to PL. Search stepped up after Souvanna fell May 29 as indicated by British approaches to US London, Washington and here on degree our future flexibility re coalition etc. On at least one occasion Holliday has said that almost all Lao will in end prefer measure

<sup>1</sup>Source: Department of State, Central Files, 751J.00/7-557. Secret. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>Document 453.

of coalition to divided country; key questions are safeguards and order of events in realizing reunification. . . . (I interjected goal was broader, defense of country's vital interests which opposite of Communists objectives if they entered government.) It was clear to both of us I think that such difference top priorities could under a new stauncher government lead to some divergence in our local attitudes. A difference in our current assessment also leads to same possibility.

Holliday feels . . . that time is on side PL. I contested this on both broad and specific grounds. I recalled he had found much uneasiness in south Laos. However, Communists had been at work for quite a while whereas, positive efforts on our side activated only lately (although plans initiated year ago). One could hope for considerable impact from:

- (a) Civic action whose first teams now in field,
- (b) Operation Brotherhood which treats 50,000 patients a month (many repeaters),
- (c) Campaign identify ANL with peoples,
- (d) Growing effectiveness of certain security agencies.

In addition to this in past few months US aid had become visible and tangible and no doubt Holliday had noticed we had lost no opportunity draw attention to this through ceremonies which got publicity, pamphlets, etc. Holliday agreed this latter effort had had impact.

In light foregoing while I agree with Paris telegram view that British seeking more flexibility and will urge it on us, I do think any serious divergence in action here is likely in near future; if we get another weak government divergence is unlikely. On Petsarath, Holliday fully agrees with us . . . . I should add that I refrained from telling Holliday about our four step statement (Embtel 2077<sup>3</sup>) on terms for ultimate acquiescence in limited former PL participation in RLG. Instead I reiterated that having contributed to defeat coalition under Souvanna we were not going make policy commitment prematurely and run risk of abetting revival such policy under him or anyone else and so would await developments which we would examine on their merits. Finally I said we did not and would not acquiesce in idea of divided Laos but it obviously dangerous to hurry too much in dealing with Communists. I said we must combat notion which may have been deliberately disseminated by others than Communists that US views permanent division of Laos with equanimity.

2. France. As Embtel 2213<sup>4</sup> indicated French policy in action here quite different from UK and also apparently from that which

<sup>3</sup>Document 447.

<sup>4</sup>Dated June 27, not printed. (Department of State, Central Files, 751J.00/6-2757)

Quai d'Orsay thinks it is (not for first time either). French here have tendency to choose and support individual. Family influence and ties render junior branch Royal family especially attractive to them in view (a) Souvanna's half-French wife and extensive connections and commitments in France, (b) Petsarath's French son-in-law (Parizot). As they rationalize situation, it is worth taking some chances in order to remain on inside in position of influence which will also facilitate retention certain special status for French here. More important, French do not fear admitting PL as much as we do. They do not contest Souvanna line (and may have in some measure inspired it) that once PL brought under RLG sovereignty RLG can do what it will with them. Hence easier rather than more difficult prevent subversion after coalition for which they too want some safeguard.

Lebel's thesis that standing pat likely build pressures for extreme accommodation to PL is new to us. Despite irritation with merit our firmness engenders, it is in my view more likely stimulate caution and search for middle ground than recklessness. French emphasize far more than we ability leader like Petsarath bring order out of chaos and dominate populace. If PL were ordinary rebel I might agree but French seem overlook or discount their status as arm albeit not most efficient arm of international Communist movement which will not be dissuaded from goal by any individual, particularly on [by?] one who was taken in to degree Petsarath apparently was in visiting Sam Neua. This is not to say we, and French, should not continue try educate Petsarath.

I agree with final paragraph reference telegram in its emphasis on need stress "positive" elements our program. Economic development and at grass roots as emphasized by French too is an urgent must. A constructive position on currency problem would be major contribution to this end although we can probably expect rough going from some of leaders who now profit from situation and would again after a devaluation in precisely same manner.

**Parsons**



456. Telegram From the Embassy in France to the Department of State<sup>1</sup>

*Paris, July 12, 1957—2 p.m.*

243. Reference: Deptel sent Paris 163.<sup>2</sup> We would think approach to French requesting they use their resources Laos to assist in obtaining Katay's investiture would result in no good and probably some harm.

French would most likely decline request on grounds "such intervention in internal affairs Laos" undesirable and incompatible with delicacy French role as former protecting power. This attitude may not correspond with actual French activities Laos but it is almost surely one Foreign Office would take.

Should we then request they at least take no action frustrate Katay's bid, Foreign Office would probably reply, possibly with some indignation, this of course would be their attitude.

We agree with Department's observation word of our approach would inevitably leak back to Souvanna.

While we believe approach of type suggested unlikely be helpful in achieving our objective or clarify French position and would probably leave some strain in atmosphere with French, we plan today in general conversation with Foreign Office re Laos make clear we would like see Katay succeed at this time. We will state that since Phoui has twice declined, Souvanna's personal prestige too closely tied up with coalition idea, and Petsarath, agreed in US-UK-French conversations, dangerous because of his soft attitude toward PL we believe Katay best available candidate at present. French would have opportunity present their views and should they subsequently work against Katay they would be doing so in full knowledge United States attitude and in direct contradiction their earnest plea in US-UK-French meeting for cooperation and frankness. We believe this action on our part would not prejudice Department's decision should Department wish instruct us make more positive approach.

Houghton

<sup>1</sup>Source: Department of State, Central Files, 751J.00/7-1257. Secret; Priority; Limit Distribution. Repeated to London and priority to Vientiane.

<sup>2</sup>Telegram 163 to Paris, sent also to Vientiane as 43, July 11, reads as follows:

"Request your views soonest whether it would be helpful in achieving our objective or in clarifying French position if we asked French here or Paris use their resources Laos to assist in obtaining Katay's investiture. Should French be reluctant we would propose request they at least take no action frustrate Katay's bid. We recognize French leak to Souvanna and possibly Petsarath would be inevitable." (*Ibid.*, 751J.00/7-1157)

457. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

Vientiane, July 13, 1957—1 a.m.

79. Reference: Deptel 43.<sup>2</sup>

1) On clarifying French position we think it would be better defer another go round Laos until we see whether as indicated Saigon tel 23<sup>3</sup> to Department Gassouin being replaced.

2) On urging French support Katay I doubt wisdom doing this so directly because French reservations about him stem in substantial measure from feeling he is a) anti French b) under American influence. They would probably be reluctant act anyway except possibly thru Souvanna himself who has of course just been frustrated by Katay's selection.

3) In discussing Laos with French it might be helpful to speculate about Souvanna instead of Katay. [If?] the Souvanna and Luang-prabang group oppose Katay and split Nationalist Party where does that lead Souvanna? Does it not mean he exchanges key role in largest most stable and conservative group in Assembly for uncertain future as head of splinter group? Would he not have to seek leftwing coalition with Bong and Democrats? Would not this be bad for both Laos and West? Would he not then become identified too much as pro French leader here just as Katay has (unjustly) been accused of being under our control? Would it not obviously be bad to risk a split into pro United States and pro French camps when really we want to work together in Laos?.

4) While I am not sanguine that some such line would help much it might conceivably result in neutralizing some of opposition to Katay from French and Souvanna. It would be helpful if we could in this context solicit French views and perhaps get them to agree that nothing should be done which might prolong and aggravate crisis thus leading to even more uncertain situation.

5) I have just read Paris tel 243<sup>4</sup> and concur with analysis and moderate approach suggested.

Parsons

<sup>1</sup>Source: Department of State, Central Files, 751J.00/7-1357. Secret; Limit Distribution. Repeated to Paris and London.

<sup>2</sup>See footnote 2, *supra*.

<sup>3</sup>In telegram 23, July 3, the Embassy in Saigon reported information from French Embassy sources in Vietnam that Ambassador Gassouin was being replaced because of his inability to cooperate with Americans in Laos. (Department of State, Central Files, 611.51/7-357)

<sup>4</sup>*Supra*.

458. Telegram From the Embassy in France to the Department of State<sup>1</sup>*Paris, July 14, 1957—9 p.m.*

268. 1. We had conversation with Foreign Office (Lebel) evening July 12 concerning current government crisis Laos, speaking along lines indicated Embtel 243 to Department.<sup>2</sup> We pointed out: (a) Phoui or Katay seemed to us best candidates at present; (b) Phoui had twice declined attempt form government; (c) we would not wish for Souvanna form government at this time since his personal prestige so closely linked to dangerous coalition plan (Lebel seemed to wince at this); (d) Petsarath, as we all had agreed, would be danger because of his soft attitude toward Pathet Lao; (e) we therefore hoped Katay would be able form government and obtain investiture quickly since it was to interest all of us government crisis not continue.

2. We added as our own personal view critical state King's health<sup>3</sup> made it especially important firm government be formed soonest since it would be most serious to have possible crisis of succession while government crisis unresolved. In this connection, we said we believed it would be unfortunate if Souvanna were Prime Minister should King die in light bad relations between Crown Prince and Souvanna and Souvanna's family ties with Petsarath and Souphanouvong should Petsarath choose that moment challenge Crown Prince for throne. Katay, on other hand, could be expected support regular succession Crown Prince. We said we thus frankly presenting our views to Lebel since we in accord his earlier plea for candor and cooperation.

3. Lebel agreed King's health added urgency to need for early formation Lao Government, but said he did not believe Souvanna would oppose Crown Prince. Lebel then dwelt at some length on theme both Phoui and Katay regarded in Lao public eye as corrupt and reaping personal profit from United States aid program. We did not point out Souvanna generally believed in Laos to be connected with opium traffic, contenting ourselves with rejoicing there were few Lao public figures about whom similar charges could not be produced. Important point was that Katay, whatever his faults, appeared to us to be best available candidate at present and we hoped for his

<sup>1</sup>Source: Department of State, Central Files, 751J.00/7-1457. Secret; Limit Distribution. Repeated to Vientiane and London.

<sup>2</sup>Document 456.

<sup>3</sup>King Sisavang Vong, according to French sources, was critically ill with extreme anemia complicated by diabetes and other conditions preventing transfusions. (Telegram 53 from Vientiane, July 9; Department of State, Central Files, 751J.11/7-957)

early success in obtaining investiture. Lebel made no commitment other than to agree government should be formed quickly.

4. *Comment:* It was clear, of course, by implication that French prefer Souvanna, which was no surprise. Foreign Office has now been put on notice, however, as to our views. Burden is now on French to live up to their own plea for candor and frankness.<sup>4</sup>

Houghton

<sup>4</sup>The Department agreed in telegram 59 to Vientiane sent also to Paris as 236, July 16. (*Ibid.*, 751J.00/7-1357)

#### 459. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, July 17, 1957—5 p.m.*

105. Reference: Embtel 94.<sup>2</sup>

1. Believe time has come when we must prepare for fact that barring miracle, Katay failing despite best efforts Lao and foreign supporters. Our own efforts which have been intensive behind scenes have received good support from local British and Vietnamese reps but they as well as Thai, French and all other contacts have about concluded Katay has lost. Our hope of splitting Democrats has foundered on their purported conviction that Katay at instigation General Phao were [*was?*] responsible for Kou Voravong assassination 1954. This plus other grudges held against Katay make it impossible sway sufficient number individuals to drop their opposition.

2. Reasonable assume Souvanna Phouma will next receive nod from Crown Prince. As Katay probably will give up without presenting government to National Assembly, Savang logically expected allow Nationalists continue their effort under another leader. Furthermore, it widely believed Souvanna can probably gain investiture unless he faces in reverse same threat party disunity which plagued Katay. Difference is Souvanna expected have National Union (Bong) and Democratic support unless Phoui Sananikone given top portfolio such as Defense.

3. While foregoing is general expectation, there is outside chance for independents be asked to try. Phoui himself says he does not

<sup>1</sup>Source: Department of State, Central Files, 751J.00/7-1757. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, Phnom Penh, Ottawa, and New Delhi.

<sup>2</sup>Telegram 94, July 17, reported that sources close to Katay acknowledged that his chances of forming a government were slim. (*Ibid.*)

want it but Ngon is possible compromise candidate. Voravongs might well accept him but not Phoui. However, Ngon lacks experience and stature and doubt he could lead strong government. Leuam (unaffiliated) is only other dark horse on horizon and this not at present serious possibility. Investiture either Ngon or Leuam would be highly uncertain.

4. There may be remote chance of one other solution, namely, emergency government under Crown Prince with or without dissolution of Assembly. It is remote because with King's life expectancy ebbing, Savang would in our view be unlikely consider this possibility as he must be concerned with "crisis of succession". Dissolution would be dangerous expedient at this time not only because of opportunities offered PL and Bong to improve their representation but because one more element of confusion and uncertainty would enter into situation which has less assurance of stability than some weeks ago.

5. Crown Prince still in Luang Prabang but should be here for Independence Day ceremonies 19. I have sent word I should like see him as soon as feasible. Hope Department's reaction this message can arrive before audience.

6. Of various courses of action open to us, I believe we should now consider most seriously those based on assumption Souvanna Phouma will seek investiture. We can seek either (a) defeat him, or (b) promote maximum strength in Cabinet which means essentially participation Phoui and Katay in key portfolios and getting them commit Souvanna to Katay-Phoui policy as price of their participation. If, of course, opposition to Souvanna should snowball, we would not intervene. On other hand, disadvantages to US in prolonged crisis becoming more pronounced and there is always spectre of ultimate recourse to Petsarath in default of any other solution.

7. Should Souvanna form government, I do not think we should despair. Compared with January of this year when most Lao leaders were disposed to swift Pathet Lao settlement without guarantees, we now find most leaders aware true nature Pathet Lao movement and are convinced guarantees essential. Even Souvanna has apprehensions and may be more hesitant regarding integrating Pathet Lao regardless of price paid. In sense we have achieved interim goal of making Lao aware of dangers they run and they are now more disposed to listen to us than when they thought Pathet Lao were good Lao. Souvanna would have to take account of this changed attitude towards Pathet Lao among Assembly and leaders if only because he has had lesson of May 29 defeat. If he comes back we would naturally make concerted drive to press for "reconstruction" through civic action, impact of aid program etc. etc.

8. For present, we are of course continuing support of Katay and endeavoring see to it that he does not give up before Crown Prince arrives. If Katay hangs on that long, it will afford better basis both for Savang and for us decide what tactics should be pursued.

Parsons

460. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, July 18, 1957—7:35 p.m.*

74. Vientiane 105 repeated Paris 16 London 17 Saigon 21 Bangkok Phnom Penh Unnumbered;<sup>2</sup> Vientiane 108 repeated London 19 Paris 18 Saigon 22 Bangkok Phnom Penh Unnumbered.<sup>3</sup> We of course continue prefer Phoui to Souvanna but we recognize Phoui's apparent lack of desire for job and probability Nationalists will retain mandate until they present Cabinet to Assembly, and accept your estimate we may have be prepared live with Souvanna.

Believe we should do nothing assist Souvanna. Instead, since he appears have good chance being invested, we should as you suggest concentrate upon policy rather than candidate. Request you do whatever possible with Lao politicians and Crown Prince insure inclusion Katay and Phoui in key posts in Souvanna Cabinet and Souvanna's espousal Katay's policy re Pathet Lao. Suggest it would be advisable tell Katay we hope he will take active role in Souvanna Government in order forestall any inclination his part wash hands of whole business as he in effect did after failure March 1956 crisis.

Assuming Pheng's statement Souvanna has pledged follow Katay's program is true, we somewhat skeptical Souvanna can and will be held to promise. Is warning his Government will be brought down and he read out of party if he reneges reasonably certain and effective sanction?

Dulles

<sup>1</sup>Source: Department of State, Central Files, 751J.00/7-1857. Secret; Priority. Drafted by Byrne, cleared by Kocher and Young (in draft) and by Jones, and approved by Robertson. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>*Supra.*

<sup>3</sup>In telegram 108, July 18, the Embassy in Vientiane transmitted a report from the President of the Lao National Assembly, Pheng Pongsavan, through the British Ambassador, that Katay had obtained from Souvanna Phouma a pledge that as Prime Minister he would follow Katay's policy. If Souvanna departed from Katay's line, not only would his government fall, but he would be expelled from the Nationalist Party. (Department of State, Central Files, 751J.00/7-1857)

461. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, July 30, 1957—7:25 p.m.*

110. British Embassy representative informed us July 30 Foreign Office, in response Holliday's report your proposed tactics if Souvanna designated (we assume this refers Vientiane 118 repeated Paris 20 London 21 Saigon 25 Bangkok Phnom Penh Unnumbered),<sup>2</sup> instructed Holliday that if occasion arose he could express to Lao general agreement with American colleague. He was not however to give impression U.K. trying impose detailed program on Souvanna.

In expressing pleasure British support we said we thought telegraphic reports had perhaps condensed U.S. thinking to extent U.S. course action appeared sharper than intended. We did not plan try impose detailed program on Souvanna; rather, various tactics were for use in "education" other Lao leaders in attempt maintain political climate opposed to dangerous concessions to PL. This was merely continuation effort (in which British also joined) undertaken first months this year to point out to Lao hazards of course they then pursuing. Latest conversation Souvanna (Vientiane 153 repeated Paris 26 London 27 Bangkok Saigon Phnom Penh Unnumbered<sup>3</sup>) indicated he had not changed his ideas on PL and therefore discreet effort support stiffening elements around him again necessary. If Souvanna asked we would tell him our position on coalition unchanged. We concentrating at present however on suggestions to other key figures.

British representative considered Foreign Office instruction generally accorded with our view.

**Herter**

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/7-2057. Secret. Drafted by Byrne, cleared by Whittington, and approved by Young. Repeated to London, Paris, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>These tactics, as described in telegram 118 from Vientiane, July 21, concerned the composition of the Lao Government and U.S. attempts to obtain maximum commitment to Katay's policies and a 2-month limit on negotiations with the Pathet Lao. (*Ibid.*)

<sup>3</sup>Dated July 27, not printed. (*Ibid.*, 751J.00/7-2757)

## 462. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, August 6, 1957—7:22 p.m.*

126. Vientiane 192;<sup>2</sup> Vientiane 183.<sup>3</sup> Souvanna's draft investiture speech weak enough, but his statements to Holliday (Vientiane 192) show he has learned nothing re Pathet Lao. Investiture draft reveals very little sign Katay influence, whereas Bong's hand readily apparent. Moreover, Souvanna's intention conduct negotiations himself with two-month time limit means he will again be under self-generated pressure make foolhardy concessions in order achieve settlement as matter personal prestige. In sum, we seem be perilously close to where we started year ago.

Do you believe latest developments warrant reconsideration our earlier acceptance fact we might have be prepared live with Souvanna? (Department's 74 to Vientiane; Vientiane 177<sup>4</sup>) Have Katay and Phoui taken steps behind scenes insure Souvanna's espousal their policy re Pathet Lao so that vague investiture speech not real expression Souvanna's commitment this score? Have they agreed to Souvanna's conducting negotiations himself with little or no reference to Assembly or do they intend insist relatively tight party or Assembly supervision?

Re aid aspects draft investiture speech, we concur your making points outlined Vientiane 183 with following modification penultimate paragraph. Agree you should refer November 13 letter but believe inadvisable go into point re Western budgetary support versus Communist Bloc economic development aid since this would imply 1) our tacit acceptance some form Bloc assistance and 2) continuation U.S. aid after reappraisal. At this point we inclined prefer oral to written démarche. Timing of course left your discretion. So far as French concerned, we would not wish attempt agree on parallel démarches but would instead inform French following your prospective

<sup>1</sup>Source: Department of State, Central Files, 751J.13/8-657. Secret; Priority. Drafted by Byrne, cleared by Kocher and in substance by Maurice D. Bean of ICA, and approved by Jones. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>In telegram 192, August 6, the Embassy reported a summary of a long conversation between British Ambassador Holliday and Souvanna Phouma on plans for dealing with the Pathet Lao. (*Ibid.*, 751J.00/8-657)

<sup>3</sup>In telegram 183, August 5, the Embassy commented on the economic and aid references in Souvanna's draft investiture speech and noted that for the first time he publicly advocated acceptance of aid from any source provided there were no conditions. The implication that Laos was prepared to accept aid from the Communist bloc worried the Embassy. If these points appeared in the speech as given, the Embassy suggested an aide-mémoire to the Lao Government stressing that acceptance of Communist aid would entail a reappraisal of U.S. financial support of Laos. (*Ibid.*, 751J.13/8-557)

<sup>4</sup>Document 460.



statement to Souvanna and suggest similar expression by them would be helpful.

Request your comments foregoing.<sup>5</sup>

Dulles

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<sup>5</sup>Telegram 208, *infra*.

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463. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, August 7, 1957—6 p.m.*

208. Reference Deptel 126.<sup>2</sup> Before Katay spoiled Souvanna's try sixth by insisting at eleventh hour on Vice Premiership which threw Bong into opposition, I regarded situation as worse than year ago, in fact almost desperate. In circumstances I had decided tell both Katay and Phoui in effect that it their responsibility defeat Souvanna before investiture or his policy thereafter. . . .

With this further sudden reversal, I modified somewhat approach to Phoui and in direct contact with Katay reported Embtels 198<sup>3</sup> and 199.<sup>4</sup> So long as 6-man government reported Embtel is in prospect, I do not think we should reconsider our acceptance fact we prepared live with Souvanna. It doubtful we could persuade Katay and Phoui alter course radically even if we had one which gave reasonable promise assembly approval. At this stage, I feel we must rely pretty much on their judgment and I do have good deal of confidence in soundness their views on PL problem as well as in genuineness their concern for continued US aid to Laos.

Whether or not investiture speech made substantially as drafted, I also think Katay Phoui will keep close rein on Souvanna; in fact Katay told Embassy officer yesterday he would never let PL into government before actual restoration of two provinces and reintegra-

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<sup>1</sup>Source: Department of State, Central Files, 751J.13/8-757. Secret; Priority. Repeated to Paris, Saigon, Bangkok, Phnom Penh, and London.

<sup>2</sup>*Supra*.

<sup>3</sup>In telegram 198, August 6, the Embassy reported that Parsons told Phoui Sananikone that Souvanna Phouma's remarks to Holliday caused the Embassy serious anxiety regarding future U.S.-Laos collaboration, but that Parsons was sure that Phoui and Katay would prevent Souvanna Phouma from bringing his Pathet Lao policy to fruition. (Department of State, Central Files, 751J.00/8-657)

<sup>4</sup>In telegram 199, August 6, Parsons reported that he was unable to see Katay to give him the same advice he gave Phoui, but that he believed the message had gotten through to Katay. (*Ibid.*)

tion accomplished. Even if he could not form government he has fair measure of control which is reinforced by tie with Phoui. Actually, regardless what said at investiture, it seems to be understood by Nationalists and Independents that revision of constitution, not PL problem, is first order of business. When Crown Prince gives me audience I will try encourage this trend.

Re aid aspects investiture speech, I will not avail myself Department's authorization to make points outlined Embtel 183<sup>5</sup> at least until after vote on investiture. I would prefer make decision in light events and after further reflection on French attitudes here which continue cause us concern. Appreciate and concur with cautions expressed final paragraph reftel.

We had close call yesterday and basis experience to date, we may have some more anytime. Nevertheless, way out of crisis now seems to be in sight though far from certain of accomplishment. At any rate, more solid elements are again in a little better position. If Katay-Phoui plans work out, constitution may be revised in one or two months and sounder, more stable situation result. In meantime, investiture debate may be rough with particularly sharp attacks on Katay from left.

Parsons

<sup>5</sup>See footnote 3, *supra*.

#### 464. Report by the Joint Strategic Plans Committee to the Joint Chiefs of Staff<sup>1</sup>

JCS 1992/618

Washington, August 8, 1957.

#### RE-EXAMINATION OF THAI-LAO DEFENSE PLANNING (U)

##### The Problem

1. To consider the existing U.S. Policy in Mainland Southeast Asia<sup>2</sup> as it applies to Thai-Lao defense planning.

<sup>1</sup>Source: JCS Files, CCS 092 Asia (6-2-48) (2) sec 33. Top Secret. Prepared in collaboration with the Joint Intelligence Committee.

<sup>2</sup>NSC 5612/1; Enclosure to J.C.S. 1992/565. [Footnote in the source text. NSC 5612/1 is printed as Document 119.]

### Facts Bearing on the Problem

2. Current national policy provides in part that the United States will:

a. Encourage the countries of Southeast Asia to cooperate closely with each other on a basis of mutual aid and support, and support indigenous efforts to develop regional associations.

b. Encourage and support close bonds between Laos and Thailand, including such political associations, economic cooperation, and joint military planning as feasible.

3. On 14 December 1955, the Joint Chiefs of Staff recommended<sup>3</sup> to the Secretary of Defense that the United States encourage and support bilateral Thai-Lao planning for the defense of Laos, subject to the following conditions:

a. The planning is in consonance with SEATO and U.S. objectives.

b. The planning is directed toward the immediate threat but of such a nature that it may be subsequently integrated into SEATO planning.

c. The planning will result in a practical plan that can be supported logistically by the United States.

d. CINCPAC is represented during planning discussions in order to influence resulting plans as to feasibility, practicability and suitability.

e. The plans as developed do not include employment of U.S. forces other than those which may be required by provision of U.S. logistic support to Thai and Lao forces.

4. The outline plan of operations<sup>4</sup> with respect to Laos, dated 29 May 1957, provides for the encouragement of Thai-Lao contingent defense planning when political conditions permit, and the continuation of technical planning guidance now being furnished by Chief JUSMAG-Thailand. In Laos the Programs Evaluation Office (PEO) functions as military element of the country team.

5. For additional facts, see Enclosure "B".<sup>5</sup>

### Discussion

6. For discussion, see Enclosure "C".<sup>6</sup>

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<sup>3</sup>Enclosure to J.C.S. 1992/501. [Footnote in the source text.]

<sup>4</sup>On file in Joint Secretariat; see Enclosure to J.C.S. 1992/611. [Footnote in the source text. The Outline Plan is not printed, but see footnote 3, Document 445.]

<sup>5</sup>Attached but not printed.

<sup>6</sup>Below.

### Conclusions

7. It is desirable that the Thai-Lao defense planning be continued.
8. CINCPAC should be directed to take such action as he deems practicable to encourage Thai-Lao defense planning.

### Recommendations

9. It is recommended that the Joint Chiefs of Staff forward the memorandum in Enclosure "A", together with its Appendix,<sup>7</sup> which reflects the above conclusions, to the Secretary of Defense.<sup>8</sup>
10. No recommendation is made as to the distribution of this paper to commanders of unified or specified commands.

### Enclosure "C"

### DISCUSSION

1. U.S. encouragement of Thai-Lao defense planning started in September 1955 as a result of recommendations<sup>9</sup> by the Acting Ambassador to Thailand. The Acting Ambassador's recommendations were based on a briefing by the Thai Army Commander in Chief, in which the absence of a forward strategy for defense of Thailand was painfully evident. Since that date, the encouragement of U.S.-Thai-Lao defense planning has been incorporated in National Security Council policy.<sup>10</sup>

2. The implementation of this policy on the ground has resulted only in one meeting between the military personnel of Thailand and Laos to discuss joint defense planning. The exact reasons for failure to achieve greater Thai-Lao defense planning are not clearly discernible. The failure can in part be attributed to:

- a. The political situation in Laos.
- b. Lack of mutual trust between Thailand and Laos.

<sup>7</sup>Attached but neither printed.

<sup>8</sup>According to a covering note by the Joint Secretariat, the Joint Chiefs of Staff met on August 21, noted the conclusions in paragraphs 7 and 8 above, but agreed not to send the Secretary of Defense an attached draft memorandum recommending encouragement of Thai-Lao defense planning as the political situation permitted. The draft memorandum, reiterating the recommendations above, was attached, but is not printed.

<sup>9</sup>See Enclosure to J.C.S. 1992/485. [Footnote in the source text. Reference is to Document 310.]

<sup>10</sup>See Enclosure to J.C.S. 1992/565. [Footnote in the source text. Reference is to the Outline Plan of Operations With Respect to Laos.]

c. No positive commitment by the United States as to the part she would play in Thai-Lao defense planning.

3. Since 15 August 1956, the United States has not encouraged Thai-Lao defense planning.

4. Thai-Lao defense planning could establish a desirable precedent of mutual cooperation and self-help among nations of Southeast Asia who are definitely on the side of the Free World. It can stiffen Lao determination to resist further Communist inroads and strengthen the ability of the Laos Army to withstand the effect of possible integration of Pathet-Lao units.

5. The present political situation deters active Thai-Lao defense planning. On the other hand this is not sufficient grounds for the United States to cease entirely the encouragement of Thai-Lao defense planning. The United States should continue to actively lay the groundwork for Thai-Lao defense planning so that when the political situation permits, active defense planning between the Thai and Lao can be continued.

6. Some of the steps that could be taken at this time are:

a. Encouragement of the military of the Thai and Laos to develop a Thai-Lao defense plan with a view to subsequently introducing the major points of this plan into the unilateral defense plans of Thailand and Laos.

b. Establishment of close relationships between the MAAG-Thailand and the Program Evaluation Office, Laos, with a view to developing courses of action for discreetly encouraging Thai-Lao defense planning.

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**465. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, August 9, 1957—8 a.m.*

218. Since inception government crisis, Gassouin has spoken to me in terms which favor Souvanna, Petsarath and their general policies. He has also contrasted Petsarath and Crown Prince to latter's disfavor and voiced thesis that there is doubt as to Savang's succession; it is difficult know how far he has pushed this preference for Petsarath. Gassouin has spoken in similar vein to others on these subjects and I have no doubt French have worked behind scenes in hopes Souvanna at least could come to power. French advisers wrote

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/8-957. Secret. Repeated to London, Saigon, Phnom Penh, and Bangkok.

Souvanna's draft investiture speech albeit under his direction and there are of course daily opportunities for Parizot and Mathieu who work in Souvanna's office to influence situation. . . . quite certain as am I that quite a few rumors disadvantageous to United States have been planted by French.

Although both Holliday and I have made various efforts try and preserve not only facade but some reality to tripartite unity here, fact is French have operated largely on their own and have made no effort reconcile our respective differing ideas or even respond to gestures US (as well as British) have made. French could perhaps equally well reproach United States-United Kingdom with showing marked preference for candidates other than Souvanna but they cannot reproach us with unwillingness to try and patch up our differences. At same time it should be conceded that at times French advisers have been valuable sources of information to this Embassy.

It seems to me French here more preoccupied with considerations prestige, French Union concept and above all maintenance position inside RLG through adviser mechanism than they are in concerted defense Lao position in free world. Many local French (notably Parizot) proceed from assumption that United States determined supplant French here; in fact attitude almost psychopathic in some instances. Parizot has even insisted (in presence Holliday) that United States has in recent years systematically sought diminish French prestige everywhere. Such psychological consequences of France's reverses apparently make it most difficult for French to work with US on basic problem of keeping Laos free in which we perforce have major role. Gassouin maintained in one talk with me (Embassy telegram 64<sup>2</sup>) that France's interest now limited to her cultural and moral position and that there is no material interest such as ours (he omitted to state that one practical objective of French policy was to assure pro-French vote by Laos in United Nations). While he did not deny French also concerned to keep Laos free, he was apparently ready to take much greater chances than we if thereby France's favorites and their advisers could hold key spots. Maybe French are gambling that no matter what happens, United States will not when chips are down actually pull out of Laos because of effects on Southeast Asia and beyond. Thus they go on behind shield of United States defense of Laos and concentrate on maintenance French influence for its own sake.

Viewed from here local French actions shortsighted for following reasons:

1. Activities certain French advisers albeit discreet likely engender adverse reactions particularly on part Katay and associates.

<sup>2</sup>Dated July 10, not printed. (*Ibid.*, 751J.00/7-1057)

2. If Souvanna investiture program carried out, Western (and hence French) influence would at least be diluted and that of neutralists and Bloc enhanced.

3. If situation becomes untenable to point where United States considered continuance aid would favor Commie more than free world in Laos, France too would be through although some equivalent to Sainteny Mission<sup>3</sup> might remain.

. . . Normally given Quai d'Orsay's protestations to Embassy Paris of tripartite unity, it should be up to us in field to work out our differences. Unfortunately this does not seem to be possible during Gassouin regime and so another effort elsewhere is only apparent alternative to continued acceptance present undesirable situation.

I feel most strongly that unless France is prepared substitute its resources for ours, it has no right snipe at United States effort in order to promote policies which cannot succeed in long run unless we succeed. I therefore hope Department will consider seriously further informal talks Paris after first concerting views with United Kingdom which is once more firmly seconding our current efforts. Such talks should have positive aspect so that conclusion will not be drawn that we are merely trying to force Gassouin and French advisers out. On contrary French should be convinced we value French presence and assets here and are seeking promote their use in furtherance common aims and our basic interest in preservation Laos independence.

We in this context sincerely point to admiration with which Lao elite continue regard French culture as asset for West and hence United States. Without this window on West, communication Occidental viewpoints would be far more difficult and local tendency toward neutralism would probably be more pronounced. We ought to be able convince French that United States does not mean to sever language and cultural links between France and Laos particularly if we can give evidence of intent help preserve them. In return, French must realize that links of our own which are being built benefit them too.

I believe proposed talks if held should be timed as soon as possible after Souvanna receives investiture. If he fails both timing and talks themselves less important.

Parsons

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<sup>3</sup>For documentation on U.S. concern about the Sainteny Mission to North Vietnam, see volume I.

466. Memorandum From the Deputy Director of the Office of Southeast Asian Affairs (Kocher) to the Assistant Secretary of State for Far Eastern Affairs (Robertson)<sup>1</sup>

*Washington, August 9, 1957.*

SUBJECT

Formation of Cabinet in Laos

Souvanna Phouma succeeded today, August 9, in forming a six-man Cabinet, by a vote of 26 for (he needed 24), 8 against, and one abstention. Thus ended the 72-day Cabinet crisis in Laos. The lineup is as follows:

Prime Minister, Defense and Veterans Affairs, Information—  
Souvanna Phouma  
Interior, Economy and Social Welfare—Katay  
Foreign Affairs, Public Works, Reconstruction, Urbanism—  
Phoui  
Finance and Planning, Justice and Religion—Leuam  
Education, Sports and Youth—Nhoy  
Public Health, Post and Telecommunications—Oudom

Reducing the Cabinet from 15 to 6 was a last effort to get around the constitutional provision which prohibits members of a prospective government from participating in the investiture vote. This provision, coupled with the requirement for investiture of a favorable two-thirds majority of Assembly members present (an abstention thus counting as a negative vote), gives disproportionate power to small parties and the double-cross. In this way Bong and his leftists and the minor Democrat party were able to defeat Katay or cause him to renounce the investiture attempt. Souvanna, by compressing his slate to the point where it contained only three Deputies (the three others are not Assembly members), increased the number of Nationalist (Katay and Souvanna) and Independent (Phoui) Deputies eligible to vote, thereby assuring a comfortable majority despite leftist and Democrat opposition.

Many Assembly members have told our Embassy at Vientiane that one of the first items of business will be revision of the unworkable article in the Constitution concerning the investiture vote, the Cabinet to be subsequently broadened to normal size. We cannot, however, count on this, since Souvanna in his investiture speech imposed on himself a deadline of about October 1 for presentation of a coalition government including the Pathet Lao to the Assembly. He

<sup>1</sup>Source: Department of State, Central Files, 751J.13/8-957. Confidential. Drafted by Byrne.



may therefore wish to give first priority or at least simultaneous consideration to the Pathet Lao problem.

We of course want, and our Embassy will be working for, revision of the Constitution first as a means of bringing greater stability to the Lao Government and of staving off dangerous developments on the Pathet Lao score. But in any event, we may be permitted some small encouragement in that five of the six Cabinet members, all except Souvanna, are generally opposed to a soft policy toward the Pathet Lao, and Katay and Phoui particularly may be expected to rein Souvanna in.

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467. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, August 15, 1957—5 p.m.*

252. Department pass CINCPAC POLAD. Initial call on new Foreign Minister, Phoui Sananikone, morning 15th proved to be one of [most?] encouraging I have had with any top Lao official in 13 months here. Apart from miscellaneous subjects reported elsewhere, conversation divided into (a) procedure on conduct of business with new government and (b) key RLG policies. Following were high-lights:

On procedure, Phoui volunteered he wished frequent contact both officially in office and privately at my house as before his investiture. Said at initial Cabinet meeting, he had told Ministers he desired be informed of any difficulties which might arise in aid or other matters so he could be spokesman for ironing out such difficulties with Americans. This followed by remark that as relations between grantor of aid and beneficiary were more delicate than relations between countries not in such relationship, I hoped he would alert me on upcoming problems so that we could prevent them from becoming big problems. As regards other official contacts, he agreed United States agencies should carry on as before. Various ex-Ministers and ex-Secretaries of State would for most part not continue to function as "chef des services" (Somsanith as Director of Police is an exception) but would usually be available at home to advise the various top civil servants. Thus, as he was too busy devote much time to public works portfolio, he would count on Tiao Souk's interest and

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<sup>1</sup>Source: Department of State, Central Files, 751J.13/8-1557. Secret. Repeated to Saigon, Bangkok, Paris, London, Phnom Penh, Ottawa, and New Delhi.

advice. I also received Phoui's approval to contact Souvanna as Prime Minister directly and will do so initially to make comments foreshadowed Embassy telegram 183<sup>2</sup> on aid aspects his investiture speech. I told Phoui fact comments limited to this aspect did not indicate we approved other aspects as for instance, Souvanna's program for PL settlement on which he already knew my views.

On PL problem, Phoui again assured me that Souvanna understood his program would not be carried out. In first place investiture speech has been written for Souvanna (by French adviser) and there was much difference of opinion as to correct interpretation. Souvanna's had been flatly rejected in favor Katay's which was quite similar to Phoui's own. He did not on this occasion elaborate what official interpretation now is but merely assured me that Souvanna has agreed that when talks with PL resumed, he will follow Cabinet interpretation and direction. PL, he said, would first have to make good on commitments before they could be brought in.

Phoui also cleared up question mark left by Crown Prince's assertion (Embassy telegram 231<sup>3</sup>) that constitution will not be revised at this time. Cabinet decided yesterday to go full speed ahead revision in hopes completion before nine Deputies take off for IPU meeting in London. Nationalist-Independent meeting 14th has already decided that revision will provide for investiture by simple majority but with Ministers-designate not voting as present. This will produce about same results as proposal which was rejected for retention two-thirds rule but with restoration Ministers-designate right to vote. As comment it occurs to me that if in eventual supplementary elections PL and Bong should go well, provision for majority vote will be more favorable to Conservatives than two-thirds vote of 60-man Assembly.

One promising revelation by Phoui was that National Assembly committees have already been revised as if result of pretext provided by Phoui's resignation from chairmanship of Economic Committee. Bong was head of Juridical Committee, and his follower, Quinim, as head of National Defense Committee, have both lost out and neither now holds any important parliamentary position. Similarly, unless reaction of Bong and Democrats to constitutional revision and loss of committee jobs should be such that prudent reconsideration required, Conservative bloc has decided not to bring Bong or Democrats into enlarged government which will be formed as soon as possible when present quasi emergency situation is terminated by revision constitu-

<sup>2</sup>See footnote 3, Document 462.

<sup>3</sup>Dated August 10, not printed. (Department of State, Central Files, 751J.13/8-1057)

tion. Decision whether to form new government at that time or to enlarge this one is, however, to wait on events.

Parsons

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468. **Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, August 17, 1957—11:59 a.m.*

149. Vientiane 218 repeated Paris 45 London 45;<sup>2</sup> Paris 715 repeated Vientiane 6 being repeated London pouched other addressees.<sup>3</sup> We inclined believe U.S.-U.K. talks with French would be of little avail in bringing about real Western unity . . . . Foreign Office seems willing at least attempt preserve facade of common position . . . .

Generally speaking, French have seldom shown disposition work with us in past in Indochina, despite even formal agreement joint policy, until U.S. position proven strongest (as in Viet-Nam 1955) and cooperation mandatory to preserve French interest. In absence man such as Diem in Laos, there seems scant prospect French will feel obliged act with us. Arguments re common interest Free World have thus far had negligible effect French desire maintain special position (persistence their effort demonstrated by continuance Sainteny Mission despite cold reception on part DRV and mission's apparently total lack accomplishment). We increasingly coming believe only way we could obtain unity worth mentioning would be by our capitulation to soft line on Pathet Lao issue, which clearly dangerous.

At present therefore we believe we should stand on our policy re Lao problems in contacts with foreigners, making no special effort obtain French support, while continuing work on appropriate occasion for agreed position without damage our own views (as in case April 16 tripartite note). Though results discouraging thus far, your

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/8-1257. Secret. Drafted by Byrne; cleared in SEA and FE; and approved by Robertson. Sent also to Paris and repeated to London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup>Document 465.

<sup>3</sup>In telegram 715, August 12, the Embassy in Paris reported that the British Embassy there was reluctant to suggest to the French that informal tripartite talks on Laos should be resumed. (Department of State, Central Files, 751J.00/8-1257)

excellent efforts thaw out Gassouin through friendly gestures are probably best means now available to remedy immediate situation.

Herter

469. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, August 19, 1957—9 a.m.*

264. Embtel 183, Deptel 126.<sup>2</sup> I saw Souvanna a.m. 16th and made points on economic aid aspects of investiture speech substantially as provided reftels. Also made clear that fact I was taking exception to these aspects of speech did not indicate we agreed with all else therein. My reference to continuance policy set forth November 13 letter evoked no counterstatement as it always used to on need settle PL problem along lines his policy. In part this may be because he is weary of our long confrontation but I believe it was mainly because both he and I were aware there is so little chance now for him to carry his policy out. Principal reaction was quick affirmation by Souvanna that problem of Chinese Communist aid would not present itself for long time as draft five-year plan was badly drawn up and he had given orders re-do it completely. Although I would rather he had rejected possibility serious consideration Chinese aid on principle and not merely because of planning delays within government I did not think it worthwhile debate subject particularly as his reply was in part facesaving (Katay-Phoui will probably call tune on problem).

Almost immediately after my presentation Souvanna turned to three points which he eager for US aid and on which he will write me, namely, 1) re-education center for refugees and defectors, eventually for former PL defectives (this is old subject); 2) increase in Lao police force to combat subversion and disorder; and 3) low cost housing for junior civil servants in lieu of salary increase (a point in his investiture program).

I took this opportunity ask if Souphanouvong's departure had any significance. As expected, reply was merely that he wished

<sup>1</sup>Source: Department of State, Central Files, 751J.13/8-957. Secret. Repeated to Paris, London, Saigon, Phnom Penh and Bangkok.

<sup>2</sup>Telegram 126 is printed as Document 462. Regarding telegram 183, see footnote 3 thereto.

attend to personal and family affairs and that his wife was ill. . . . next week I should learn background which is rumored to include sharp exchange of letters between two brothers. In any event PL-VM undoubtedly needed Souphanouvong's presence to aid in planning tactics for next round. They may also have feared effect on him of soft life in Vientiane.

Parsons

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#### 470. National Intelligence Estimate<sup>1</sup>

NIE 68-57

*Washington, August 20, 1957.*

### PROBABLE DEVELOPMENTS IN LAOS OVER THE NEXT FEW MONTHS

#### The Problem

To estimate trends in Laos over the next few months.

#### Conclusions

1. Laos is the least developed country in Southeast Asia, and there is little contact between the leaders and the people most of whom live in primitive, self-sufficient villages. The inexperienced parliamentary government is rendered unstable and ineffective by regional interests, family rivalries, and personality conflicts within the small ruling elite. Lao political leaders are also deeply divided over the policy to be followed vis-à-vis the Communist Pathet Lao. Political instability has been further increased by Communist subversive activities in various parts of Laos, against which the internal security forces have achieved only spotty results.

2. These weaknesses are turned into a danger by the fact that the Royal Lao Government (RLG) has not been able to assert its authority over the two northern provinces of Sam Neua and Phong Saly, where forces of the insurgent Pathet Lao have been concentrat-

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<sup>1</sup>Source: Department of State, INR-NIE Files. Secret. According to notes on the cover sheet, NIE 68-57 superseded NIE 63.3/1-55 (Document 328), and the following intelligence organizations participated in the preparation of this estimate: CIA and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff. All members of the IAC concurred with this estimate on August 20 with the exception of the AEC and the FBI who abstained on the grounds that the subject was outside their jurisdiction.

ed pursuant to the Geneva Agreements of 1954. There is widespread popular sentiment for ending the civil war and achieving national unity. The possibility of large scale military action is largely ruled out by the threat of military intervention by the Communist Democratic Republic of Vietnam (DRV). Accordingly, there is strong pressure on the RLG to negotiate a settlement with the Pathet Lao. In his efforts to achieve an early settlement Prime Minister Souvanna Phouma is supported by several highly placed French advisors. For its part, the Pathet Lao, which has access to DRV advisors, aid, and probably military support if necessary, is under no particular compulsion to reach a settlement.

3. In this situation the principal point of danger is that the RLG may accept a negotiated settlement which, although respectable in appearance, does not in fact have adequate safeguards to prevent the Pathet Lao from achieving a dominant and eventually controlling position in the government.

4. We do not believe that a settlement will be reached within the next few months, because of the probability that the Pathet Lao will continue to stall in the hope of gaining further RLG concessions, and the opposition of some RLG leaders who would prefer the existing stalemate to an insufficiently guarded agreement. However, in the longer run, unless the governing elite can be convinced of the dangers implicit in Pathet Lao demands, pressures for integration probably will become so great that no government will be able to resist, and the RLG will accept a settlement without adequate safeguards.

#### Discussion

[Here follows a section entitled "Present Situation."]

#### *Possible Lines of Development*

15. The remainder of 1957 is likely to be a period of continued uncertainty and political instability in Laos, with the Pathet Lao problem causing periods of tension and alternating lulls. In this situation there are three possible lines of development: (a) military action on a large scale, (b) a negotiated settlement, and (c) the continuation of a stalemate and a divided Laos.

16. The possibility of an outbreak of large scale hostilities between the RLG and the Pathet Lao forces cannot be excluded. Military skirmishing will almost certainly occur from time to time in areas where the two forces are in contact and could lead to an expansion of hostilities. However, large scale military action probably would occur only if: (a) the DRV estimates that the West would not intervene and thereafter gives large scale logistical and possibly troop

support to the Pathet Lao, or (b) if the RLG estimates that the DRV would not intervene in the event of a large scale RLG attack against the Pathet Lao. Although the leaders of the Royal army have thus far remained outside politics, they might, as a result of their impatience with inaction or fear of the extent of concessions to the Pathet Lao, seize control of the government and subsequently launch a major attack against the Pathet Lao. The most probable leader of such a coup would be . . . <sup>2</sup> who on several occasions has boasted to US representatives that he could quickly resolve the problem of a divided country by rapid decisive military action.

17. Nevertheless, we believe that during the period of this estimate neither side will seek to gain complete control over Laos by military means. The major factor restraining the Pathet Lao will continue to be the superiority of the Royal army. The Communists will probably continue to be reluctant to commit DRV troops in the strength required to defeat the Lao government, because of the fear of counterintervention by the West and because of the adverse effect such action would have on the general Communist line of "peaceful competition." For its part, the Lao government will probably not attempt a military resolution of the impasse because of the threat of DRV intervention.<sup>3</sup>

#### *Negotiated Settlement*

18. With the possibility of large scale hostilities largely eliminated by the bilateral threat of foreign involvement, we believe that both sides will be willing to resume negotiations. Despite the present agreement on broad principles, many crucial points remain unresolved, namely, the cabinet seats to be given to the Pathet Lao, the timing of supplementary elections, the manner in which the Royal government is to assume control in the two northern provinces, the integration of Pathet Lao personnel into the civil service and the military forces, and the specifics of a Lao neutral foreign policy.

19. There are strong pressures on the RLG to conclude a settlement. The desire for national union has achieved an almost mystical quality among the Lao leaders and populace, and provides the strongest Pathet Lao lever for obtaining concessions. This is reinforced by the view of many Lao leaders that the Pathet Lao comprises misguided nationalists who can be oriented away from Com-

<sup>2</sup> . . . is a staunch nationalist and an intelligent, forceful leader. He fought against the Japanese in 1945, organized an anti-French guerrilla force from 1945 to 1949, and subsequently was integrated into the Royal army. [Footnote in the source text.]

<sup>3</sup>We have estimated in NIE 63.2-57 that the DRV army, numbering some 268,000, given external logistical support, has the capability of defeating the total military forces of Laos, South Vietnam, and Cambodia simultaneously. [Footnote in the source text. For text of NIE 63.2-57, see vol. 1, p. 818.]

unist influence once Laos has been unified. Many leaders and their French advisors believe that with unification contacts between Pathet Lao members in the two northern provinces and their DRV supporters can be reduced. India, through the International Control Commission, and the Communist Bloc, through offers of friendship that the Lao have not dared to refuse, have also exerted great pressure for a settlement. The French have encouraged a settlement, particularly through their unreserved support for Souvanna personally. This French attitude has contributed to the deterioration of US-UK-French unity on Lao issues, since the United States and the United Kingdom have supported the strongly anti-Communist position, as represented by Katay and his supporters. Finally, Souvanna Phouma has publicly set the date of 1 October for the implementation of previous agreements with the Pathet Lao and this may engender additional pressures on the Lao government.

20. The Pathet Lao is under much less pressure to reach a settlement. It has effective control of the two northern provinces and ready access to DRV assistance if this control is seriously threatened. It is well aware of the popular sentiment for ending the civil war and unifying Laos. It has a subversive apparatus in Royal Lao territory and also benefits from support of its position by Bong's National Union Party. The chief likelihood of Pathet Lao concessions in the near future would spring from a Communist estimate that the Pathet Lao could make a better deal with Souvanna Phouma than with any probable successor, and that the advantages to the Communist cause of another "legal" Communist movement and another neutralized country would outweigh the danger that the Pathet Lao would be effectively submerged in an integrated government.

*Continued Stalemate Over the Next Few Months*

21. In pursuing a negotiated settlement, each party will seek to spell out the present broad principles of agreement in a manner that will give it an advantage over its opponent. In this situation, there are various factors which tend to prolong the stalemate over the next few months.

22. The RLG negotiators will be influenced by a recognition that Laos is dependent on US economic and military assistance and by a desire to safeguard the government's position against bad faith on the part of the Pathet Lao. To the extent which Katay and Phoui continue to cooperate and are able to control the actions of the cabinet, the Royal government probably will, at least initially, press for a settlement which provides: (a) that agreement on a coalition government be contingent upon prior restoration of effective government administration in the northern provinces; (b) that the number of Pathet Lao military personnel to be integrated into the Royal army



be so limited that army loyalty to the crown will not be jeopardized; and (c) that positive assurances of Communist compliance be secured. The insistence on these safeguards will vary considerably with the fluctuating power of key political leaders, and will range between Katay's "hard line" and Souvanna Phouma's apparent willingness to make whatever concessions may be necessary to reach agreement. It is also possible that in the present unstable political situation, opposition parties or factions may exercise a greater influence upon settlement terms than warranted by their numerical strength.

23. Once negotiations are resumed the Pathet Lao is likely to follow its previous strategy of waiting and searching for new areas in which the RLG might make further concessions. The leaders may believe that they do not have to accept the risks involved in a coalition government, that time is on their side, and that either the RLG will disintegrate to a point at which it cannot resist Pathet Lao demands, or the Pathet Lao will be able to develop sufficient covert strength outside its two provinces to seize control of the government.

24. On balance, we believe it unlikely that a settlement will be reached during the next six months. Given the incompatible objectives of the two sides, no settlement is probable unless one side misjudges the implications of the agreement. In view of the pressures on the RLG and the lack of understanding of international Communism in Laos, this constitutes a particular danger to the West, especially if Souvanna Phouma is able to gain support for his policies. However, it is unlikely that adequate safeguards can be worked out which are satisfactory both to the Pathet Lao and to the Katay and Phoui Sananikone groups on whom Souvanna at present depends for his tenure in office. Furthermore, we do not believe the Pathet Lao will be inclined to make major concessions until it feels it has adequately tested the Royal government's ability to withhold additional concessions.

25. Although we have concluded that Laos will remain divided for the period of this estimate, pressures for unification will continue to grow. Unless the governing elite can be convinced of the dangers implicit in Pathet Lao demands, pressures for integration in time probably will become so great that no government will be able to resist, and the RLG will reach a settlement which, although respectable in appearance, in fact will not have adequate safeguards to insure Pathet Lao compliance.

26. In the fluid political situation existing in Laos, there are a number of possible contingent developments which could affect the conclusions reached above. Although we do not consider any of these developments to be probable in the next few months, a serious deterioration of the political situation, such as another prolonged cabinet crisis, might result in increasing political intervention by

Crown Prince Savang, including an extra-parliamentary form of government. Other contingencies include the re-emergence of Prince Phetsarath as a dominant figure, and an internal crisis over the succession to the throne in the event of the death of ailing King Sisavong Vong.

[Here follows Table I, "Political Strengths in the Lao National Assembly."]

#### 471. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, August 20, 1957—3 p.m.*

271. Department pass CINCPAC POLAD. Following is our current estimate of prospects Laos under new government.

1. New government is "transitional" in character. Six Ministers (two of whom now in Paris) cannot administer affairs adequately. Not only does Lao opinion recognize this but there is also pressure from ex-Ministers whose demotion and votes in Assembly made it possible end crisis. While Crown Prince is opposed to opening up constitution lightly, we doubt revision along lines Embtel 266<sup>2</sup> will be long delayed. After revision, we understand it is present intent of leaders (Souvanna, Katay, Phoui) to enlarge present government rather than resign and form new one. Ministers to be added will all be from Nationalist and Independent parties and so conservative hue may well be deepened. Removal Bong and adherents, also Democrats, from Assembly committees is significant this connection (Embtel 252<sup>3</sup>).

2. Negotiations with PL will probably not be resumed until process outlined above is well along. Only at that time will true reaction of PL to ascendancy of Katay-Phoui become evident although propaganda reaction already more shrill with intensification attacks on "American interference" (including Peiping blast against me by name) and for first time against Filipino "Operation Brotherhood". We think RLG plans unless altered by circumstances will be based

<sup>1</sup>Source: Department of State, Central Files, 751J.13/8-2057. Secret. Repeated to Paris, London, Saigon, Bangkok, Phnom Penh, Ottawa, and New Delhi.

<sup>2</sup>The revision, as described in telegram 266 from Vientiane, August 19, was to permit government investiture and overthrow by simple majority with ministers and secretaries of state not voting. (*Ibid.*, 751J.13/8-1957)

<sup>3</sup>Document 467.

on some variant of "Katay scheme" reported Embtel 227,<sup>4</sup> basic object of which is to create situation in which Pathet Lao problem can be regarded as purely internal and ICC dispensed with. Souvanna has twice in recent days spoken to diplomats here along these lines and it begins to appear there is considerable convergence of views among top leaders. Indians are now encouraging Lao to think that if Souphanouvong commits Pathet Lao to political settlement and dissidence in two provinces should continue, ICC would consider that matter was internal. While developments of foregoing nature are not just around corner, we will have to look into this most carefully in view of fallacies and pitfalls we see ahead.

3. For moment, however, danger of disastrous accommodation to Communists is less than at any time in past twelve months. Souvanna continually refers to "need consult his colleagues"—a new phrase in his vocabulary. Key French adviser remarked acidly other day "you Americans must be happy now with Katay and Phoui in power." These two do pretty well control sources of government's power (Nationalist-Independent votes), they are anti-Communist, quite friendly to United States, and they hold key ministries. From strictly political viewpoint short term prospects are much improved.

4. On economic side and particularly with respect to aid program present government may prove not only difficult but even dangerous. Business interests of Phoui (notably Lao-Vieng Bank) and Katay (notably Lao-Thai trading company) benefit from gap between official rate and free rate for kip in Bangkok. Katay, in particular as Minister of Economy, has wide powers over import program with consequent temptation to manipulation for both personal and political gain. Disquieting signs are already appearing and will be reported separately. Thus, government which is politically advantageous to us, perhaps necessary if we are to continue keep Communists out, may rapidly move in economic field towards scandalous excesses which if not checked, might threaten whole basis for continuance aid program. Over short term this is where our most difficult problems may lie and I fear that will rapidly become acute.

Parsons

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<sup>4</sup>Dated August 10, not printed. (Department of State, Central Files, 751J.13/8-1057)

**472. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, September 3, 1957—10 a.m.*

332. I had talk with Crown Prince 31st just before his return Luang Prabang. My intention was to review situation in broad terms pointing out that certain dangers of past year had been overcome (by staving off coalition, formation stronger government, depriving leftist opposition of parliamentary power) but that in year ahead we foresaw two major problems (growing penetration and subversion in ten loyal provinces and improper diversion of US dollars which might threaten our ability continue aid). Savang let me finish point one and then replied at length.

He said it was true Pathet Lao had suffered a severe defeat but it would be mistake for US to conclude situation better in any fundamental sense. He did not know whether he had got across his point in Washington last year to Mr. Robertson, Secretary and the President that fight would go on indefinitely, that Communists recoiled only to try again with new tactics. More political, economic support of US necessary if Laos which geographically so exposed was to survive. No doubt there would be reverses but he and others here would not give up any more than PL would. Their leaders now certainly being reprimanded in Hanoi for failure and some might even disappear but while one could not foresee what Communist tactics would be they would surely return to attack. (It was interesting that during this part of talk Savang frankly identified himself with "free world" despite RLG's official policy of neutrality.)

I told Savang I was sure his point had got across in Washington because our government had long been acutely aware struggle against Communists was long term one and our policies took into account this fundamental assumption. It was precisely because we desired continue our support for Laos that I was concerned at two dangers which I saw ahead and which might make task somewhat different from that of my first year here. One of these dangers pointed up by Bong's paper which had charged Katay and associates with irregular issuance of import licenses worth five million dollars. Bong was wrong about this as correct figure was nearer twelve or thirteen million. It was my responsibility try prevent waste of funds as such waste could jeopardize continuance our support of Laos. Therefore if he heard of us taking severe action it would be not because we had changed our policy toward Laos but because we judge actions necessary if we were to be enabled continue our policy.

<sup>1</sup>Source: Department of State, Central Files, 751J.00/9-357. Secret. Repeated to Paris, London, Bangkok, Saigon, and Phnom Penh.

Crown Prince replied obliquely that Katay not approved by people, nor Souvanna nor even Phoui. People had no feeling for assembly either. There were, however, those whom people would follow (he did not clarify this) and what present political leaders had done was therefore of only passing comment. Same true of constitutional amendment which he therefore did not oppose. I said that I hoped action we took could be quiet and informal but problem was important. Savang agreed it was better handle matter quietly and then said that already those responsible were apprehensive and concerned as to their future. During this part of talk I alluded to need for ANL to be paid regularly as means emphasizing relation diversion of dollars to survival of Laos and Savang replied army morale was not good at present as result non-arrival various supplies. He laid blame for this on Souvanna.

Turning to other and more difficult danger ahead I said we had much information indicating stepped up PL penetration and subversion efforts in ten loyal provinces. Savang at first countered by describing deterioration of PL morale in two provinces, dissatisfaction of populace there and need for Viet Minh to reorganize PL troops in Sam Neua . . . . He then discussed situation elsewhere complaining civic action too far behind schedule and stressing need for dynamic action by auto-defense units. Fact PL attacks of late all against auto-defense proved these units bothered Communists.

Savang who focuses primarily on north said there were two ways RLG might now deal with PL problem. One which he favored was vigorous harassment PL wherever they were found in order eliminate them or make their positions untenable. While this going on he implied that negotiations would make no progress. Other method was Katay's scheme (Embtels 227,<sup>2</sup> 271<sup>3</sup>) to lure PL into commitments for restoration RLG authority and for reintegration PL into national community in return for coalition which would never come off. Then RLG would deal with PL as internal problem. Savang said he did not think much of this as PL were as intelligent as anyone else. I said if I were representative of co-chairman I might have comments on this too quite apart from those Savang had made. Latter went on say enigmatically that during remainder rainy season it essential clean up pockets of subversion and we would probably see developments in various places in north, also in Attopeu. Despite his comments, however, I felt by no means sure that he regards possible disaffection of populace in many areas, particularly in tribal areas, as problem of immediate and critical importance.

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<sup>2</sup>See footnote 4, *supra*.

<sup>3</sup>*Supra*.

As I got up to leave I told Savang we had been disturbed to learn of lengths to which previous government had committed itself to receive Polish and Russian diplomatic missions here. New government had I thought been well received in US but if one of its first acts was to accept Communist bloc representatives there would no doubt be disillusionment. Savang said he was annoyed about this particularly as Souvanna had told Polish commissioner delay was due to Savang and Commissioner had then confronted him directly. He urged me speak to Phoui again on this subject and said he would too later on. I said I expected to do so after I had had benefit of seeing our Under Secretary, Mr. Herter, in Saigon September 9,<sup>4</sup> occasion which would also give me chance to report orally on talk with Crown Prince today.

**Parsons**

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<sup>4</sup>From August 23 to September 22, Under Secretary of State Christian A. Herter and Special Ambassador James P. Richards, former Chairman of the House Foreign Affairs Committee, traveled to East Asia with the primary purpose of attending the independence celebrations of the Federation of Malaya, August 29-31. Before arriving in Kuala Lumpur, Herter, Richards, and their party visited Manila and Saigon. After the independence celebrations, they traveled to Rangoon, Bangkok, Saigon (September 8-10), Hong Kong, Taipei, Okinawa, Seoul, and Tokyo. Extensive documentation on this trip is in Department of State, Conference Files: Lot 62 D 181, CF 899-905A.

A report of the discussion between Herter and Parsons is in telegram 420 from Hong Kong, September 11. (*Ibid.*, 110.12-HE/9-1157)

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#### 473. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, September 27, 1957—8 a.m.*

475. Reference Embtel 460.<sup>2</sup> . . . instructions from Hanoi to PL Delegation here some . . . days ago, burden of which was: (1) take generally conciliatory attitude (2) avoid creating situation which would embarrass Souvanna or undermine his authority. . . . this confirms story of his belief PL are fearful that failure to make satisfactory [progress?] in political negotiations by October 9 may result in formation new government under Katay. He claimed also to have information that PL authorities at Sam Neua prepared to be even more conciliatory than current instructions to PL delegation imply.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/9-2757. Top Secret. Repeated to Paris, London, Bangkok, Saigon, and Phnom Penh.

<sup>2</sup>In telegram 460 from Vientiane, September 25, the Embassy provided a "round up of the political scene, particularly the Pathet Lao problem." (*Ibid.*, 751J.00/9-2557)

He ascribed this development to worsening economic and political situation in both North Vietnam and Mainland China.

Bacon

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474. **Memorandum of a Conversation, Secretary Dulles' Residence, Washington, October 6, 1957, 6 p.m.**<sup>1</sup>

SUBJECT

Call on the Secretary by His Excellency Phoui Sananikone

PARTICIPANTS

The Secretary of State

His Excellency Phoui Sananikone, Foreign Minister of Laos

His Excellency Ourot R. Souvannavong, Ambassador of Laos

Mr. Walter S. Robertson, Assistant Secretary of State for Far Eastern Affairs

The Honorable J. Graham Parsons, American Ambassador to Laos

Mr. Kenneth T. Young, Jr., Director, Office of Southeast Asian Affairs

The Foreign Minister of Laos<sup>2</sup> called on the Secretary at his home at six o'clock. After a brief exchange of amenities, the Secretary recalled his conversations with the Foreign Minister in Vientiane two and a half years ago concerning several of the complicated problems facing Laos. The Secretary noted that the same problems still seem to be present but at least the Government of Laos has not shown any weakening, thanks to its wisdom and courage. The Foreign Minister responded that it was the duty of the Royal Government.

The Secretary stated that it was the intention of the U.S. to support a government in Laos which demonstrates an understanding of the Communist danger. The Secretary reiterated that, since the Lao Government is following what seems to us to be a wise and courageous course of action and takes into account the danger of Communist penetration and infiltration, the U.S. Government is anxious to support Laos in that policy. Unfortunately, the U.S. does not have all the means and resources it desires for assisting Laos in the light of the Congressional reductions in the Mutual Security Program; however, the Secretary told the Foreign Minister that the U.S. wishes to

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<sup>1</sup>Department of State, Central Files, 751J.00/10-657. Confidential. Drafted by Young and approved by Robertson.

<sup>2</sup>Phoui Sananikone traveled to New York in late September to head the Lao Delegation to the U.N. General Assembly. Phoui then traveled to Washington for consultations with U.S. officials. Briefing information for the Secretary in preparation for the meeting with Phoui is in a memorandum from Robertson to Dulles, September 4, not printed. (*Ibid.*, 751J.13/10-457)

assist in the economic development and the strengthening of the Lao security forces to the extent that it can.

The Foreign Minister thanked the Secretary and said that the Lao Government is fully conscious of the measures which the U.S. Government has taken for Laos. He assured the Secretary that the U.S. could count on the Lao Government and his party while he was Foreign Minister to continue the task of combating Communism in Laos. The Foreign Minister assured the Secretary that they would not stray one bit from the path of doing everything possible for Laos. The Foreign Minister expressed appreciation for U.S. aid for which he said all Laos has been grateful and told the Secretary that the Royal Government would be very happy to have U.S. aid increased.

The Secretary replied that unfortunately the U.S. does not have all the resources it would wish and that it would not be possible to increase U.S. aid. However, the Secretary told the Foreign Minister the U.S. would do everything possible with what it had available.

The Secretary went on to state that the U.S. is somewhat concerned that our aid is not always accomplishing all the good that it could for Laos because of the irregularities and artificialities involved in the rate of exchange. The Secretary said that the U.S. would probably have more to say about this matter later through the mission in Vientiane. The Foreign Minister replied that the Lao Government is ready to discuss the modalities of a change in the rate if this is necessary. He said he had already talked to Ambassador Parsons about licensing procedures and other aspects of the problem. If the U.S. considers that this system is not perfect, the Royal Government is quite disposed to consider a change.

The Secretary then brought up the subject of disarmament and thanked the Foreign Minister for his willingness to co-sponsor the U.S. draft resolution. The Foreign Minister said that he was very glad to do this as it is an important subject. The Secretary then briefly described his conversation of the day before with the Soviet Foreign Minister.

Referring to the San Francisco Conference and the Japanese Peace Treaty, the Secretary said that it was his initiative which had brought about the inclusion of Laos, Cambodia, and Viet-Nam as conference members. He said he assumed that this was the first international gathering which Laos had attended as a sovereign independent state. He felt that it was extremely important for Laos to keep that independence. The U.S. recognizes the difficult geographic situation facing Laos and admires the courage of the country, for it is not always easy for a small country to safeguard its new independence, particularly when it lies beside a large hostile neighbor. The Foreign Minister agreed that the situation was delicate and would be impossible without American aid.



The Secretary then referred to the Geneva Armistice Agreement, the terms of which he felt were not well expressed, as Mr. Robertson could verify. The Foreign Minister said that he had known Mr. Robertson well at Geneva and had often sought his counsel. Mr. Robertson said that the armistice terms on Laos would have been all right if they had been carried out and if the Communists had shown good faith. Unfortunately, the problem has been complicated by the fact that the co-Chairmen and the ICC had let the Pathet Lao become an independent power and had not insisted upon strict implementation of the armistice agreement. Mr. Robertson said that it was encouraging that the new Lao Cabinet has five strong anti-Communist members.

Before leaving, the Foreign Minister said that he had to be back in Vientiane as soon as possible because there would have to be an enlargement of the Cabinet. The Secretary said that he hoped Mr. Phoui would keep the position of Minister of Foreign Affairs because he has had so much experience.

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**475. Memorandum of a Conversation, Department of State, Washington, October 7, 1957, 3:30 p.m.<sup>1</sup>**

**SUBJECT**

The Pathet Lao Problem in Laos

**PARTICIPANTS**

His Excellency Phoui Sananikone, Foreign Minister of Laos  
 His Excellency Ourot R. Souvannavong, Ambassador of Laos  
 Walter S. Robertson, Assistant Secretary for Far Eastern Affairs  
 Howard P. Jones, Deputy Assistant Secretary for Far Eastern Affairs  
 J. Graham Parsons, American Ambassador to Laos  
 Kenneth T. Young, Jr., Director, Office of Southeast Asian Affairs  
 Eric Kocher, Deputy Director, Office of Southeast Asian Affairs  
 Patricia M. Byrne, FE/SEA

His Excellency Phoui Sananikone, Foreign Minister of Laos, called on Mr. Robertson at 3:30 p.m. at his own request. The Minister had come to the United States to head the Lao delegation to the twelfth United Nations General Assembly.

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<sup>1</sup>Department of State, Central Files, 751J.00/10-757. Secret. Drafted by Byrne on October 10 and cleared by Young, Jones, and Robertson. Briefing material for Robertson in preparation for the meeting is in a memorandum from Young to Robertson, October 7, not printed. (*Ibid.*, 751J.13/10-757)

Replying to Mr. Robertson's welcome, Phoui said he had most pleasant memories of Mr. Robertson at the 1954 Geneva Conference. That conference had at times seemed long and the Chinese Communists had caused many difficulties. Nevertheless, it had produced excellent results.

Mr. Robertson said it had achieved a bad result for Viet-Nam, but it might have been favorable for Laos if the Communists had adhered to the terms of the agreements reached there. The Foreign Minister agreed.

Continuing, Mr. Robertson said we had admired Phoui's insistence in Laos that the Communists execute the Geneva Accords. In 1954 the Communists had agreed that Pathet Lao troops would be disbanded and the Royal Government's civil and military authority over the two provinces restored; in return there would be no discrimination against the Pathet Lao in the then forthcoming elections. Three years later this same group continued to pay no attention to the 1954 agreements, demanded coalition government as if it were on a par with the Lao Government, and was trading the same old concessions all over again. Mr. Robertson wished to re-emphasize our admiration for Phoui's strong position in this situation.

We particularly admired his stand, said Mr. Robertson, because we were fearful of coalition governments. The Foreign Minister would remember the example of Czechoslovakia: The Czechs had thought they could take the Communists into the government and still control them. But the result had been a Communist take-over and Masaryk's suicide.

Phoui said that the Royal Government's faith in the Pathet Lao had been betrayed. At Geneva they had thought the Pathet Lao would participate in the elections, the situation would return to normal, and the International Control Commission withdrawn. The Lao delegation at the Geneva Conference had been instructed to make clear that the Pathet Lao posed a local, not an international, problem. That was why the Geneva Conference had not solved the matter; there it had been agreed that the Pathet Lao would regroup pending a settlement to be achieved "within the family". The Lao Government had believed that true nationalists could reach an understanding.

Three years' experience had shown, to all but those who did not wish to understand, that the Pathet Lao were not nationalists but had extremely close relations with the Communists.

The Royal Government had been deceived again in the agreement of December 28, 1956 negotiated by Prime Minister Souvanna Phouma. Under the terms of that agreement, after Pathet Lao entry into a coalition government the movement was to be dissolved, the Government's administration restored, and the conditions for the

reintegration of Pathet Lao civilian and military personnel freely fixed by the Lao Government.

Pathet Lao leader Prince Souphannouvong had then, however, gone to Sam Neua—some said even to Hanoi—and had come back with a changed position. He had demanded the Lao Government accept Chinese Communist aid, which was, said Phoui, irrefutable proof of the Pathet Lao's close ties with the Communist Bloc. This new Pathet Lao condition had put an end to that phase of negotiations.

But while the Government could complain of continued Pathet Lao deception and bad faith, it could at the same time congratulate itself that these frequent changes in the Pathet Lao attitude had exposed their perfidy. Many who had not been willing to think the Pathet Lao were tied to the Communist Bloc were now convinced that they were.

Negotiations had been resumed, said the Foreign Minister. He had little detailed information, but he himself thought the conversations unlikely soon to come to any real conclusion. Laos was therefore still far from having coalition government.

Mr. Robertson said we had been informed of a draft law produced in the working group which would grant amnesty to the Pathet Lao "until the day of coalition".<sup>2</sup> This appeared to us to give the Pathet Lao an excellent opportunity to engage in subversion and terrorism with immunity from punishment. The Foreign Minister might wish to obtain better language for this law.

After ascertaining that the draft emanated from the mixed political commission and not the Assembly Deputies, Phoui said he would look into the matter, and that if we thought this draft could compromise Laos in the immediate future, he would cable Katay to stop all action and prevent presentation of the law to the National Assembly until Phoui's return to Vientiane. Mr. Parsons responded that this would be useful. Mr. Robertson added that, if such a law were necessary, it should at least be drawn up so as to constitute a victory for the Government and not, like the present draft, a triumph for the Pathet Lao.

The Foreign Minister then said he would like to ask Mr. Robertson's advice. He would set forth the Royal Government position recently agreed upon in the Cabinet Council. If we were not in accord with it, he would appreciate our suggestions.

The present Government, in contrast to its predecessor, wished to settle the Pathet Lao problem through the following measures: The Government would require of the Pathet Lao 1) the dissolution, both theoretical and practical, of the Pathet Lao movement before

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<sup>2</sup>In telegram 476 from Vientiane, September 27, not printed. (*Ibid.*, 751J.00/9-2757)

coalition; 2) a written agreement that the Royal Government was free to reestablish its authority in the two provinces and send in anyone it chose to administer them; 3) an agreement that the reintegration of Pathet Lao civilian and military personnel would be accomplished in accordance with conditions fixed by the Royal Government.

If the Government were satisfied on these three points, it could then proceed to form a coalition cabinet. Supplementary elections would follow soon thereafter, and then a new government reflecting the results of the elections would be set up. Knowing the American interest in the future of this country, the Foreign Minister said, he would like to know whether this scheme could present difficulties, and if so, how the plan could be modified to avoid them.

In reply, Mr. Robertson said that the primary responsibility for a settlement and for the decision as to what was wise must rest with the Royal Government. There were many complicating factors on which we were not qualified to pass. We were strongly concerned, however, from the standpoint of a friendly outsider, to see Laos' national independence maintained. The terms under which the Pathet Lao were taken into the national community were therefore highly important.

The Minister had mentioned the integration of Pathet Lao troops. By what formula would this be accomplished? Would the troops be screened? Would any who wished be admitted or would they be limited to a percentage of the National Army? The great danger was that the integration of large numbers of unscreened troops might build in cells for infiltration and subversion of the Army. We knew and the Minister knew that the negotiations were directed by international Communism, which would make a strenuous effort to achieve a settlement permitting their entrenchment for future activity.

Ambassador Parsons then stated that he was entirely in accord with Mr. Robertson's thinking, which was the view that any American would take after studying the situation in Laos. We knew that the Lao strongly desired the reunification of the country; we also knew how adept the Communists were at exploiting this desire. If we sometimes found ourselves not in agreement with the Lao Government, it was because we had had experience with the Communists elsewhere in the world. Our concern was only for the future of Laos; we had no other motive. We consequently feared arrangements which it seemed to us might jeopardize that future.

Turning to the specific points mentioned by Phoui, Mr. Parsons said that the Lao Government had wisely initiated such measures as

civic action under Colonel Sananikone<sup>3</sup> and other programs which in a few months should give the Government control of outlying areas. This was a field to which the Lao Government had perhaps not been able to give as much attention as it would like. With increased control of these outlying areas, the Government could better handle Pathet Lao reintegration.

Before a thoroughly considered reply could be given the Foreign Minister, Mr. Parsons said, we should have to know such things as which Pathet Lao would be given posts in a coalition cabinet, which portfolios they would hold, and how the Government intended to protect its archives, which were always of great benefit to the Communists.

Mr. Robertson said he had at least three questions on the planned Lao course of action: 1) Would the Pathet Lao be required to meet the Government's conditions *before* they were given positions in the Government? 2) what portfolios would the Pathet Lao be given? and 3) what was the Government's assessment of its capabilities to prevent Communist infiltration if the plan were put into effect?

Mr. Parsons then mentioned that the Foreign Minister might perhaps not be aware that, in response to a request from the Royal Lao Government, the United States had in an aide-mémoire of November 6, 1956<sup>4</sup> set forth its position on financing the integration of some Pathet Lao military effectives. This aide-mémoire also stated that the U.S. must consider any agreement on Pathet Lao integration in the light of the over-all settlement achieved by the Lao Government.

Phoui said it was true that any arrangement to obtain Pathet Lao reintegration presented a danger for the future of Laos, but an arrangement by definition included some elements of compromise. If agreement were reached on the three aforementioned conditions, the modalities for their execution would be determined in each case and examined with the greatest prudence. The Cabinet's proposed position concerned principles, not details. He wished to repeat that he recognized that an accord with the Pathet Lao presented *ipso facto* a danger. But suppose the Lao Government could not reach an agreement with the Pathet Lao for fear of the ensuing contamination: What should Laos do? Should it permit the continuation of the status quo, that is, leave the two provinces under Pathet Lao control, and if so, how long could this situation be allowed to endure? Or should the Geneva Co-Chairmen be brought in, or the United Nations seized of the problem? The Lao people did not want to leave

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<sup>3</sup>A report of the civic action program in Laos is in despatch 56 from Vientiane, September 24, not printed. (*Ibid.*, 751J.00/9-2457)

<sup>4</sup>See Documents 386 and 391.

this problem unsolved for too long. They insisted absolutely on reunification.

Mr. Robertson stated that the Foreign Minister's remarks were a realistic presentation of a practical problem. He wished to point out, however, that it was essential to decide upon the details of a settlement because they were just as important as the general principle. For example, would the Pathet Lao perform certain actions as an earnest of their good faith before coalition, or would coalition come first? Not only the two provinces were at stake; a bad agreement would result in the loss of the whole country. In the effort to regain two provinces, one should not lose all 12. That was why the conditions of settlement were so important.

Mr. Robertson, after voicing his hesitation to comment on the Foreign Minister's questions, said he did not place too much reliance on the Geneva Co-Chairmen. They had reached an agreement at Geneva but there had since been no effort to enforce it on its original terms. If the Co-Chairmen were brought in, then they should use all their influence to force the Pathet Lao to carry out the terms already agreed to. They should not be brought in to negotiate anew.

We thought, Mr. Robertson went on, that the Pathet Lao were most anxious to make an agreement. They would drive a hard bargain, for they would obviously prefer to have the entire country rather than only the two provinces. In this situation the Lao Government would gain more by a tough attitude than by a soft one. We were sympathetic to the Lao desire for reunification, but the Royal Government must assess the cost of a "paper" agreement.

Phoui responded that the Lao Government was really greatly distressed that the Pathet Lao had not respected the Accords. The Communists had been co-authors of an agreement which stated that Laos was indivisible; the two provinces were to remain as always under Royal Government authority. Full Lao Government sovereignty over the area had been recognized at Geneva, by the International Control Commission, and even by Prince Souphannouvong. But although all had recognized the Government's right, the Pathet Lao had not obeyed the ICC recommendation that the Lao Government be permitted to restore its administration. Negotiations were continuing but the Foreign Minister did not have the impression that they would come to any conclusion in the near future. Therefore, what was the U.S. position on means to make the Pathet Lao execute the Geneva Accords?

Mr. Robertson replied that he knew the way *not* to: The Lao Government should not think it could force the Pathet Lao to carry out an agreement already made by taking their word on a new agreement. The Government should require Pathet Lao performance before giving them positions in the government, and not give them

Cabinet posts merely in return for their word. Since recognizing the USSR, the United States had concluded 25 major agreements with that country, and all had been broken. We had entered into an armistice agreement with the Chinese Communists on Korea; of its four provisions, all but one, that concerning the ceasefire, had been violated. And so it went with the Geneva Agreements on Viet-Nam and on Laos. No problem was settled with the Communists by making new agreements with them.

Mr. Robertson told the Foreign Minister that we had the deepest interest in the Pathet Lao issue because the independence of Laos, in the maintenance of which we were greatly interested, was at stake. The Lao Government would have our support for any fair settlement that protected Laos' independence and did not in fact involve an eventual Communist take-over.

This problem required further discussion, but time was running short, said Mr. Robertson. Before the meeting ended, he wished to take up two other matters. First, the Secretary had the day before expressed to the Foreign Minister his concern over the abuses in the Lao aid program, the irregular issuances of licenses without regard to Lao agreements with us, and the unrealistic exchange rate which fostered these irregularities. We would shortly be talking with the Royal Government to achieve joint measures concerning the exchange rate in order to eliminate the abuses and bring about a more effective utilization of American aid funds. This was important to his country and to us, if Congressional appropriations for the foreign aid program were to continue.

Second, Mr. Robertson understood that the Lao Government was interested in a program to establish reception centers for refugees and defectors from the Pathet Lao and other contaminated areas. We thought this was a good project and could give the Foreign Minister our approval in principle. We were prepared to discuss in detail our sharing part of the program's cost.

The Foreign Minister thanked Mr. Robertson for outlining U.S. views on the Pathet Lao problem, and assured him that he would do all possible to prevent a solution contrary to our interest. He also wished to assure Mr. Robertson that close liaison would be maintained with Embassy Vientiane in order to keep U.S. representatives informed of the evolution of negotiations. Nothing opposed to our joint policy would be done, concluded the Foreign Minister.

The conversation ended at 5:00 p.m.<sup>5</sup>

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<sup>5</sup>Phoui also met with Under Secretary Herter and Deputy Under Secretary Murphy. Memoranda of conversation by Byrne, October 7 and 9, are in Department of State, Central Files, 751J.00/10-757 and 751J.00/10-957, respectively.

476. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

Vientiane, October 16, 1957—4 p.m.

586. Pass to DEPTAR for Schow.<sup>2</sup> Embassy just received word that Souvanna Phouma and Souphanouvong have agreed on text joint communiqué<sup>3</sup> which will be published shortly. French adviser told Embassy officer evening 15 that two princes have been working in great secrecy over last few days on such joint communiqué and that text has already been submitted by Souvanna for approval to those members of Cabinet presently Vientiane. However publication expected to be held up until Katay now Saigon and Phoui whose return expected in day or two have had opportunity voice their views on communiqué.

Presently planned communiqué has gone through three drafts, which French adviser showed Embassy officer. First draft submitted by Souphanouvong makes well-known PL demands. Second draft was Souvanna's counter proposal which served as basis present text. Some differences between Souphanouvong's proposal, Souvanna's counter proposal and present wording discussed below.

3-page communiqué can be summarized in eleven points:

(1) First para communiqué refers to all previous agreements signed between two parties, including December 28 communiqué, which remain basis for settlement.

(2) Two leaders agree to "PL representation" in government of national union. Such coalition must be "preceded same day" by official transfer two PL provinces to RLG control. This awkward wording is compromise but nevertheless clearly states transfer authority two PL held provinces to RLG must precede coalition government. In Souphanouvong's draft coalition came first. Communiqué continues that after transfer two provinces to RLG control, coalition government must obtain Assembly approval.

(3) PL approve Souvanna Phouma's investiture declaration of August 9. In addition two parties agree Laos must not contract military alliances and not permit establishment new military bases on Lao territory.

(4) Neo Lao Hak Xat Party allowed to function like all other political parties in Laos but enjoys no special status. Souphanouvong's draft requested privileged position for Neo Lao Hak Xat to support policy of neutrality and peace. In addition communiqué continues Neo Lao Hak Xat can only begin to function after coalition has been formed and after RLG has approved party statutes. (Recall that attempt to incorporate Neo Lao Hak Xat as political party last May

<sup>1</sup>Department of State, Central Files, 751J.00/10-1657. Secret; Priority; Limited Distribution.

<sup>2</sup>Major General Robert A. Schow, Assistant Chief of Staff, Intelligence.

<sup>3</sup>A translation of the proposed communiqué is contained in telegram 614 from Vientiane, October 20, not printed. (*Ibid.*, 751J.00/10-2057)



was turned down by Minister Interior because statutes did not comply with RLG legislation on this subject.)

(5) RLG agrees to present civil rights law to National Assembly.

(6) Details on extension RLG authority over two PL provinces and integration PL civil and military officials into RLG administration and ANL to be worked out by two joint political and military commissions established August 1956. Once RLG authority reestablished over two provinces and PL integrated, text emphasizes "the de facto and de jure" disappearance of PL movement. Additional sentence proposed by Souvanna that those who continue oppose RLG authority will be treated as rebels was deleted by Souphanouvong. Recall this phrase also included in RLG military proposal (Embtel 558<sup>4</sup>).

(7) Two parties agree incorporate all PL military in some form into RLG military organization. This sweeping provision considerably curtailed however by following statement that only PL volunteers will be integrated into ANL and that number to be taken depends on "availability funds". Those PL military who do not want to serve actively in ANL will be transferred to army reserve. (French adviser explained that budgetary limitation gives RLG leeway in selecting number of PL to be incorporated into ANL. Transfer of remaining PL to reserve status is meaningless since there is no organized military reserve in Laos.)

(8) PL solemnly agree turn over all military equipment and ammunition to ANL. This provision was not included in Souphanouvong's original draft.

(9) Integration of PL civil functionaries depends on qualifications individual candidates. To be integrated, every candidate must comply with RLG standards such as possession recognized school diploma or previous experience RLG administration et cetera. This, as adviser claims, limits considerably number of civil functionaries who could qualify for integration.

(10) Two parties agree that October 31, 1956 cease-fire agreement has already served its purpose but now needs to be strengthened by increasing number of joint mobile teams policing two PL provinces. Reference to creating no man's land which was part of Souvanna's proposal (Embtel 558) turned down by Souphanouvong.

(11) Two parties agree that joint military and political commissions should discuss details to implement agreement "in shortest possible delay". Souvanna had proposed in his draft that implementation itself be carried out "before end of October". This deadline turned down by Souphanouvong.

*Comment:* French adviser opined this document like similar previous ones will probably remain deadletter. Nevertheless I feel we should have our views made known to Phoui and probably Katay before document is published thereby becoming another milestone in RLG-PL negotiations. Understand from French adviser Souvanna willing to change text if Cabinet members so desire.

<sup>4</sup>This phrase was included in telegram 523 from Vientiane, October 4, to which telegram 558 from Vientiane, October 10 referred. (*Ibid.*, 751J.00/10-457 and 751J.00/10-1057, respectively)

Phoui reported to have arrived Hong Kong but Foreign Office unable give ETA Vientiane. Will see him at first opportunity. In view source information, I am at present limited in what I can tell him but would appreciate Department's views, if possible, in time for meeting.

Bacon

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477. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, October 17, 1957—5 p.m.*

598. Department pass information CINCPAC. Last night Prime Minister mentioned to Embassy officer existence of proposed joint communiqué setting out general terms of PL settlement (reported Embtel 586<sup>2</sup> to Department only). In course interview with Prime Minister this morning I mentioned his conversation with Embassy official, whereupon Souvanna handed me his draft copy to examine. Text agrees with summary already transmitted; confirmation of previous agreements also refers specifically to holding supplementary elections, date unspecified. I told Souvanna I assumed draft would be submitted to entire Cabinet for approval and he agreed. I asked if this included Phoui (whom Souvanna now expects to arrive 21) and he said it did. I observed that draft seemed to include some remarkable concessions on part of PL, but that US position in respect coalition government was well-known and to my knowledge unchanged and that Ambassador and possibly Phoui would have heard most recent expression Department's views this subject. Souvanna acknowledged this without comment. I then pointed out (as instructed Deptel 376<sup>3</sup>) that in our view agreement on integration of Pathet Lao troops must be considered in light of general political settlement and that our position re modalities integration troops and support we would give this operation stated in secret aide-mémoire of November 6, 1956. At this Souvanna's cheerful humor returned and he said that military provisions had been drawn up with that paper distinctly in mind. He estimated that of 6,000 troops between 1,500 and 2,000 would apply for integration, less than 10% of existing ANL effec-

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<sup>1</sup>Department of State, Central Files, 751J.00/10-1757. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>*Supra.*

<sup>3</sup>Dated October 11, not printed. (Department of State, Central Files, 751J.00/10-457)

tives, and said that RLG would control total accepted by exercising budgetary restrictions, so ultimately no more than 5% need ever be integrated. He felt confident application of military regulations would automatically result in substantial compliance Point 5 of aide-mémoire regarding placement and positioning Pathet Lao officers.

I asked if he knew of any reason why Souphanouvong had yielded on points which he had maintained firmly up till now. Souvanna replied with evident satisfaction that the Pathet Lao had grown "tired", and that, after all, his brother was no communist. I asked whether the boundary commission team which has recently returned from Nonkhet and Hanoi had detected any like fatigue and willingness to compromise on part of Viet Minh. He replied that the team had found absolutely none and had come back completely discouraged; that the Viet Minh had even refused to consider his proposal that both sides withdraw troops and police from disputed areas and leave joint commission in possession for time being. I then asked whether he was sure Souphanouvong had authority to sign agreement or would have to refer question to Sam Neua. He replied that there would be no need to do that and that Souphanouvong would sign it today if he asked him to. To my inquiry on what Cabinet positions Souphanouvong laid claim, Prime Minister answered surprisingly that no specific posts had been requested. I asked him what posts he himself had in mind for the Pathet Lao and he replied he was thinking specifically of Ministry of Public Works and of one other, such as Justice or Religion. I asked whether Interior, Defense or Foreign Affairs were possibilities and he said definitely not, and added that he had never contemplated more than two Cabinet posts for PL. I said PL would doubtless expect some appointments as Secretaries of State; he agreed but said that here again they would be limited to non-key ministries such as Justice, Religion or Information.

I asked whether he saw any physical difficulties in arranging transfer of civil and military authority, surrender of weapons, presentation of slate of altered Cabinet and Assembly vote in a single day. He saw none, indicating that preparations for transfer authority would have been made sufficiently in advance. Details would be worked out in immediate future. At this point he sent for and gave to me for our temporary use copies RLG proposals for submission to both military and political commissions (outline military proposal reported Embtel 558;<sup>4</sup> full summaries both proposals being forwarded separate telegrams<sup>5</sup>). I said it seemed to me better to await results of the political and military commissions labors before making public

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<sup>4</sup>See footnote 4, *supra*.

<sup>5</sup>Telegrams 604 and 607 from Vientiane, October 18 and 19, neither printed. (Department of State, Central Files, 751J.00/10-1857 and 751J.00/10-1957, respectively)

announcement top-level agreement. He replied that issuance joint communiqué necessary in order guide work of commissions. I said Department would take greatest possible interest these developments and again observed that I knew of no change in its views already expressed to RLG.

Throughout conversation Souvanna appeared satisfied and confident, evidently feeling solution PL problem on his terms is within reach. He seems to think he has found a formula which will provide "simultaneity" as implied in his investiture speech August 9. Although conscious of our objection to coalition government he appears to believe that he has at last obtained all necessary concessions and guarantees (surrender of civil and military authority, surrender of arms) which must in form at least be carried into effect before such government is presented to Assembly for approval. Finally, Assembly approval is not and cannot be guaranteed by RLG, although Assembly approval May 29 of previous agreements suggests that it would hesitate to block, under these circumstances, what would appear to be final settlement.

In the Mixed Commissions the PL has not yet displayed same readiness to settle shown by Souphanouvong. According to Thane, head of PL political delegation, PL have asked for two ministries (unspecified), Secretary of State in Interior, and creation new position of Deputy Commander-Chief of ANL. On other hand some recent defections from PL armed forces of which Embassy learned today suggest that PL morale has been considerably undermined. These defectors (who are currently under interrogation) reportedly include Battalion Commander of 609th Infantry Battalion; a company commander in same; commander of company charged with protecting security of PL Defense Ministry; and an individual said to be a personal secretary of Souphanouvong. Until results interrogation known, speculation on their motives is idle; but even in case of military defectors, whether they are attempting gain confidence of ANL by jumping gun or are fearful of being detained by Viet Minh, all must realize their action tends to weaken PL bargaining position Vientiane.

**Bacon**

478. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, October 18, 1957—3:44 p.m.*

403. Vientiane 586.<sup>2</sup> There clearly no need of another communiqué on political settlement and Souvanna has once more easily acquiesced in Souphannouvong proposal. Although language vague, probably deliberately so, and despite enumeration more than usual number points, communiqué appears basically same "solution" put forth earlier by Souvanna. We assume Cabinet will adhere intention prevent Souvanna from continuing act unilaterally.

We have impression "official transfer" two provinces to RLG control same day coalition government formed would be merely paper transfer administration, details to be subsequently worked out in mixed commissions. On details PL would just as in December 28 communiqué be negotiating from both sides of table, as members government and as opposing party. This interpretation seems borne out by physical impossibility regaining effective control administration in single day, by imminence deadline originally proposed by Souvanna, and by lack provision for prior screening and integration PL troops, who would presumably remain in being to frustrate RLG take-over. PL aims manifest in Souphannouvong's refusal include sentence concerning prosecution as rebels those who continue oppose RLG authority. In acceding Souphannouvong's stand, Souvanna has given up key point in any settlement with PL.

We have following additional specific comments: Numbered paragraph 1: Basis for settlement should be Geneva Agreements and not December 28 communiqué, which goes far beyond Geneva terms and grants PL privileges never envisaged 1954 Accords.

Numbered paragraph 3: Sentence on military alliances and bases forfeits RLG right call in foreign assistance if security threatened and dangerously limits RLG action this field which already defined RLG unilateral declaration Geneva.

Numbered paragraph 5: Civil rights already guaranteed Constitution. Would this law include amnesty and if so would language be substituted to restrict immunity to period preceding day of promulgation (Vientiane 504<sup>3</sup>)?

Numbered paragraph 7: Despite budgetary limitation and meaninglessness reserve status, we fear RLG will get short end stick if

<sup>1</sup>Department of State, Central Files, 751J.00/10-1157. Secret; Priority. Drafted by Byrne; cleared by Kocher, Young, and Jones; and approved by Robertson. Repeated to CINCPAC for POLAD, Saigon, Phnom Penh, Bangkok, Paris, and London.

<sup>2</sup>Document 476.

<sup>3</sup>Dated October 2, not printed. (Department of State, Central Files, 751J.00/10-257)

provision concerning total PL integration maintained. Our position on 5 percent ceiling properly screened reindoctrinated troops still stands.

Numbered paragraphs 8 and 9 are good.

In discussions with Phoui and Katay you should draw on foregoing. To Phoui you might also refer to RLG position decided in Cabinet Council which he described to Robertson (Department's 377 to Vientiane<sup>4</sup>). Our reaction three conditions generally as follows: 1) condition concerning dissolution PL movement not clear but should be closely tied to effective execution conditions on reestablishment authority two provinces and reintegration PL civilian military personnel. As presented by Phoui, conditions on restoration administration and integration require PL pledge not performance, and PL pledges have for three years been shown to be worthless. RLG should insist on actual restoration its authority and actual integration PL personnel after appropriate screening before making any concessions.

You should tell Phoui we believe Cabinet Council position should be further safeguarded, but that Souvanna appears have differently interpreted even present provisions. For example, Cabinet position stated PL movement would be dissolved before coalition whereas numbered paragraph 6 communiqué seems reverse order. Also, Cabinet said reintegration to be accomplished in accordance conditions fixed by RLG, but communiqué leaves modalities to mixed commissions in which PL have voice.

You might add that, as Robertson said Washington, way to obtain Communist compliance their agreements is not by concluding still more agreements with them, for their record reveals only continuing violation. Bad agreement with PL might give appearance two provinces regained but could in reality result loss entire country. In face PL desire reach settlement RLG will profit by standing firm and maintaining tough attitude. Vientiane 598<sup>5</sup> just received. Does Souvanna mean effective restoration authority two provinces and integration PL will in fact be completed before coalition and if so has Souphannouvong agreed?

Dulles

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<sup>4</sup>Dated October 12, not printed. (*Ibid.*, 033.51J1/10-1257) This telegram summarized the discussions with Phoui and Department officials. See Documents 474 and 475.

<sup>5</sup>*Supra.*

479. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>*Vientiane, October 20, 1957—6 p.m.*

615. Department pass CINCPAC POLAD for information. Following is round up conversations re joint communiqué staff and I had evening 19th:

1. Katay approves. At second meeting between Katay and Embassy officer, 19 October,<sup>2</sup> latter set forth Department's official reaction to terms joint communiqué. To question whether he in fact approved joint communiqué, Katay answered in emphatic affirmative. According to Katay, communiqué is no simple reflection Prime Minister's thinking, but is in accordance with desires of Cabinet. However, he asserted joint communiqué is merely enunciation general principles, leaving application to be dealt with in mixed committees where guts of settlement must be negotiated. Furthermore, communiqué would not materially affect course of negotiations in committees.

Explaining purpose of publishing communiqué, Katay pointed out that two brothers, after months of inconclusive haggling, had no choice but to come up with some tangible manifestation of accord and joint communiqué, bearing some semblance of an agreed position, would go long ways toward stilling clamor both in the Assembly and in the provinces for a show of results. Katay at least felt confident that it would accomplish just that. Conversely, Katay pointed out public would not fail to react to any flagrant attempts on part of PL to disassociate themselves from practical consequences of general principles to which they had subscribed, thus giving RLG a distinct psychological advantage in pinning on PL responsibility for breakdown of negotiations. In view of drastic change in Katay's views, Embassy officer asked him frankly whether he considers himself fully in control of situation. Katay replied affirmatively, adding that in his opinion there was absolutely no reason for concern.

After expressing hope that Katay would not consider this démarche as American attempt interfere in Lao internal affairs, but rather as reflection US desire to see Laos avoid pitfalls in communiqué, Embassy officer stated Prime Minister should delay issuance joint communiqué until Ambassador has returned to give him opportunity to bring up a number of precise issues in which clarification had to be sought. To this end, Embassy officer stated he hoped to enlist Katay's intercession with Prime Minister. Katay agreed that

<sup>1</sup>Department of State, Central Files, 751J.00/10-2057. Secret; Priority. Repeated to Paris, London, Bangkok, Saigon, and Phnom Penh

<sup>2</sup>The first meeting was reported in telegram 613 from Vientiane, October 19. (*Ibid.*, 751J.00/10-1957)

this was fair request, "considering aid your country has been giving us" and stated he would pass on our request to Prime Minister Sunday afternoon (20 October).

2. ICC reactions. At Polish reception I had opportunity to discuss status negotiations with Polish and Canadian commissioners. Pole appeared confident that final settlement was very close which would permit ICC to close shop and go home. . . .

3. PL exude optimism.

Souphanouvong who cornered Embassy officer at same Polish reception was all smiles and appeared confident settlement in sight. He asserted his brother is not negotiating as individual, as he did last winter, but appears to have entire Cabinet with him. Pl leader satisfied with joint communiqué and appeared also to accept RLG civil integration project. On military agreement, he had reservations which he said are in process of being discussed in joint commission. To direct question by Embassy officer whether he would have to go back to Sam Neua before signing definitive agreement, he replied this not necessary this time.

Bacon

**480. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, October 21, 1957—7:35 p.m.*

414. Vientiane 598 repeated Paris 13 London 107 Saigon Bangkok Phnom Penh Unnumbered passed CINCPAC.<sup>2</sup> Request you inform Souvanna and other Lao leaders no part body politic immune from Communist cancer and consequently government posts he contemplating giving PL cannot be considered "minor" or "non-key". Justice, Religion, Information would enable Communists penetrate Lao society through courts, pagoda schools, and nation-wide propaganda.

You might illustrate point by citing examples Communist infiltration in countries where they did not start out (as in Czechoslova-

<sup>1</sup>Department of State, Central Files, 751J.00/10-1757. Secret; Priority. Drafted by Byrne and James B. Engle of WE; cleared by Young, Bayard King of the Office of Middle American Affairs (in draft), and Robertson (in substance); and approved by Jones. Repeated to CINCPAC for POLAD, Saigon, Phnom Penh, Bangkok, London, and Paris.

<sup>2</sup>Document 477.



kia) in possession such obvious danger spots as Ministries Interior Defense. . . .

Guatemala affords another striking example. Soviet-controlled Guatemalan Communist Party followed classic Communist system infiltration key government agencies and establishment network interlocking political labor and "mass" youth organizations through which few carefully placed and well-disciplined Communists can control political activity large groups citizens.

Beginning with few posts in diplomatic service, labor, Department Press Propaganda Tourism, and government broadcasting station 1945, Communists were by 1954 exerting determining influence over policy Guatemalan Government and had established effective control civil administration. They concentrated not upon Army police foreign policy but upon Agrarian Reform machinery, Government information and propaganda agencies, wealthy Social Security system, and public education institutions. Administration Agrarian Reform was Communist vehicle obtain rural support; Communist infiltration government-owned information agencies resulted slow but steady molding mind Guatemalan public by broad stream Communist propaganda. Posts in Ministry Education and leadership national teachers' union enabled Communists shape mind next generation. This was situation in mid-1954 when Castillo Armas' forces of liberation marched in to free Guatemala from Communist rule.

We recognize Souvanna's persistent blind faith Pathet Lao nationalist not Communist, but you should reiterate our belief movement Communist-controlled and that international Communism will direct PL to attempt follow pattern infiltration along lines outlined above.

If you deem advisable you might paraphrase foregoing in informal memorandum for Phoui and other appropriate leaders. . . .

Dulles

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**481. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, October 23, 1957—3:51 p.m.*

422. For Ambassador from Robertson. Vientiane 627 repeated Paris 117 London 111 Saigon Bangkok Phnom Penh Unnumbered

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<sup>1</sup>Department of State, Central Files, 751J.00/10-2157. Secret; Priority. Drafted by Byrne; cleared by Young, Kocher, and Jones; and approved by Robertson. Repeated to Saigon, Bangkok, Phnom Penh, Paris, London, and CINCPAC for POLAD.

passed CINCPAC<sup>2</sup> and previous telegrams on proposed RLG-PL communiqué.

We are deeply disturbed Lao leaders including Katay have been taken in by language proposed communiqué (Vientiane 614<sup>3</sup>) and apparently fail see it embodies basically same kind dangerous settlement as earlier RLG-PL declarations. Although PL have on paper made proposed communiqué look deceptively better than previous ones, RLG has again accepted only PL pledge rather than performance before PL entry into Cabinet.

Implementation communiqué in present form might set in motion unfortunate series developments culminating in necessity U.S. reassessment its policy toward Laos (November 13 letter). Absence enforceable safeguards in current settlement plans makes widespread PL infiltration and subversion Laos easily predictable.

Best course action would be Lao postponement issuance any communiqué until after all details integration PL civil military personnel and restoration RLG administration two provinces worked out in manner protecting RLG interest. If you find however that general pressure makes release communiqué this juncture inevitable, we believe it essential attempt improve communiqué's terms, particularly re timing transfer provinces and PL integration.

Phoui at this point seems likeliest target (especially in light indication Vientiane 634<sup>4</sup> that Souvanna willing include Phoui's views) for achievement U.S. objective delay release any communiqué until work mixed commissions finished or so strengthen terms presently contemplated declaration that concrete fulfillment RLG conditions by PL required before PL entry government (with consequent hope coalition further and perhaps indefinitely staved off).

Request you discuss problem with Phoui, drawing on material Department's 403<sup>5</sup> and 414 to Vientiane.<sup>6</sup> You might say we believe it premature issue any communiqué before details integration PL civil military personnel and restoration RLG administration two provinces worked out in mixed commissions. If communiqué must be released now however it imperative for continued independence Laos that

<sup>2</sup>In telegram 627, October 21, the Embassy reported a conversation with the British Ambassador in Vientiane. In it the Ambassador told the American Chargé that Souvanna Phouma was set upon publishing the joint communiqué and certain of support within Laos for a settlement with the Pathet Lao along the lines of the communiqué. Support for the settlement was so widespread, according to Holliday, that U.S.-British attempts to block issuance of the communiqué might well prove counterproductive. Instead, Holliday suggested concentrating on the details of implementation to minimize the risk of Pathet Lao subversion. (*Ibid.*)

<sup>3</sup>See footnote 2, Document 476.

<sup>4</sup>Dated October 22, not printed. (Department of State, Central Files, 751J.00/10-2257)

<sup>5</sup>Document 478.

<sup>6</sup>*Supra.*

language current draft be changed to call for actual submission PL to RLG authority before any enhancement present PL position. We concerned 1) Souvanna's description formal transfer authority as "symbolic" (since Geneva Accords recognized RLG sovereignty throughout Lao territory symbolic transfer unnecessary and meaningless); 2) actual arrival RLG authorities two provincial capitals will not take place till "seven days" after PL entry coalition government; 3) PL troop integration scheduled even later; and 4) mechanics settlement except for PL participation government are left to mixed commissions to haggle over after main concession (coalition) already in possession PL.

You might tell Phoui we aware Lao desire reunification but precipitate issuance communiqué advantageous to PL will not bring about settlement of kind RLG intends. You should make clear to Phoui and others that in any agreement with PL U.S. will closely examine each step in execution in order ascertain whether RLG remaining in effective control situation and defending position recognized at Geneva.

We should appreciate your assessment present developments.

Dulles

**482. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, October 23, 1957—6 p.m.*

645. Department pass CINCPAC for POLAD.

1. I paid brief courtesy call on Souvanna 23d during which he sought avoid discussion Pathet Lao problem. I nevertheless expressed surprise at developments past few days and said in view RLG expectation United States would support Laos during period implementation of any settlement, I expected we would have opportunity comment before communiqué issued. I reiterated United States viewpoint well known to him and had not changed as Phoui could confirm on basis Washington talks. Actually I had just received 2 lengthy messages (Deptels 403 and 414<sup>2</sup>) and believed RLG would wish have gist of them as soon as possible. In view tomorrow's holiday<sup>3</sup> I assumed

<sup>1</sup>Department of State, Central Files, 751J.00/10-2357. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Documents 478 and 480.

<sup>3</sup>United Nations Day.

this meant 25th to which Souvanna replied it was possible he and Phoui could call me in after day's ceremonies.

2. With respect two telegrams from Dept with which I of course agree, I fear they will not affect situation much as communiqué appears to have been accepted by every political leader of consequence except Phoui who was away. Furthermore with polit and milit agreements evidently far advanced opportunity to modify them may be quite limited. Therefore real question to which we may have to face up is in what way "reappraisal" foreseen in November 13, 56 letter is to be evidenced. We believe any time gained by our current delaying tactics should be devoted to consideration of our next steps if deal nevertheless goes through.

3. Crown Prince has returned Vientiane and through Phoui I have requested audience soonest.

Parsons

#### 483. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, October 23, 1957—7 p.m.*

646. Department pass CINCPAC for POLAD. Reference Embassy telegram 607.<sup>2</sup> Joint political commission signed October 22 final agreement on reestablishment RLG administration in 2 PL held provinces and integration PL functionaries. Agreement generally based on RLG working paper reported reference telegram. Signed agreement now being forwarded to RLG which chief RLG delegate political commission claimed will present it to National Assembly before end this week.

Following are highlights signed agreement as reported to Embassy officer by Tane, chief RLG delegate to political commission:

1. RLG has complete and full sovereignty over 2 PL provinces.
2. Provinces will be turned over to RLG by declaration from Souphanouvong in solemn session in National Assembly attended by Crown, ICC, Diplomatic Corps, King's Council and Royal Government.

<sup>1</sup>Department of State, Central Files, 751J.00/10-2357. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>In telegram 607, October 19, the Embassy transmitted to the Department a summary of the Royal Lao Government's working paper on reestablishing its administration and integrating Pathet Lao functionaries in the two northern provinces. See footnote 5, Document 477.

3. Same day as declaration (2 above) Government of National Union will be presented to Assembly for investiture.

4. Actual transfer 2 provinces to RLG control will take place next day in Sam Neua and Phong Saly at ceremony to be witnessed by ICC, Diplomatic Corps et cetera. Only 3 RLG officials (Governor, Deputy Governor and Province Chief) per province will take up these functions on this day. PL will turn over to RLG at that occasion all documents archives public buildings funds admin service equipment and functionaries.

5. A few days later bulk of RLG administrators and technicians will take up their duties in two provinces.

6. Appointments to administrative and technical positions in two provinces will be on 50-50 basis.

7. All PL functionaries to be integrated must be former members RLG administration.

8. A few days later all PL functionaries must wear [swear?] fidelity according existing RLG regulations.

9. PL functionaries who are not integrated will be allowed to return to their homes (details covered in RLG project).

10. General supplementary elections will be held four months after reestablishment RLG control over two provinces (day of Souphanouvong's declaration before Assembly).

11. During these four months newly appointed ex-Pathet Lao will remain in Cabinet of Government of National Union. Their membership in any RLG government thereafter depends on election results, i.e. whether their participation is needed for formation government.

12. During these four months no integrated PL functionary can be transferred except for medical reasons or on personal request. After expiration this period RLG can dispose of PL integratees as it sees fit (i.e., can transfer or dismiss them).

Parsons

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484. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, October 24, 1957—7 p.m.*

654. Reference Embassy telegram 645.<sup>2</sup> As foreseen reference telegram and despite holiday Souvanna sent for me right after UN day ceremonies this morning and we had hour's talk based on Department telegrams 403 and 414. Talk was extremely frank but calm although we got to point where Souvanna said he could not persuade me that PL were neither Communists nor Communist controlled and

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<sup>1</sup>Department of State, Central Files, 751J.00/10-2457. Secret; Priority. Repeated priority to Paris, London, and Saigon, and to Bangkok and Phnom Penh.

<sup>2</sup>Document 482.

I admitted that despite intelligence documents to which we both had had access I could not persuade him they are. Despite his contrary view Souvanna has gone to extraordinary lengths in his opinion to include safeguards which he insists will eliminate danger and preserve RLG capacity to backtrack if events prove him wrong. While not wishing minimize in any way my own extreme concern at inadequacy of safeguards, proposed deal is now better than that of last December and shows awareness on part RLG of importance safeguards.

Given Souvanna's basic thesis that PL are not Communist he apparently considered Department telegram 414 irrelevant and made little comment after reading our French paraphrase of Communist subversion efforts in Czechoslovakia, Italy and Guatemala. (I hope more effective use this material can be made with Phoui and others. British Ambassador is providing similar material to Lao leaders.) In course discussion Souvanna said he had in presence Petsarath asked his brother Souphanouvong if he had secret agreement with Viet Minh to which Souphanouvong replied in negative and offered take oath to that effect. Souvanna drew parallel between PL and Lao Issara and claimed US thinking now was like French thinking of [ten?] years ago when they opposed return of Lao Issara. I ridiculed comparison but Souvanna simply will not accept differences between PL and Lao Issara which seem to us so obvious.

With reference specific points made Department telegram 403 Souvanna sought reassure me as follows:

1) Our impression official transfer of provinces would be merely hyper-transfer with details to be worked out subsequently is not correct. Details are being worked out in mixed commissions now with political commissions agreement already signed and military one nearing completion. Thus provisions will be on paper before communiqué released let alone before official transfer. Souvana added that this disposed of argument that PL would be negotiating from both sides of table as member of government and as opposing party in commissions. Furthermore, we were not to think that 1 or 2 PL Ministers would exercise much influence with government majority.

2) Souvanna does not believe PL troops will seek frustrate RLG turn-over but if so deal is off and RLG will try to control situation. He also said that anyone who acts as subversive or rebel will be shot under authority recently passed anti-subversion law (Embassy telegram 636<sup>3</sup>). I said I could be sure that after he had worked so hard to bring about national unity he would [be?] pitiless if he found he had been tricked.

3) Souvanna frankly said Geneva agreements which others negotiate were outdated and unrealistic. He had worked instead for settlement on national basis and had excluded ICC from his deliberations

<sup>3</sup>Dated October 23, not printed. (Department of State, Central Files, 751J.00/10-2357)

and negotiations (this is true since eclipse of Sen). I asked why it was necessary to include phrases and provisions which were typical of Communist clichés the world over and he countered by saying they should be compared instead to Nehru's five principles. I told him five principles were mere rehash of provisions of UN Charter which Nehru and Chou En-lai exploited for propaganda purposes some of which no doubt had discomfited Nehru himself. Souvanna considered it necessary appear to give PL privileges not mentioned Geneva accords in order to reunite country but he insists safeguards are there to enable RLG crack down if PL show bad faith.

4) Souvanna denies RLG has forfeited right call in foreign assistance if security threatened. He said Laos would not hesitate as protocol country appeal to SEATO and was in no way inhibited from seeking application of collective security under SEATO or UN. He recalled he had made reservations in Peking and Hanoi communiqué of 1956 and said that he could add to ban in communiqué against joining military alliance a reservation such as "so long as national security not threatened". Without approving communiqué I urged him to add this.

5) Souvanna said law on civil rights provides amnesty but restricts immunity to period preceding date of promulgation of law. (Souvanna here obviously meant amnesty law itself (Embdes 61<sup>4</sup>) not yet voted.)

6) On integration PL effectives Souvanna assured me that total integrated would be less than five percent of ANL. I told him our position on this limitation plus proper screening and indoctrinations still stood.

7) I also told Souvanna we were far from clear as to measures contemplated for dissolution PL movement and asked what account he had taken of fact that movement like all Communist movements had two parts—one overt and one clandestine. While denying again Communist nature of PL Souvanna said any clandestine activity would be punished with death under subversion law and added that it was to counter subversion that RLG had set up civic action, reorganized SIDAPS, et cetera. He said these programs would be reinforced. As for my remark this story had shown PL pledges were worthless he answered that next five or six months would tell the tale and if he was proved wrong he would frankly so acknowledge. On question whether PL movement would be dissolved before coalition Souvanna denied our interpretation paragraph 6 and said that modalities for dissolution would have been fully worked out in mixed commissions before coalition.

8) In answer my query as to why Souvanna thought PL were eagerly embracing present deal whereas they failed accept what appeared to be favorable deal last December he replied PL themselves had changed. Most of leaders had now lived in Vientiane for more than year, had seen Laos truly independent, that conditions in capital were improved and had concluded that they as true Lao wished to be part of their own country. This led us back to our fundamental difference on nature of PL.

<sup>4</sup>Dated October 15, not printed. (*Ibid.*, 751J.00/10-157)

During talk I took occasion to say I was much disturbed by provision in communiqué that task of coalition government would be to implement agreements already arrived at. I could assure him that if Communist diplomatic missions came here and also bloc aid, task of preserving independence of country would be infinitely more difficult and that American reaction to such step would not fail to be extremely sharp. To this Souvanna said merely in answer necessary not to offend those governments and that his government had no intention of implementing this particular agreement. So long as even one or two ministers opposed receiving bloc diplomatic missions here their opposition would prevail. (This I took to mean that Phoui's opposition should be enough to reassure us.)

At close of this long conversation I told Souvanna that proposed communiqué and subsidiary agreements seemed to me to confront Washington with two problems. In first place it would be necessary for us to reappraise our policy as foreseen in November 13, 1956 letter to him. I could not pre-judge outcome of that re-appraisal but should it be in favor of continued efforts to support Laos, Washington would then be faced with second problem. Given desire to support Laos would situation be such that we would have reasonable chance of success in Congressional representation for we had always to consider that request for support in certain situations might prejudice aid program generally. Under these circumstances I felt it was imperative for us to be given time to consider this matter further before communiqué was issued and I assumed that it was not his intention to publish it before we had such opportunity. He replied that he had promised Bacon communiqué would not be published before my return and it would not be published for at least day or two longer. I then said that I could do nothing more to persuade him of nature of risks he was running and therefore I had nothing further to say except that although I would not fail to report his explanations as given above I could not in any way predict Washington reactions. (This was said in order prevent him from misrepresenting our position.)

Recognizing urgency I will try send general appraisal before weekend but do not feel we yet have full story. Shift in Katay's position and alleged enthusiasm of Colonel Ouan and ANL are hard to explain unless there is more to deal than Souvanna realizes. It is for this reason particularly I am most anxious see Crown Prince but Phoui who was to arrange audience cannot be found today and so I probably cannot talk further with Phoui or see Crown Prince before 25th.

Parsons



485. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, October 25, 1957—6 p.m.*

660. Department pass CINCPAC for POLAD information. Re Deptel 422.<sup>2</sup> I learned morning twenty-fifth Council of Ministers presided over by Crown Prince would meet late in day to consider (1) RLG-PL settlement, (2) monetary reform and (3) enlargement of present government (not coalition). Our information indicated Phoui and Crown Prince had agreed oppose publication communiqué at this time. It was not until lunch time that Phoui could see me.

In order maximize impact I decided give Phoui personal and unofficial résumé of US position on RLG-PL deal as follows (in French translation):

(1) We could not be quoted as approving agreements as they stand.

(2) If they got through, under our existing policy we would reappraise.

(3) Some of provisions might well raise question of whether government is vigorously seeking to maintain its independence, i.e., on one hand taking PL into Cabinet and on other hand giving them governor of Sam Neua and fifty percent of functionaries in two provinces.

(4) We are not convinced that this is best deal RLG can get. In my personal view, we would be satisfied, albeit anxious, if deal were four-step process outlined to Phoui (Embtel 643<sup>3</sup>).

(5) We are considering most seriously whether danger to Laos is greater from accepting bad deal or from consequences of failure to make any deal at this time. As Laos depends on our support, I personally feel it is entitled to our considered views on this point. There has not been time for us to reach final conclusions. Therefore we think issuance of communiqué is premature and if it is issued we think reaction in Washington would be that a government which acted so hastily might also not exercise maximum prudence in carrying out the agreement. This would be an adverse factor in considering our future policy during reappraisal.

(6) Best course action would be Lao postponement issuance any communiqué until after all details integration PL civil military personnel and restoration RLG administration two provinces worked out in manner protecting RLG interest.

(7) We would like to have our specific criticisms of agreements considered with care and Washington given a chance to appraise

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<sup>1</sup>Department of State, Central Files, 751J.00/10-2557. Secret. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Document 481.

<sup>3</sup>In telegram 643, October 23, Parsons reported that he had mentioned to Phoui the four-step process as outlined in Document 447. (Department of State, Central Files, 751J.00/10-2357)

RLG's comments thereon as well as on modifications in agreements to which our criticisms might give rise.

(8) We have the impression that the draft of the political agreement which the Prime Minister showed us is not the text as finally agreed on October 22.<sup>4</sup> We feel we are entitled to the facts if our opinion is wanted and our support desired.

With respect paragraph 8 I told Phoui our information re political agreement indicated shocking lack of regard for RLG's interests and cited number specific criticisms (see Embtel 659<sup>5</sup>). I said we were concerned to study this and also military agreement and showed him analysis of each prepared respectively by Embassy and army attaché. I assumed RLG would wish to analyze with similar care as well as consider opinions its friends. Phoui had said even before finishing reading my personal résumé of US position that he shared my viewpoint and confirmed he and Crown Prince would seek postponement issuance of communiqué. He was evidently surprised at what I told him of political agreement and said neither he nor Souvanna nor any Minister save one had seen text as yet. For this reason text could only be provisional and would be considered carefully by RLG.

Phoui then said he could not understand why Katay had approved communiqué although Katay had said to him, as he had to me, that application of agreements was important and text of communiqué unimportant. Phoui said if communiqué unimportant he wondered why issue it. Because of Katay's position he said outcome in Council of Ministers uncertain but he would do his best. I then said in view interests my government this matter and messages which I had received from Assistant Secretary Robertson (Deptels 422 and 403) which I described I wished send officer late today to ascertain outcome of meeting unless this would be inconvenient. Phoui assured me he would gladly receive Embassy officer late today.

I see Crown Prince 10 a.m. twenty-sixth.<sup>6</sup> According Phoui he is annoyed with sudden resurgence of drive for settlement along present lines. Unfortunately Katay's attitude presents serious complication from his view point as Katay for him in one sense was counterpoise to Petsarath-Souvanna-Souphanouvong branch of Royal Family, whose destiny is entwined with this crisis.

As it is imperative that we have constructive aspect to our current policy, I have now twice mentioned to Phoui four-step policy first put forward in paragraph 4 Embtel 2077. I would greatly appre-

<sup>4</sup>As reported in Document 483.

<sup>5</sup>Telegram 659, October 25, contained a summary of the operative clauses of the agreement signed on October 22 by representatives of the Royal Government and the Pathet Lao. (Department of State, Central Files, 751J.00/10-2557)

<sup>6</sup>See Document 488.

ciate Department's endorsement. During talk with Phoui I also gave him gist of Deptel 414 on Communists tactics in Czechoslovakia, Italy and Guatamala.

In comment I cannot help but feel that political agreement as now drafted is such sell-out that RLG must react. While it is no time for optimism I hope that once again in negotiating political agreement PL have overplayed their hand.

Parsons

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486. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, October 25, 1957—6 p.m.*

661. Department pass CINCPAC, for POLAD information. Reference: Embtels 659 and 660.<sup>2</sup> As reported reference telegrams agreements signed in Political Commission October 22 appear tantamount to RLG sellout to PL. Embassy understands . . . that even French, who played important role in drafting original RLG project (Embtel 607<sup>3</sup>), deeply concerned over consequences if agreement implemented.

I would therefore appreciate stiff instructions<sup>4</sup> voicing US dissatisfaction with agreement. Since situation changing from day to day and certain key RLG Ministers who in past agreed with US position (Katay in particular) for support agreement [now?] I would, however, like to have leeway in presenting US position should lighter touch then appear desirable.

Believe it timely for Embassies Paris and London to discuss RLG-PL political agreement with French and UK Foreign Offices since agreement appears to be so bad that for once united Western front might be reestablished on this subject. Faced with united opposition of three major Western powers, RLG could hardly fail reconsider entire political agreement. Holliday this morning said he was thinking of suggesting to London that tripartite talks might again be desirable. . . . I believe however his information on political agreement is less complete than ours.

Parsons

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<sup>1</sup>Department of State, Central Files, 751J.00/10-2557. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Telegram 660 is *supra*; regarding telegram 659, see footnote 5 thereto.

<sup>3</sup>See footnote 5, Document 477, and footnote 2, Document 483.

<sup>4</sup>See *infra*.

487. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, October 25, 1957—6:38 p.m.*

434. Vientiane 660 repeated Paris 127 London 121 Saigon 172 Bangkok Phnom Penh Unnumbered;<sup>2</sup> Vientiane 661 repeated Paris 126 London 120 Saigon 171 Bangkok Phnom Penh Unnumbered.<sup>3</sup> Vientiane 659<sup>4</sup> not received but we assume it contains information re new text political agreement which would be even greater surrender to PL than that reported Vientiane 646.<sup>5</sup> We sincerely hope this may be exploited Western advantage as was PL demand RLG accept Chinese Communist aid.

We are opposed terms all known agreements and you may interpret instructions and specific criticisms set forth Department's 403, 414, and 422 as strongly as circumstances warrant.

We continue endorse (Department's 1567 to Vientiane June 18, 1957<sup>6</sup>) your use four-step policy set forth paragraph 4 Vientiane 2077.<sup>7</sup>

Message from Secretary to Crown Prince<sup>8</sup> being revised conform new situation.

**Dulles**

<sup>1</sup>Department of State, Central Files, 751J.00/10-2557. Secret; Niact. Drafted by Byrne and cleared by Kocher and by Young and Robertson in draft. Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, and CINCPAC for POLAD.

<sup>2</sup>Document 485.

<sup>3</sup>*Supra.*

<sup>4</sup>See footnote 5, Document 485.

<sup>5</sup>Document 483.

<sup>6</sup>Document 449.

<sup>7</sup>Document 447.

<sup>8</sup>Such a message was not sent. See Document 500.

488. **Telegram From the Embassy in Laos to the Department of State**<sup>1</sup>

*Vientiane, October 26, 1957—4 p.m.*

666. Department pass CINCPAC for POLAD. Reference: Emb-tels 660<sup>2</sup> and 663.<sup>3</sup> Crown Prince told me categorically and twice over morning 26th that "Common declaration" of Souvanna and Souphanouvong will not be issued. He went on to say Council of Ministers had revised it drastically yesterday and so PL could not now possibly accept it. This would in turn kill military and political accords and at minimum leave RLG and PL further apart than before this latest episode. While there was no mistaking Savang's sincerity or conviction that this particular deal is dead, interment has not yet taken place and this is still Laos. At least we can say that at moment it looks as though situation has been restored.

Crown Prince considers portion this morning's Council of Ministers meeting to be devoted to PL question as mere formality and was evidently concentrating on other two agenda items, (a) monetary reform and (b) enlargement of government. Re former I told him we had finally defined our own position and were ready to negotiate. Re latter he showed considerable concern more because of Katay's behavior than because of possibility (which I consider rather likely) that Souvanna may precipitate new government crisis by resigning if this latest deal is in fact finished and negotiations with PL are ruptured. He is also concerned at "malaise" in country which Communists will try to exploit with renewed vigor and with new propaganda advantage derived from their knowledge of import and other irregularities in which Katay and other top leaders have figured.

Balance of conversation devoted to amenities, references to Phoui's and my trip, and expression his general agreement with eight-point summary United States position which I gave Phoui yes-

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<sup>1</sup>Department of State, Central Files, 751J.00/10-2657. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh. Robertson's initials appear on the source text.

<sup>2</sup>Document 485.

<sup>3</sup>In telegram 663, October 26, the Embassy reported on the major revisions in the proposed joint communiqué made by the Council of Ministers at its meeting on the night of October 25. The major improvements, which Parsons attributed in part to his discussion with Phoui on the morning of October 25, were: (a) deletion of the phrase "the same day" in connection with the timing between transfer of control of the two northern provinces and presentation of the coalition government (in the revised version, the provinces would be handed over before coalition); (b) reduction of the Neo Lao Hak Zat party from parity with the Royal Government to the status of any other political party in Laos; (c) implication that the Royal Government would control the membership of the technical commissions detailed to implement the communiqué; and (d) obligation of the technical commissions to work out in fact Royal Government's authority in the two provinces. (Department of State, Central Files, 751J.00/10-2657)

terday.<sup>4</sup> (See however Embtel 665.<sup>5</sup>) During talk I gave him usual assurances our desire to support Laos and he gave his to effect policy has not changed and regardless what we or others do he will always be seeking preserve independence of country.

Parsons

<sup>4</sup>As enumerated in telegram 660 from Vientiane.

<sup>5</sup>In telegram 665, October 26, the Embassy reported that Savang in his interview with Parsons on October 26 raised the issue of Lao-Thai border problems. (Department of State, Central Files, 751J.00/10-2657)

#### 489. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>

*Washington, October 26, 1957—10:45 p.m.*

440. For Ambassador from Robertson. Vientiane 663 repeated Paris 130 London 124 Saigon 175 Bangkok Phnom Penh Unnumbered passed CINCPAC;<sup>2</sup> Vientiane 668 repeated Paris 133 London 127 Saigon 179 Bangkok Phnom Penh Unnumbered passed CINCPAC.<sup>3</sup>

We were shocked at irresponsibility or even stupidity of RLG delegation revealed in terms secret political agreement (Vientiane 659<sup>4</sup>) and are therefore extremely pleased Council Ministers' disavowal that document and significant revision text proposed joint communiqué. I wish commend you and staff for your untiring and successful efforts bring about these two favorable developments.

We shall attempt as you suggest minimize U.S. role and emphasize this turn of events is result RLG decision after careful study proposed texts in light Laos' national interest. British French Australians Canadians however were told in response their questions past week that American Ambassador had been instructed inform appropriate Lao leaders of danger spots U.S. saw in projected settlement terms.

Revised communiqué is remarkable improvement (PL activities after entry Cabinet might be circumscribed if RLG already in effec-

<sup>1</sup>Source: Department of State, Central Files, 715J.00/10-2657. Secret; Priority. Drafted by Byrne, cleared in substance by Robertson, and approved by Young. Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, and CINCPAC for POLAD.

<sup>2</sup>See footnote 3, *supra*.

<sup>3</sup>In telegram 668, October 26, the Embassy noted that if the deal between Pathet Lao and Royal Government failed, the United States would be blamed. Furthermore, the Embassy requested comments on the revisions to the proposed joint communiqué made by the Council of Ministers. (Department of State, Central Files, 751J.00/10-2657)

<sup>4</sup>See footnote 5, Document 485.

tive control two provinces and PL troops.) We believe however it may be advisable suggest any revisions even before it presented to PL. We concur desirability addition reference to dissolution PL movement and remain somewhat concerned integration PL military limited only by phrase "within budgetary availabilities". Is this workable from our point view?

Request you cable new full text.<sup>5</sup>

Dulles

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<sup>5</sup>See paragraph 1, *infra*.

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490. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, October 29, 1957—5 p.m.*

679. Department pass information CINCPAC for POLAD. Reference Embtel 663 and Deptel 440.<sup>2</sup> I called on Foreign Minister before cabinet meeting morning 29th propose commencement negotiations on monetary reform October 30 and ascertain status PL negotiations, which currently as follows:

(1) Joint communiqué. At Council of Ministers meeting 26 Crown Prince opened session by stating that he assumed all were in agreement with revised text and language now frozen (so that Souphannavong could not make counterproposal). Ministers all agreed and Souvanna thereupon authorized transmit revised text to his brother (text may be reconstructed from reference telegram<sup>3</sup>). While two brothers were together over weekend, so far as Phoui knows Souphannavong has not yet given his reply. He says latter undoubtedly awaiting instructions and remarked parenthetically that Souphannavong is really fifth wheel on PL chariot and shows increasing signs of wanting genuinely to rejoin national community.

(2) Political agreement. At meeting 26 ministers again joked about US being better informed than they were on political agreement. Souvanna, as he afterwards admitted to Phoui, did not have courage to admit before Crown Prince and others that US information was correct. Nor did he reveal that he had instructed Tane (who

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/10-2957. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Telegram 440 is *supra*; regarding telegram 663, see footnote 3, Document 488.

<sup>3</sup>The text was transmitted in Document 496.

signed political agreement October 22) to distribute copies to various people. One recipient was Bong who mimeographed and distributed it to Assembly members with comment that this was signed October 22 and was a final agreement. At Assembly session 28 Bong proposed motion that now that political agreement had been signed Assembly called upon RL to enlarge cabinet not only with former Ministers but also PL representatives before That Luang festival. Motion signed by 20 deputies passed unanimously. Understand from Pheng Phongsavan that Katay representing government, replied that technical agreements not far enough advanced to accede to deputies wish and that hence impossible included PL in enlarged cabinet prior to That Luang ceremonies. Now belatedly also Souvanna has reversed himself and with rest of cabinet takes position political agreement assigned by Tane was not final.

(3) Present situation. Cabinet meeting this morning to deal with foregoing, which Phoui described as "regrettable incident" at Assembly. He and Crown Prince regard political agreement as completely unacceptable. I told him Washington references to it were even stronger. I also said that serious consideration any such agreement would cause value of kip to plummet and cited sharp break in value last year following Souvanna's excessive concessions to PL. Phoui did not indicate how it was proposed deal with situation, but he assured me government did not and could not consider political agreement as having been accepted. He promised let Embassy know outcome of meeting late this afternoon.

Communiqué issued by Prime Minister's office and published in *Lao Presse* evening October 28 indicates RLG does not consider political agreement assigned by Tane final text. Following is translation communiqué:

"The project for a political agreement with PL which has been distributed only constitutes for time being a working paper which could not in its present form be considered to reflect the definitive position of RLG.

This document can only be put in force when it will have received prior approval of qualified authorities, notably in first place by council of cabinet".

(4) *Comment:* Motion in Assembly does not constitute formal approval of legislative branch of agreements signed with PL. It is merely expression of pious wish which RLG should take into consideration but has no binding force. Bong can be credited with fast footwork in Assembly, making the most of October 22 political agreement and taking advantage of absence numerous nationalist and independent deputies. We should have fuller reading after Embassy Officer's meeting with Phoui tonight.

Parsons



**491. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, November 1, 1957—noon.*

700. Pass CINCPAC for POLAD. At 9 a.m. first Phoui sent for me urgently and upon my arrival said that Souvanna had requested him to see me at once and to give me the following message from him. Souvanna desired also to have my reaction.

Last night accepted political and military accords and communiqué also. (We hear RLG made further but unspecified concessions on military accord.) As enlarged government was to be presented for investiture before Assembly this morning Souvanna desired to take advantage of this opportunity to include two PL representatives forthwith. He had so just informed his colleagues and was himself now going to inform Crown Prince (at Phoui's insistence, latter said). While he was informing Savang he wished Phoui to inform me.

At conclusion of message Phoui asked if I had anything which I wished him to tell Souvanna. I said I had brief response to make which I trusted would be absolutely clear. First, to act in haste meant to repent at leisure. If Souvanna's government today presented PL for inclusion in Cabinet this would mean that their word was being accepted and that RLG was not exacting any tangible proof of good faith from them. I was of firm opinion that they must show by acts that they intended to abide by their commitments before RLG took such drastic step. Communiqué had been revised to eliminate words "same day", in that two provinces would have to be turned over in fact before coalition government presented to Assembly. What Souvanna was now proposing was not even "same day". It was to accept PL before even a symbolic act on their part had taken place. I said I thought that any government which acted in such a precipitate way would not enjoy confidence of my government. Having acted in such a way we would have no confidence in its capacity to enforce agreements. Furthermore, it would be evident to my government that RLG placed no value on US assistance in future or on US advice. Neither I nor any American could guarantee that our government could continue in such circumstances to aid Laos in face of public and Congressional reaction to this kind of performance by RLG. I said that if on other hand matters proceeded in orderly way without undue haste or risk I would hope for understanding re action on part my government. I said I regretted that I did not have opportunity to say all of foregoing directly to Souvanna but I hoped that Phoui would

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-157. Secret; Niact. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

convey message directly and if necessary I was available at any moment to repeat it.

Phoui took notes of what I said and promised to convey it faithfully. I said I disliked speaking so brutally but I was convinced that my reaction would prove not to be an overstatement to my government's reaction to such a precipitate decision on Souvanna's part. I imagined Phoui himself could believe foregoing representative of US reaction as he had had benefit of talking directly in Washington with highest officials in Department. Phoui nodded assent. He then said he was glad that I had put informal paper which I gave him October 25 (Embtel 660<sup>2</sup>) as first point that US could not be cited as being in favor of these (RLG-PL) agreements, because Souvanna had from time to time alleged that Americans were going along with him. I said that what I had written and what I had said spoke for itself and repeated that I would be glad to tell Souvanna directly my reaction to Souvanna's proposal.

I went on to tell Phoui that I had been speaking through him to the Prime Minister. Now I wished to speak to him both as Foreign Minister and friend. I said I was at his service if I could in any way help in meeting situation which he had described. He then said he had sent Ngon to round up independents, brief them and prepare their position. He indicated, but in restrained manner, that he did not approve of Souvanna's method nor his actions. (Holliday, whom I met by chance, had also run into Phoui just after latter had heard news and said Phoui was furious at Souvanna's "doublecross".) Phoui added he had just been summoned to see Crown Prince; so I asked him to give my reaction as set forth above to Savang also. I then asked that when decision had been taken I be informed, to which Phoui readily assented. Assembly is scheduled to meet at 11 today and we hear from French advisor that Souvanna has requested two speeches be prepared, one for presentation, enlarged government as planned and one for presenting government which also included PL representatives. I hope to report further in several hours.

Parsons

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<sup>2</sup>Document 485.

**492. Telegram From the Department of State to the Embassy in Laos<sup>1</sup>**

*Washington, November 1, 1957—1:13 p.m.*

469. To Parsons from Robertson. Your 700.<sup>2</sup> Strongly endorse stand you have taken with Phoui on Souvanna attempt enlarge Cabinet with two PL representatives. If this coalition has already gone through, reassessment indicated letter last November 13 would now appear necessary. Request your views this point as well as form reassessment, if any, should take.

In light present critical situation do you feel message from Secretary to Crown Prince would be helpful? We do not wish commit Secretary's prestige if events indicate solution to PL problem unfavorable to US already reached. If however you believe such message helpful and timely, request your recommendation re contents.<sup>3</sup>

**Dulles**

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-157. Secret; Niact. Drafted by Kocher and approved by Robertson. Repeated to Paris, London, Saigon, Bangkok, Phnom Penh, and CINCPAC for POLAD.

<sup>2</sup>*Supra.*

<sup>3</sup>In telegram 709 from Vientiane, November 2, the Embassy recommended that for the present the United States should reserve the possibility of a message to the Crown Prince from the Secretary. (Department of State, Central Files, 751J.00/11-257)

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**493. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, November 1, 1957—6 p.m.*

705. Department pass for information CINCPAC for POLAD. Reference: Embtels 700<sup>2</sup> and 701.<sup>3</sup> Phoui has not yet come to tell me outcome today's crisis<sup>4</sup> but just now at 4:30 I had encouraging news

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-157. Secret; Niact. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Document 491.

<sup>3</sup>In telegram 701, November 1, the Embassy reported on conversations concerning the developments in Vientiane with Holliday, Australian Foreign Minister Richard G. Casey (who was visiting Laos at the time), and Armand Gandon, Second Counselor of the French Embassy. (Department of State, Central Files, 751J.00/11-157)

<sup>4</sup>See telegram 711, *infra.*

from Holliday, who saw Phoui at Crown Prince's luncheon for Casey and stayed on to talk with Savang alone afterward.

. . . . .

Early today Souvanna assured Crown Prince all 3 documents (joint declaration, military and civil agreements) had been signed. Actually Savang said they had only been initialed and had not been approved by Cabinet. Savang said he had told Souvanna that as King's representative, he could not oppose formation of a new government but consequences of forming coalition government with PL, as Prime Minister proposed, would have to be his sole responsibility. Furthermore, he wished consult leaders of independent and progressive parties (Phoui and Katay).

When Savang consulted Phoui (who had by then heard my position and been authorized to repeat it to Savang as well as Souvanna), Phoui told Crown Prince that if Souvanna persisted with his proposal independents would withdraw from government and oppose Souvanna's efforts. Subsequently when Katay was informed of Phoui's position, he also said that he would withdraw his support of Souvanna.

When Souvanna was informed he decided against any enlargements of government at this time and instead to propose immediate adjournment of Assembly and a special session to convene November 23 (Assembly was scheduled to adjourn November 20.) At luncheon Crown Prince persuaded Phoui to press on behalf of Independents for definite closure of Assembly on second with no proposal for reconvening at later date.

Assuming foregoing is confirmed, it would appear immediate crisis is over for present. In report Holliday commented that this incident seemed certain to discredit Souvanna and he gave some credit to suspicions already voiced that Souvanna will resign after That Luang ceremonies. Holliday also commented that it appeared as though Souvanna realized text of 3 documents, which had been rushed to completion, would not be acceptable to Cabinet and he had tried to make a fast end-run to Assembly. Holliday further found firm determination of Crown Prince encouraging. He added parenthetically that apparently Crown Prince had assumed from what he had heard of my statement to Phoui that immediate effect of coalition at this time would be cessation of US aid. (It will be recalled in this connection, however, that I did not directly threaten suspension of aid, but said that precipitate action on part of RLG would lead to conclusion that RLG placed no value on US assistance in future.)

I am dining at Souvanna's for Casey tonight, which may prove to be a social occasion of unusual interest.

Parsons

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494. **Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, November 2, 1957—6 p.m.*

711. Department pass CINCPAC for POLAD. Reference: Embtel 705.<sup>2</sup> Phoui came by early second inform me of what occurred after my statement against coalition to him morning first.<sup>3</sup> He said Crown Prince whom he saw immediately after leaving me was fully persuaded that US position was firm. Savang thereupon sought Phoui's views, also Katay's, and as we reported in reference telegram resultant opposition set in motion forces which dissuaded Souvanna from presenting to Assembly enlargement of Cabinet to include Pathet Lao on first.

Phoui said that after morning meeting of Assembly there was closed meeting of deputies from progressive and independent parties to see if they favored presentation coalition government at once or after That Luang fête. Consensus was to wait but some favored bringing into government once former RLG ministers who gave up their portfolios to enable present six-man cabinet gain investiture. Katay favored delay in presenting enlarged government of any kind. Katay also told deputies that when RLG-PL agreements were formally signed they should go first to Cabinet and then Council of Ministers for approval prior to final submission to Assembly. Progressive and independent deputies thereupon agreed to postponement of enlargement.

During lunch for Casey, Phoui said Crown Prince asked his advice on Souvanna's proposal to extend session until November 23. Phoui and Crown Prince opposed to such extension. Phoui understood that at afternoon session of Assembly on first Souvanna Phouma would give Assembly brief report of events up to then. Phoui said this concluded what he had come to tell us and commented he was encouraged at general agreement that RLG-PL documents were to be scrutinized in orderly fashion step by step.

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-257. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>*Supra.*

<sup>3</sup>See Document 491.

On personal basis Phoui then told me that Souvanna Phouma said he had sought to bring about enlarged Cabinet with PL at this time because he felt that I was not opposed. Phoui knew there was no warrant for Souvanna so to claim but he recommended that I repeat to Souvanna today what I said to him through Phoui yesterday. I replied that I would and would add that Department had strongly endorsed my stand. Phoui also claims not be sure of Katay's attitude who he says may be endeavoring to "push Souvanna into error." In conclusion Phoui stated that what mattered to him were certain broad lines of policy which must be taken care of. Most important of these was actual return of two provinces and establishment of effective control by RLG before accepting PL into government. Nowhere was this positively provided for in accords although contrary provision had been selected. Phoui was concerned that this left way open for proponents of Souvanna's line to urge coalition after only a symbolic act on part of PL. I told Phoui that I would stress this in conversations I might have.<sup>4</sup>

**Parsons**

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<sup>4</sup>For a report of the conversation, see telegram 714, *infra*.

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#### 495. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, November 2, 1957—7 p.m.*

714. Department pass CINCPAC for POLAD. Reference Embtel 700.<sup>2</sup> At Souvanna's request I called on him noon second which was just after Assembly had finished day's session by approving military and political agreements. Souvanna was jubilant and handed to me text of joint communiqué<sup>3</sup> which he said he had completely revised and which he said I would now find satisfactory. At his request I read it, acknowledged that it did include many improvements (it was text revised presence Crown Prince week ago) and said that I reserved more considered comments as well as those of my government pending full study of it and accompanying political and military ac-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-257. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Document 491.

<sup>3</sup>The text was transmitted in telegram 716, *infra*.

cards. Souvanna promised me copies of latter as soon as they could be translated.

I then told Souvanna that while my government wished always to take understanding view whenever possible, I had had to make certain remarks yesterday on being confronted by a message received through Foreign Minister that Souvanna had decided present coalition government to Assembly same day. Souvanna at once picked up word "decided" and said that he had only intended to present such government provided his colleagues agreed. He had informed me also for this reason. As opposition had developed in several quarters he had not carried out his intent.

I then read exact French translation of statement to Phoui contained Embtel 700. Souvanna interrupted me at point where I had said that PL were to be included in government even before a symbolic return of two provinces. He claimed that this was inaccurate and that there had already been a symbolic act at his house. (Even if this is so, it certainly is not equivalent to act in Assembly before public, diplomats and ICC.) Souvanna then made one or two other minor objections to statement and requested rectification of points mentioned above, saying that my government would otherwise be judging on basis of incorrect information. I said that I would telegraph his comments but these points seemed to me insignificant as compared with major aspects of policy which we found dangerous.

I next asked Souvanna if PL would be brought into government before political and military agreements had been carried out. I expressed hope they would not. Souvanna said this was impossible as it would take two months, for instance for some of PL effectives in remote areas to reach assembly points. I then asked him when it was planned to present enlarged government including PL. To this he replied, "Not before end of That Luang ceremonies but probably within two to three weeks." In response to further question as to when joint communiqué would be published he said, "Probably some time next week."

Several times in talk Souvanna pleaded with me to persuade my government that RLG should be given one to two months after formation of coalition government to demonstrate that agreements were workable and that PL would cooperate. He said he had absolute faith in PL and I said I had none. I said further that under our existing policy it would now appear necessary for us to reconsider and thoroughly study our policy towards Laos if PL came into government. As I left, Souvanna once more pleaded for one or two months saying this was all he had to ask. My final sentence at the door was that I could promise him only one thing, namely, that my government would study matter diligently.

**496. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, November 3, 1957—1 p.m.*

716. Department pass CINCPAC for POLAD. Following is revised translation proposed joint RLG-PL communiqué distributed among deputies November 1 and expected to be published next week:

*Begin text:*

Joint communiqué of His Highness Prince Souvanna Phouma, RLG Prime Ministers, His Highness Prince Souphanouvong, representative of the Pathet Lao Fighting Forces.

In the superior interest of the nation, in order to comply with the profound aspirations of the people, for peace and the general reconciliation of all the Lao according to the recommendations of the Geneva agreement and in application of the joint declarations of August 5 and 10, 1956, the joint communiqué of December 28, 1956, and the various agreements reached.

His Highness Prince Souvanna Phouma, Prime Minister of RLG, and His Highness Prince Souphanouvong, representative of the PL fighting forces have had an exchange of views at meetings marked by cordiality.

RLG Prime Minister and the representative of the Pathet Lao fighting units agree by way of an enlargement of the present government to formation government of large national union including former Pathet Lao with the presentation of the new government will be preceded by an official handing over to RLG of the provinces of Phong Saly and Sam Neua and the Pathet Lao fighting units.

Insofar as the political program of the new government of national union is concerned the Prime Minister of the RLG and the representative of the Pathet Lao fighting units agree to adopt the action program of the present government as it is set forth in the speech of August 9, 1957 of His Highness Prince Souvanna Phouma.

The RLG Prime Minister and the representative of the Pathet Lao fighting units agree to consider the Neo-Lao-Hak-Zat as a political party which will enjoy the same rights and will be subject to the same obligations as other political parties legally created in the Kingdom as soon as the formalities of its creation will have been fulfilled in conformity with laws and regulations in force.

The RLG Prime Minister and the representative of the Pathet Lao fighting forces agree to re-establish effective RLG administration in the provinces of Phong Saly and Sam Neua and to integrate the

<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-357. Official Use Only. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.



functionaries and PL military according to modalities to be defined by the political and military commissions; this integration carries along with it the disappearance in fact and in law of PL fighting units.

As for PL military, RLG promises to integrate them all in ANL. Within limit of budgetary availabilities those who desire to continue their service in the army will enlist in the ANL according to conditions set forth in regulations in force. Those who want to leave the service to return home will be integrated in the ANL reserves. RLG promises to give them as well as their families means of necessary transportation so that they can reach their villages as well as all facilities so that they can find means to earn a living.

The representative of PL fighting units promises to turn over to RLG all war material, notably arms and ammunition held by PL fighting units.

Insofar as PL functionaries are concerned who fulfill conditions required by RLG civil service regulations, RLG promises to appoint them to suitable assignments in the various administrative and technical services of the Kingdom according to modalities of execution which will be established by the Political Commission.

The Prime Minister of Royal Government and the representative of PL fighting units are agreed that the accord on cease-fire signed October 31, 1956 [is] already obsolescent by evolution of the situation. The former accord exacts that cessation of hostilities becomes a reality. To this end, the military commission will urgently define measures tending to implement immediately absolute cease-fire and will increase the number and means of mobile sub-commissions.

The RLG Prime Minister and the representative of the Pathet Lao fighting units recognize that difficulties of implementation exist and that general reconciliation remains still a complex task. Agreement having been fully reached on principles, they believe it is time now to settle thoroughly, agreements now in process of negotiations, the practical modalities for implementation. Substantial progress has already been made by the political and military commissions since the recent resumption of the negotiations. The present agreements under discussion deal primarily with practical measures to be adopted for the reestablishment in fact of the royal administration in the provinces of Phong Saly and Sam Neua and the integration of PL functionaries and PL fighting units. These texts will conclude negotiations. The Prime Minister of the Royal Government and the representative [of] the PL fighting units therefore direct the two commissions to pursue actively and determinedly their task and expect from them that the agreements under negotiation will be completed with shortest delay.

Prime Minister of RLG and PL representative are satisfied with results of their present conversations which appear to them to forecast complete and early success of general reconciliation.

Prime Minister of RLG and representative of PL fighting units are absolutely confident in good-will, loyalty and efforts of two sides and hope that negotiations will lead in near future to final agreements.

Done Vientiane, November 1957.

In the name of RLG—the Prime Minister—signed: Prince Souvanna Phouma.

In the name of Pathet Lao fighting units—the representative—signed: Prince Souphanouvong.

*End Text.*

Parsons

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#### 497. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, November 3, 1957—2 p.m.*

717. Department pass CINCPAC for POLAD. Reference: Embtel 700.<sup>2</sup> Morning third I had illuminating talks with Crown Prince and Phoui. Most important current fact is that Assembly closes today with no presentation to it of coalition government. This not only wins time but gives important trump to Crown Prince whose cooperation is needed for opening of extraordinary session. Following are key points of talk with Savang:

1. Assembly has not approved military and political accords. Only Souvanna so believes. Actually numerous deputies put him on defensive with questions about PL performance, conformity with Geneva Accords, etc. There was no vote and therefore no final action. Souvanna was not authorized by Cabinet to present accords and there is only his word that PL have accepted them. Savang said Souphanouvong has avoided signing and egged Souvanna on in hopes of committing Government and Assembly without himself committing PL in writing. (This I believe is conjecture on Savang's part but, fantastic as such scheme might be elsewhere it might have succeeded in Laos.) Savang further states Assembly's real desire to topple Souvanna before That Luang Festival and his fall after trick-

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<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-357. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup>Document 491.

ery and weakness of these past few days is assured. (No other source has yet told us Assembly desired fall of Souvanna before That Luang although we and Phoui have thought Katay was maneuvering for power.) Savang believes that after That Luang Souvanna will face dilemma. If he cannot present enlarged government and PL solution he must fall. If he does present it and cannot prove PL acceptance in good faith and performance he will fall. Moreover he has lost face because his undue haste and sharp tactics failed as all can see.

2. Political and Military Accords have not been countersigned by Cabinet. They must be approved by it, by King's Council and by Council of Ministers. Neither Katay nor Phoui were told Souvanna would actually present Accords to Assembly.

3. Savang denies there has been symbolic act of submission on part of PL. It must take place before King or latter's representative. Various Assembly members yesterday insisted on this taking place in their presence and that there be proofs of performance under agreements before admission of PL to Government. (Phoui tells me his brother Ngon confronted Souvanna with this demand in Assembly.)

4. Savang admits Souvanna may publish joint communiqué next week but says it is now quite sound well-considered document and more likely to provoke difficulties for PL than for RLG.

5. Three times during talk Savang said we must maintain our firm position and play on US aid not by threats such as Communists would again soon make against Deputies but nevertheless by playing on desire Lao politicians maintain their recently improved standard of living. My statement to Phoui for Souvanna (reftel) had been repeated to him and I should maintain this hardline. I told Savang it had received immediate and unequivocal support on urgent telegram from Washington (Deptel 469<sup>3</sup>) and he could count on our maintaining position. I added I was planning to repeat it to Katay Monday or Tuesday<sup>4</sup> in hopes Nationalist Deputies would be informed. (Phoui subsequently urged me to see Katay for this purpose.)

6. Savang revealed to me that at 8 a.m. first Souvanna had for first time told him (and only at Phoui's prompting) of intent present coalition that morning and that Souvanna had further claimed both Katay and Phoui supported this. When summoned to Palace both Katay and Phoui not only denied their support but immediately promised they and their supporters would oppose. Katay had not even been told of Souvanna's intent. In conclusion Savang said he hoped and rather thought what had happened was all for best as it had revealed for all to see Souvanna's gullibility, irresponsibility, and

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<sup>3</sup>Document 492.

<sup>4</sup>November 4-5.

trickery. He was definitely optimistic for future although he expects difficult times when government crisis breaks.

Phoui confirmed much of foregoing, in particular fact Souvanna was sharply questioned in Assembly. He said procedure was most irregular and no final action was taken. He agrees government crisis is likely come soon and said only candidate was Katay. Independents would support him fully. He also wished me to see Katay not only to repeat statement my 700 but also in hopes I could smoke out his true attitude and intentions.

I hope to send a more considered appraisal of where things stand next four days but situation clearly not so desperate as it was two days ago.

Parsons

#### 498. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>

*Vientiane, November 5, 1957—3 p.m.*

734. At beginning of That Luang Festival which ushers in four day intermission on political scene it is time to take stock of where we stand in PL settlement. Although events during last week have been confusing, it appears to me that what happened can be put in one of two categories: Favorable or unfavorable developments insofar as the United States concerned.

##### *A. Favorable developments*

(1) Despite Souvanna's efforts to have Assembly extended until November 23 Crown Prince refused and clotured Assembly November 3. Theoretically next regular session will be May 11. Although government can request Crown convene a special session of Assembly, Crown does not necessarily have to agree. It can certainly ask questions regarding need for such a session. Hence special session depends to some extent on Crown Prince and could be delayed.

(2) Despite Souvanna's great efforts to get PL into government they are not in yet.

(3) Souvanna must count with opposition of Katay and Phoui on his solution to PL problem. Both of these important leaders believe that political and military agreements have not been approved in

<sup>1</sup>Source: Department of State, Central Files, 751J.00/11-557. Secret. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

Cabinet or by Council of Ministers and such approval is required before they can be implemented; hence Souvanna must still convince his colleagues in Cabinet before final action can be taken. (Nevertheless Souvanna's office announced that political agreement was approved by Cabinet October 30; see B-3 below.)

(4) Frantic efforts to enlarge Cabinet by including former Ministers (not PL) prior That Luang failed. Former Ministers who were thwarted in their desire to participate at That Luang Festival as Ministers and who had been promised to recoup Ministerial positions within 60 days at time 6-man government was invested, are now dissatisfied and probably hold Souvanna more than anybody else responsible for it.

(5) There is serious doubt among Lao and foreign observers that Assembly has ratified the political and military agreements as Souvanna claimed it has. This doubt can be exploited later.

(6) Intermission in negotiations due to That Luang Festival gives additional time to try to influence Deputies and important Lao officials as to shortcomings of the agreement. As long as nothing irrevocable has been done, nothing is lost and the Embassy can continue its efforts.

(7) Many Deputies contacted by Embassy worried by United States reaction to RLG willingness to accept PL in government. Threat of a serious re-evaluation of United States aid policy toward Laos may prove to be a formidable weapon.

(8) Souvanna's high-handed and precipitate action in trying to bring PL into government has alienated some important Lao politicians.

(9) There are serious indications that Katay, as leader of the Nationalist party, would like to become Prime Minister again and relations between him and Souvanna are not good. In addition, Souvanna must count on opposition of Phoui and Crown Prince.

(10) British Embassy Vientiane has changed from former favorable attitude toward coalition government and has closed ranks again with United States in opposing too hasty or soft deal. If conservative opponents of Souvanna reconstitute solid front as before Phoui's departure for US, British will support them.

#### *B. Unfavorable developments*

(1) Joint communiqué was signed between Souvanna and Souphanouvong on November 2 and has been published. This is another milestone in RLG-PL negotiations.

(2) Both Crown Prince and President National Assembly reflected in their speeches at time closing National Assembly desire Lao nation to see county united again. This drive for national reconciliation is important factor.

(3) While Katay and Phoui claim that political deployment has not been approved in Cabinet, Souvanna maintains it has been. *Lao Presse* issue of November 2 published notice to that effect.

(4) Souvanna claims that action of Assembly on November 1 and 2 is tantamount to ratifying military and political agreements and that therefore they only remain to be executed.

(5) Assembly motion of October 28 in which early 30 Deputies signed a motion favoring national reconciliation is indication of Deputies' thinking on this subject.

(6) By Souvanna's taking agreement into National Assembly he has transferred his case to an arena more favorably disposed to a PL settlement regardless of cost involved. It will be more difficult for Deputies in Assembly to oppose national reconciliation on basis two technical agreements and plenary into national government when speaking into public address system. No Deputy wants to seem to be voting against national union when entire nation favors settlement. Unfortunately most of Deputies are at this time not fully aware of implications present deal.

(7) One of politicians who could bring about major change is Katay who appears to feel United States monetary and economic reform plan is designed in part to cut down his personal powers and reduce his chances for material gain. If Katay takes our proposal for monetary reform too personally, he may be less inclined to help us than before.

### *C. Possible future developments*

It is difficult to predict what future will hold but to topple Souvanna, or to enlarge government with or without PL requires calling of a special session of National Assembly. Furthermore Crown Prince must agree to it and so far he has been solid ally in efforts to prevent RLG accepting side settlement. Once such session has been opened, much will depend on (1) the way Souvanna presents case to Assembly, (2) the amount of pressure PL bring to bear on Deputies and Ministers to implement agreement, (3) the amount of influence we can muster among the same group of people in trying to point out the pitfalls inherent in this settlement.

**Parsons**

499. Telegram From the Embassy in Laos to the Department of State <sup>1</sup>

*Vientiane, November 6, 1957—1 p.m.*

740. Department pass CINCPAC POLAD for info.

(1) In attempting appraise current status RLG-PL settlement and decide what course of action we should now follow it should be recognized first of all that an unfortunate change in balance of present government occurred late in September. Theretofore strength of situation lay in fact that while Souvanna was still PM, preponderance of power lay with Katay and Phoui, leaders of two conservative parties which comprised government. Control they exercised was decisive until (a) Phoui left for Europe and US and (b) Katay embarked on maneuvers of his own for financial gain and political power. Phoui's failure return September 16 as scheduled lost us critical week in attempt redress power relationships in government. It was this week that Souvanna, who had immediately if surreptitiously seized his opportunity, made important progress.

(2) Souvanna as Department rightly noted was content to accept same type of agreement that he sought and nearly got year ago. So long as it was manifestly question this type of agreement we could readily muster influential help, Lao and foreign, to resist obviously dangerous degree of accommodation to Communists. Once, however, we obtained important improvements not only Lao but British, Canadians and French for different reason softened opposition or ceased to oppose.

Three foreign Allies with desire discharge their several responsibilities under Geneva apparatus had important reasons for desiring settlement once they thought obvious risks had been reasonably safeguarded. They are thus willing accept settlement involving coalition of a nature which we are not willing accept. Lao of course deeply desire national unity and at any time this appears in offing it is difficult politics for leaders to oppose unless they can demonstrate clearly risks of acceptance are overriding. In their present version, accords are probably now such I doubt that Phoui and Katay believe risks really are overriding—unless US aid were surely forfeit. Always before we could believe PL would shy away from settlement but now their purported acceptance provides another new unfavorable factor.

(3) PL acceptance now, if genuine, may be motivated by local or external factors or both. They and Viet Minh may have concluded deal is best obtainable and that they can pursue their aims most ad-

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-657. Secret; Priority. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

vantageously from within national community henceforth and that they can afford some risk temporary loss control in north for sake of opportunities gain control of central government and in other provinces. As regards external factors, we are suspicious of stories attributed to French sources that Souphanouvong and Kayson have been told bloc will no longer support PL if present agreements turned down. It occurs to us, however, that bloc might have decided to pose in Asia as champion of reconciliation, reduction of tension etc. and to use Laos as cheap propaganda showcase where they stood for peace and unity while US stood as one for war and division.

(4) No doubt plans Souvanna over-reached themselves in attempt force coalition through last week. Importance this episode should not be overrated as I fear it has not affected situation in any fundamental way. Crown Prince did intervene twice successfully in thwarting presentation to Assembly and then in closing it. However, his belief that agreements were dead (Embtel 666<sup>2</sup>) stands thus far as mistaken expectation that PL would turn accords down. He now apparently looks to US to utilize drastic sanction of cutting aid although he anticipates it would lead to civil war provoked by unpaid army and police. I was willing in emergency Friday to make strong statement (Embtel 700<sup>3</sup>) to effect of investing coalition government hastily without requiring PL action to prove good faith. This statement went rather far in prejudging consequences of reevaluation should it become necessary. However it was related to danger of moment and thus was supposed to preserve our freedom of action in future circumstances. I am not sure, however, that as Crown Prince got it from Phoui he understood statement's limited applicability to circumstances such as developed November 1. He may in fact believe that we will cut or cease aid if coalition occurs in any circumstances short of application of four step program (Embtel 2077<sup>4</sup>), that is to say coalition without exacting prior PL performance in each phase of settlement. It probably does good not harm to let this impression persist for moment (especially as my statement was oral) but we may have to clarify it soon. I believe obvious time to do so is when we receive texts of political and military agreements as initialled by two delegates and analyze them in context or however RLG proposes proceed.

(5) Publication communiqué and assertion political agreement approved by government, added to speeches at Assembly closure November 3 (Embtel 723<sup>5</sup>) indicate momentum toward settlement

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<sup>2</sup> Document 488.

<sup>3</sup> Document 491.

<sup>4</sup> Document 447.

<sup>5</sup> Dated November 4, not printed. (Department of State, Central Files, 751J.00/11-457)



being sustained and that our positions being gradually derided [*eroded?*]. Unless Souvanna or PL again make mistake, or Katay-Phoui-Savang weld together strong opposition bloc, I do not know how much longer British will stand with us. They may be prepared to accept agreement if in their eyes it is reasonably safeguarded and brought about in orderly way. Thus factors on our side likely weaken further. Moreover I doubt that Crown Prince can hold off extraordinary session indefinitely and I am becoming skeptical of his belief that Souvanna faces dilemma of such gravity as to cause his fall whichever way he moves (Embtel 717 <sup>6</sup>).

(6) In light of foregoing interpretation of recent events as well as of balance sheet of favorable and unfavorable factors (Embtel 734 <sup>7</sup>) question arises what course we should now follow? Certain possibilities are offered below:

a. If our analysis final texts military and political agreements is crucial we must redouble efforts obtain them. If Souvanna fails deliver by end of That Luang festival (November 8), I request I be formally instructed to address note in strong terms requesting them and further requesting no final steps be taken until we have had time to analyze and consult Washington. Alternatively, or later if note fails to produce results, message from Secretary to Crown Prince in same sense would be desirable and would have additional advantage of portraying graphically seriousness with which US regards situation.

b. Should RLG persist in executing agreements without permitting us first to comment on them or should do so in face of adverse comments, I should address formal note indicating we have no alternative but to reevaluate policy per November 13, 1956, note. Note would avoid prejudging outcome and be silent on manner or scope of reevaluation. Either then or subsequently it could be stated that I was being recalled on consultation for this purpose. I believe I should be recalled only if RLG proceed with execution agreements involving immediate coalition and thus openly flouts US advice. My position would be rather difficult in such circumstances unless some action is taken to indicate my repeated warnings were serious. I, of course, hope no such action necessary because in most circumstances I should be able contribute more by remaining here to oppose, improve or delay such dangerous scheme as RLG may evolve. In particular I want to keep on trying to reconstitute effective Crown Prince-Katay-Phoui effective check on Souvanna.

(7) On purely hypothetical basis and in connection with possible tripartite consultation with UK-French I should like to suggest that if we at some time should reach conclusion we could no longer obtain adequate aid appropriations we should so state to Western Allies. While I do not recommend following now, consideration might be given to asking them further if in such circumstances they would be

<sup>6</sup> Document 497.

<sup>7</sup> Document 498.

ready to share or take over aid responsibility (as we have had to from them in other circumstances).

Parsons

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500. Telegram From the Department of State to the Embassy in Laos <sup>1</sup>

*Washington, November 7, 1957—7:22 p.m.*

494. Vientiane 740 repeated Paris 158 London 151 Saigon 209 Bangkok 22 Phnom Penh Unnumbered passed CINCPAC POLAD.<sup>2</sup> Confused situation Laos makes decisions re next U.S. steps difficult. Problem seems come down to content elusive political and military accords and effect Assembly action thereon. (On latter point Canadians have report Souvanna stated to Assembly that in absence objections he would assume Assembly approval. Request your comments.)

Whether or not political and military accords turn out be acceptable, appears we should in order further delay coalition seek bolster Katay-Phoui who consider agreements not formally approved by appropriate governing bodies. This tack becomes essential if as we suspect political and military accords conflict with November 2 communiqué and call for immediate PL entry into Cabinet. In this event we should utilize insistence on formal and orderly ratification procedures to attempt obtain changes to call for restoration RLG authority two provinces and integration PL troops as first steps any settlement. Otherwise Souvanna will proceed with his own interpretation communiqué and Assembly action to suit his reckless course.

Procurement texts agreements clearly necessary and we should not yield to Souvanna's stalling.<sup>3</sup> You therefore instructed deliver note along lines paragraph 6a reference telegram if Souvanna fails deliver shortly. You might add U.S. which deeply interested and involved welfare Laos unable formulate position on plans critical for future country without possessing basic documents. (FYI: We have no intention giving Souvanna requested two-month grace period for operation coalition scheme since this would of course be abandon-

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-657. Secret; Priority. Drafted by Byrne, cleared by Kocher, and approved by Jones. Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, and CINCPAC for POLAD.

<sup>2</sup> *Supra*.

<sup>3</sup> Souvanna Phouma gave the Embassy a copy of the military agreement on November 12 and a copy of the political agreement on November 13. Texts are in telegrams 773 and 796 from Vientiane, November 12 and 13, neither printed. (Department of State, Central Files, 751J.00/11-1257 and 751J.00/11-1357, respectively)

ment opposition to what U.S. continues believe perilous course. As you have told him however our reply will be communicated only after thorough study details "settlement".) We believe message from Secretary to Crown Prince should be held in reserve for prospective more serious situation.

So far as paragraph 6b concerned, November 13 letter and your recall for consultation should coalition take place remain basic elements our policy and plans re Laos. We prefer decide details their use however as situation develops.

Possibility tripartite action, either at our initiative or in response RLG request, being kept in mind.

Dulles

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501. **Telegram From the Department of State to the Embassy in Laos**<sup>1</sup>

*Washington, November 13, 1957—7:52 p.m.*

524. In current situation we inclined believe further U.S.-initiated discussions would be waste of time. In response inquiries of course we should maintain opposition to coalition and political military agreements as imperiling Lao future; our position this problem has not changed. (Re military agreement we concur analysis Vientiane 785.<sup>2</sup> Agreement seems be PL-dictated document and RLG as usual overconfident. Worst of many bad points is 60-day prohibition RLG entry two provinces, RLG agreement to which we find incredible.) Apart from replying inquiries we consider advisable (but leave this your discretion) be silent.

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1357. Secret; Priority. Drafted by Byrne and cleared by Kocher and Robertson (in draft). Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, and CINCPAC for POLAD.

<sup>2</sup> In telegram 785, November 12, the Embassy and the Army Attaché analyzed the military agreement and noted that it made the following "important concessions" to the Pathet Lao:

"(a) ANL cannot occupy two PL held provinces and seal off DRVN and ChiCom frontier until agreement has been implemented (up to 60 days).

"(b) Number of PL to be integrated (1500) is higher than figure advanced in previous RLG working paper. Present agreement also permits certain PL officers and specialists to be integrated in addition to 1500 men (paragraph 3D of agreement).

"(c) Procedure for demobilizing HW which was spelled out in detail in RLG draft left out of present agreement.

"(2) Agreement assigned excludes any reference to screening, documenting and re-orientation PL to be demobilized or to be integrated." (*Ibid.*, 751J.00/11-1257)

We await your suggestions for U.S. course of action following investiture coalition government (Vientiane 798<sup>3</sup>). We also await your views as to whether or not message from Secretary to Crown Prince would be helpful this time and if so your recommendations re content.

Dulles

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<sup>3</sup> Dated November 13, not printed. (*Ibid.*, 751J.00/11-1357)

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**502. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, November 14, 1957—7 p.m.*

**807. Reference Embassy telegram 806.<sup>2</sup>**

Even though Crown Prince was ostensibly responsible for successful intervention it would inevitably be believed that United States pressure was really responsible. Apart from reactions generated locally at thus thwarting current emotional urge for national unity there would be possibility of subsequent disorders, Viet Minh intervention and other wider repercussions which it is very difficult to judge from here but which Souvanna freely predicts.

On other hand, if deal goes through it is equally difficult to predict whether or not RLG can maintain control of situation and prevent ultimate Communist take-over. I am somewhat more hopeful about RLG capabilities now than before but this of course, presupposes continued United States support and cooperation during period of implementation of accords and thereafter. Suggestions mentioned Embassy telegram 798<sup>3</sup> cannot be forwarded before tomorrow but they do not envisage willingly abandoning Laos.

If Crown Prince poses question to me as suggested above there will probably not be time to consult Washington. I would, therefore, appreciate any guidance deemed possible now. Only middle ground I

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1457. Secret; Priority; Limited Distribution.

<sup>2</sup> The operative part of telegram 806, November 14, described Souvanna's efforts to bypass the Crown Prince and other possible sources of opposition. "Phoui remonstrated against such cavalier behavior and accords have now been transmitted 'for information'. After some argument Souvanna also agreed that [to?] telegram requesting King send representative for opening of Assembly specifying sixteenth as desired date." The telegram continued, "Phoui says nothing can prevent success of Souvanna's program unless possibly if Crown Prince should intervene." (*Ibid.*)

<sup>3</sup> See footnote 3, *supra*.

can see is to tell Savang that if coalition government comes in I will be withdrawn participate in re-evaluation and I cannot foretell consequences although United States desire support Laos and help keep it out of Communist hands will persist so long as there is practical possibility of obtaining appropriations at home and of their serving purpose intended here. To foregoing I could add United States would be considerably more impressed if Souvanna's plans had received consideration by all competent Lao bodies such as Council of Ministers and King's Council as well as formal approval by Assembly.

Question of message from Secretary to Crown Prince may be foreclosed by news just received (6 p.m., 14th) that he arrives tomorrow with Assembly to be convoked probably 16th or 18th. If Savang does elect to intervene, which is doubtful unless he is told flatly aid to be ended, I think message should be adapted if possible to his views at time. This is probably impracticable unless tempo here slows. If he does not intervene there may well be useful moment for message after coalition is a fact. Such message could refer to re-valuation which thereby necessitated and inform Savang that this would proceed in light of information available as to how RLG executes agreements. It could thereafter assure him that statement made to him in Washington 1956 still stood. If through our evaluation duly constituted and competent branches of United States Government were satisfied that Government of Laos was resolutely (and successfully) defending independence and integrity of Kingdom, it could count on continued moral and material support of United States within practical limits. In meantime American people and government regarded with understanding desire of Lao people for national unity and would deeply resent any alien effort to exploit to detriment of Kingdom's true interests this natural desire.

Parsons

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503. Telegram From the Department of State to the Embassy in Laos <sup>1</sup>

*Washington, November 15, 1957—7:42 p.m.*

537. Your 807.<sup>2</sup> If Crown Prince asks whether coalition will mean termination U.S. aid, you authorized reply as you suggest in

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1457. Secret; Priority; Limit Distribution. Drafted by Byrne, cleared with Kocher, and approved by Robertson.

<sup>2</sup> *Supra.*

sentence reference telegram beginning "Only middle ground" and ending "intended here". Such reply advisable because 1) Crown Prince was informed last winter of your prospective recall if coalition materialized; 2) it conforms reappraisal requirement of November 13 letter; and 3) it permits flexibility as to outcome reevaluation.

You might add comment re precipitate RLG action but recommend you avoid saying we would be considerably more impressed if settlement had been fully considered by all governing bodies. Such statement assumes formal ratification process would have resulted significant strengthening RLG position but since there no guarantee of this it probably advisable not make modalities of approval strong factor our opposition.

Dulles

#### 504. Telegram From the Embassy in Laos to the Department of State <sup>1</sup>

*Vientiane, November 15, 1957—4 p.m.*

811. Department pass CINCPAC for POLAD. Reference: Embtel 797.<sup>2</sup> Following is Embassy's evaluation of good and bad features political agreement:

1) Preamble reconfirms December 28 declaration and all other RLG-PL agreements previously reached. Hence foreign policy favoring neutrality, relations with and acceptance aid from neighboring countries is endorsed by reference. Agreement however does not include by reference Souvanna's August 9 investiture speech. No limitations on conduct foreign policy in body of agreement.

2) Chapter 1. There remains objectionable rigid requirement that one-half public service jobs in two provinces, including Chao Khouengs, Chao Muongs <sup>3</sup> and their staffs, be allocated to PL. This leaves too heavy a concentration of PL in entrenched positions. Mixed special commission will moreover determine branch of service to which PL functionaries will be assigned (Article 3), although actual assignment to specific jobs will be made by RLG on commission proposal (Article 2). Lists submitted by PL will presumably be drawn up in such way as to ensure assignment of greatest number of

<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1557. Secret. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.

<sup>2</sup> Telegram 797, November 13, contained a brief preliminary analysis by the Embassy of the political agreement. (*Ibid.*, 751J.00/11-1357)

<sup>3</sup> Translate as "governors" and "county chiefs," respectively.

PL to branches and positions useful to it. PL who have once served under RLG must be assigned to either original or present branch, depending on their qualifications, of which RLG will apparently be judge (Article 4). Generally speaking, all other PL functionaries will remain in place for 3 months (Article 5); however, there is no longer any undertaking by RLG to re-employ all former PL. RLG is in fact free to apply standards of personnel strength in use elsewhere in Kingdom, and even to raise or lower them as it sees fit (Articles 2 and 4). A down-grading of PL functionaries without RLG service on basis of RLG civil service standards could be used to remove some number of them from responsible positions. Danger that 2,000 PL school teachers might have to be employed by RLG apparently removed, particularly since Ministry Education obliged to close 560 schools this year for lack of funds. Some of course might "volunteer" to teach for nothing.

Chapter 2. It is officially recognized that PL may be succeeded by legal political party Neo Lao Hak Xat (Article 9). This organization already functions in clandestinity in many parts of Laos. New party will be shorn of its original claim of leading all other parties. Its legal recognition will depend on decision of RLG and its continued existence will be subject to same restrictions as apply to other parties. We assume that its overt activities will be paralleled by underground apparatus for subversive purposes, as at present. Existence of legal superstructure throughout Laos will facilitate logistic and other support for illegal activities.

Transfer of authority (Article 8) remains symbolic prior to formation coalition government.

Appointment of functionaries and surrender of archives (Articles 10 and 11) will evidently take place only after considerable delay, considering need to appoint commissions, deliberations of latter, and final action.

Article 12 will probably give rise to much popular dissatisfaction. Old provision for restoration of collectivized property to private owners has been replaced by provision for indemnification only which is likely to be extremely slow at best. Furthermore, it would appear that RLG henceforth must either perpetuate collectivization or become area's principal landlord.

As PL have never been reported to have issued own currency, no question of conversion arises. A problem will evidently arise on disposition of Viet Minh currency now in hands of population.

*General comment:* Agreement bears too many evidences of having been rewritten in part by various hands and of hasty assemblage without adequate coordination. For example, the number, kind and responsibilities of subcommissions is not entirely clear, nor is it clear that the agreement takes effect "when signed" or only when the

symbolic transfer of authority [takes place?] (Articles 1 and 8). Actual entry of RLG functionaries on duty will take considerable time, inasmuch as appointment to various positions in two provinces must await PL submission of lists of PL functionaries, selection of mixed commissions, deliberations of latter, and appointive action by RLG. If PL should adopt delaying tactics, there will be little RLG can do until ANL is in complete control of provinces. After three months, RLG should be in full control of civil administration.

Failure to restore private property (assuming French version accurately represents meaning of Lao original) will doubtless be great disappointment to inhabitants and will have considerable effect in dissipating initial goodwill toward RLG administration. Same may be true of failure to provide for conversion Viet Minh currency; population certain to feel cheated unless it can dispose of piastres either in North Vietnam or to RLG at fair price.

As in case military agreement, value of accord seems now depend primarily on energy and intelligence with which it is carried out by RLG. On the one hand, RLG will as time passes become more and more the sole authority responsible for its execution, on other hand, PL will still be in possession many key administrative posts; it will be represented by legal political party and equipped with underground organization; and it will have Cabinet spokesmen. The elections foreseen after three months at the village level will probably result in the removal of few head men, unless civic action, operation brotherhood, and other agencies can produce remarkable results in this short time. General supplementary elections to the Assembly after four months will be the ultimate test. Whether or not they take place will probably depend on the RLG's view of the situation at the time. It is then that Katay if physically fit may again appear in role consonant with US interests.

**Parsons**

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**505. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, November 15, 1957—5 p.m.*

812. Department pass CINCPAC for POLAD. Reference Embtel 798.<sup>2</sup>

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1557. Secret; Priority. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup> See footnote 3, Document 501.



(1) This message, written on assumption coalition government will be invested, intended help Department develop course of action during period of reevaluation which presumably commences concurrently with that of implementation of military and civil accords (up to two months).

(2) It has long been evident that in Laos there are three principal threats to ability of United States continue its massive support of country: (a) accommodation to Communists to point where our aid might appear be aiding them more than free world, (b) subversion of country and (c) misuse of aid funds. Point (a) is now of major and immediate concern; (b) is continuing threat which may be aggravated by PL settlement; and (c) had been for some months an acute problem which we may now under new circumstances have better chance of solving satisfactorily as set forth below.

(3) Analysis here must naturally take into consideration not only agreements themselves and our appraisal of them but also historical comparison of situation now and earlier when Souvanna first set in motion plan of settlement based on accommodation to Pathet Lao.

(4) It has taken Souvanna sixteen months bring about settlement since Souphanouvong agreed in July 1957 [1956] to negotiate. I believe intervening months have seen substantial changes in Laos (for many of which United States can take credit). Numerous assets have been developed or created such as auto-defense, Operation Brotherhood, civic action and their value in period ahead may be greater than before. ANL has developed further, particularly with respect to ability and acumen of key senior officers like Colonel Ouan. Intelligence, counter-propaganda and counter-subversion agencies (G-2, SIDASP, etc-etc) are now reorganized and active. More important most of Lao elite are now profoundly suspicious of PL having had their attention repeatedly called to their true motivation, duplicity, Communist-type tactics, etc etc. Souvanna perhaps excepted, elite are now accepting settlement in spite of this knowledge and with some appreciation of risks involved because appeal of national unity is irresistible. Yet only year ago comparatively few had realistic view of PL. Attitude of ANL leaders to military agreement is case in point. They consider it challenge to their professional competence, are determined to outwit and thwart PL and are confident they can do so. Accord with which they have to work is fairly detailed, containing many specific safeguards, also loopholes which they mean exploit for RLG advantage. It and political agreement particularly (thanks to United States critique of Tane text—Embtel 694<sup>3</sup>) are more favorable

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<sup>3</sup> Dated October 31, not printed. (Department of State, Central Files, 751J.00/10-3157)

to RLG than texts of several weeks ago (as is joint communiqué also). Ten months ago when coalition was narrowly averted there were no such texts at all and no safeguards of any consequence. It is evident therefore that reappraisal of our policy takes place in circumstances quite different than it would have if it had been necessitated by coalition based on December 28 Declaration.

(5) Two basic facts have not changed. Laos is still an important buffer area. Second, it is just as true as ever that termination of United States aid to Laos would mean that sooner or later, probably sooner, Laos would slip under control of Communists with, of course, major repercussions for Southeast Asia and for United States in area. It is, of course, a PL objective to eliminate United States influence. It thus appears to us here an inescapable conclusion that we must not terminate our efforts in Laos at this stage. I would thus like to conceive of reevaluation as requiring primarily decisions as to how we adjust to new situation not as to whether or not we now abandon Laos. In a sense it should be reevaluation based on our estimate of events over next several months not on past events. By same token any decision continue help here should be provisional and for testing period not for indefinite number of years ahead as we have hitherto assumed.

(6) I thus believe our courses of action can be projected only few weeks or months ahead and dependent on developments during this testing period. However, they must affect one major change in our posture. After working for nearly year and a half in opposition to Souvanna's leadership of RLG (to point where continuance of such efforts would be sharply counterproductive) we must now shift to position of working with that leadership unsatisfactory as it is. This is all more true with disappearance of Katay from position in which we used to conceive of him as staunch pro-American, anti-Communist leader. In sum if we are to have any hope of keeping Laos out of Communist control we must work constructively for success of present settlement advising and helping within measure of our capabilities. I think our capacity to influence leaders here would grow appreciably under such positive conditions. . . . Recently allies concluded we had bought all time we could and gained all improvements possible and that tide toward unity could no longer be stemmed at any cost. Thus in final weeks of our effort to prevent coalition we stood alone. I believe that instead working in isolation, working with allies will also enhance our capabilities in period ahead.

(7) Yet another consideration indicates maximum US influence here is needed over months ahead. RLG late in 1956 made agreements which Assembly casually approved in May 1957 and which call for diplomatic relations with all countries requesting and acceptance of aid when offered unconditionally. Our withdrawal from Laos

would result in speedy implementation of those agreements; our continued presence may serve to stave this off. Even RLG doubts as to outcome of reevaluation our policy may increase risk of acceptance bloc aid. We must assume Souphanouvong who last February sought make acceptance Chinese aid by RLG a condition of PL agreement to settlement, will work on Souvanna and RLG once he is member thereof. He will press for acceptance bloc aid both to increase bloc influence and to decrease ours if he cannot cause us to withdraw altogether from Laos. Should remember also that last spring ChiCom aid rejected for fear it would cause cut in US aid. Now however, if there is already fear US aid will be cut case for acceptance bloc aid looks quite different.

(8) This then is background against which reevaluation must be worked out and also direction we believe it should take. Pending reevaluation results we have paid ANL November funds due tenth and requested authority release RLG working funds (Toica 415<sup>4</sup>). Thus no politically significant grant or withdrawal of aid need occur until about four weeks from now. All members country team alerted to make no new significant commitments indicative of long term support of Laos and to consult me on borderline problems this nature. Staff members, if queried re US reactions, are to say Ambassador has kept Prime Minister and Foreign Minister informed, US viewpoint well-known and they cannot speculate on future Washington decisions. Tempo of monetary reform negotiations has been deliberately slowed for same reason namely avoidance of prejudging reevaluation. (See however paragraph (9).)

(9) Next step would appear to be notification to RLG of reevaluation if coalition government invested. We believe this should be timed for day after investiture and should take form of note to Prime Minister. Substance might be reference to letter of November 13, 1956, statement that one of conditions requiring reevaluation had occurred and that in view my familiarity with situation in Laos, was being recalled to participate. Departure would be delayed for week or so enable me obtain as much concrete information as possible on RLG measures for practical application of all aspects of accords. Results reevaluation would be communicated as soon as possible but in view need consult with Congressional leaders no precise prediction possible. Finally, in same or separate note it should be stated that irregularities in use of aid as well as difficulties arising from current exchange rate problem constitute separate problem which will affect feasibility obtaining future aid appropriations. Therefore US Government considers it essential that monetary reform negotiations be

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<sup>4</sup> Not printed. (Washington National Records Center, ICA Message Files: FRC 59 A 2458, Box 78, Vientiane)

pushed to conclusion with resultant understanding to be implemented contingent upon broader US decision which will be communicated on return to Laos of Ambassador or before.

(10) Decision to recall me will of course alarm not only RLG but our allies. Believe therefore they should be carefully briefed and requested use their influence if necessary with RLG to prevent latter from taking rash or hasty action which might prejudice situation further such as acceptance bloc aid. Consideration might also be given to my telling one or two top Lao that my participation in reevaluation should not be regarded as necessarily ominous sign. Rather it should be considered as indication all possible being done to document case for continued US support of Laos in spite of developments which have raised doubts in US as to feasibility obtaining aid for Laos in future as well as doubts utility committing such funds here if obtainable. At same time it could be indicated that assuredly Lao performance will be necessary to indicate Laos earning its passage.

(11) Alternate for procedure proposed paragraph (9) would be formal note advising RLG that reevaluation would commence sixty days from date formation coalition government and that I would be recalled at that time to participate therein. Under this procedure I would stay here during entire implementation period of military and political agreements. Advantages of this timetable are:

a. Postponement of reevaluation until agreements carried out and making reevaluation partially dependent upon manner agreements are executed would constitute an element of pressure upon RLG to insist upon most favorable execution agreements.

b. My presence here during this critical period would serve as a manifestation of continuing United States interest in preservation of Lao independence. Furthermore it might give me opportunities to influence course of events and cope with issues as they arise.

c. Final reevaluation in Washington would be aided by availability tangible results of proposed settlement and would permit determination whether RLG has demonstrated "a will to resist internal commie subversion and to carry out a policy of maintaining its independence". Such determination at earlier date would need be conjectural.

d. My return at the present time for avowed purpose reevaluation could expose us to possible criticism from allies and RLG (especially elements friendly our cause such as Phoui) that we are prejudging issue without giving RLG time to demonstrate ability to preserve country's independence.

e. My presence here would serve to strengthen posture of other American agencies in their efforts to assist RLG in absorbing PL elements under conditions most favorable to Lao and to United States security interests. PEO for instance, must give ANL certain logistic support if latter to have reasonable chance handling PL integrees successfully.

f. If coupled with presentation of formal note fixing date for my recall, would be difficult interpret my presence here after coalition

formed as condonement thereof or as indication we were bluffing over past year.

Disadvantages of postponing reevaluation for sixty days are:

a. November 13 letter stated reevaluation might be necessary if coalition took place. This alternate proposal, however, would be reevaluation not after coalition but after "settlement" which we consider dangerous and of which we disapprove.

b. Postponement reevaluation would be interpreted as highly favorable to RLG, diminishing risk of eventual consequences and removing, not augmenting, stimulus for vigilant and energetic RLG implementation. It would also lessen impact of future warnings and let down those such as Crown Prince who expected us take tough line.

c. Reevaluation based on settlement of Pathet Lao problem, results of which may be considered satisfactory but mistakenly so by RLG, would be more invidious to Lao than reevaluation now when PL widely suspect. Some facts may still be conjectural even after sixty days; my presence not essential ascertain facts of implementation either now or after sixty days. As they become available Embassy can report promptly.

d. General impression created by postponement may be one of weakness not strong adherence to principles enunciated.

(12) On balance I prefer paragraph (9) course at moment but subsequent events might modify this view; both courses seem to me to have advantages. My preference for (9) is based in part on assumption it would be advantageous me be on hand Washington and attempt make case for continued support of Laos sooner rather than later. Hope comments and instructions may be forthcoming in time for me deliver United States position promptly to RLG after expected investiture coalition government. Date extraordinary session still unknown but more likely convene eighteenth than sixteenth.

USIS, USOM chiefs concurred in draft.

Parsons

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**506. Telegram From the Embassy in Laos to the Department of State <sup>1</sup>**

*Vientiane, November 16, 1957—2 p.m.*

819. Reference Embassy telegram 812.<sup>2</sup> Looking ahead to complementary elections which should be held 4 months from now it is

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1657. Secret; Priority. Repeated to Paris, London, and Saigon.

<sup>2</sup> *Supra.*

evident that they could well be determining factor in whether Com-mies are then ousted from government or whether they enter regular government to be formed at that time in not two but in more and more important ministerial jobs. We therefore must consider how we can best contribute to success of conservative parties in struggle for 20 new seats. Suggested plans will be forwarded later but attention should now be called to bearing of elections on timing and manner of United States re-evaluation plans.

Should I be recalled soon per paragraph 9 referred telegram for imminent re-evaluation, uncertainty as to United States attitude will be removed before crucial final period of election campaign. Assuming we decide to continue support of Laos our efforts then would probably be more effective as favorable basis for cooperation with conservative leaders would presumably be created. If on other hand re-evaluation delayed for 60 days it would be taking place in final phases electoral campaign and I fear we would be handicapped in our efforts aid anti-Commie and candidates and to cooperate with sounder elements of RLG. [*sic*]

Foregoing consideration strengthens my preference for early re-appraisal along lines paragraph 9 reference telegram. We should of course also remember that elections may in end be deferred or avoided altogether despite RLG commitment thereto. Implementation of both military and political accords can give rise to all sorts of frictions and difficulties which might produce quite different situation from that which their proponents on both sides envisage. I expect we will see increasing evidence that many on each side regard accords as means gaining control of country rather than as means effecting national reconciliation.

Parsons

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507. **Telegram From the Department of State to the Embassy in Laos** <sup>1</sup>

*Washington, November 16, 1957—7:47 p.m.*

541. Vientiane 812 repeated Paris 179 London 172 Saigon 246 Phnom Penh Bangkok Unnumbered passed CINCPAC;<sup>2</sup> Vientiane

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1657. Secret; Priority. Drafted by Byrne, cleared by Kocher (in draft) and Jones, and approved by Robertson. Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, and CINCPAC for POLAD.

<sup>2</sup> Document 505.

819 repeated Paris 182 London 175 Saigon 249.<sup>3</sup> We concur 1) timing your recall for policy reevaluation and 2) substance note to Souvanna on reappraisal necessitated by coalition to be delivered day after investiture as proposed numbered paragraph 9 Vientiane 812. Travel orders will follow. You have discretion return later however if subsequent developments lead you to prefer procedure paragraph 11.

So far as aid abuses and exchange rate problem concerned, believe you should mention them only orally and comment only to effect these difficulties constitute separate problem which will affect feasibility obtaining future aid appropriations. Reference to pushing negotiations to conclusion (last sentence paragraph 9) might be interpreted as indicating favorable outcome reassessment, thus inducing relaxed attitude and lack vigilance in execution accords on part RLG.

Re numbered paragraph 10, we agree allies should be informed here and Vientiane after you have handed note on your recall for consultation to Souvanna and that their assistance in preventing rash RLG action during reevaluation period should be solicited. We have no objection your discussing recall with Crown Prince, Phoui, and/or other responsible Lao leaders you deem advisable but suggest you avoid stating reevaluation not necessarily ominous sign and limit comment to observation results reappraisal should not be prejudged.

Dulles

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<sup>3</sup> *Supra.*

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**508. Memorandum From the Assistant Secretary of State for Far Eastern Affairs (Robertson) to the Secretary of State <sup>1</sup>**

*Washington, November 18, 1957.*

**SUBJECT**

Prospective Pathet Lao Entry into Lao Government

Communist participation in a coalition Cabinet in Laos appears imminent, and chances for a favorable turn of events seem remote.

According to Prime Minister Souvanna Phouma, the "settlement" he has worked out with his half-brother, the Pathet Lao leader, will be executed as follows: In a formal ceremony before a special session of the Assembly, now expected to be convoked on

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1857. Secret. Drafted by Byrne and concurred in by Kocher and Jones. A marginal notation on the source text indicates that the Secretary saw this memorandum.

November 18, the Pathet Lao will symbolically hand over the two provinces and lists of Pathet Lao personnel.<sup>2</sup> Later on the same day an enlarged Cabinet including the Pathet Lao (we have only one unconfirmed report<sup>3</sup> that they will be given two portfolios, Reconstruction-Urbanism and Religion-Fine Arts) will be presented to the Assembly,<sup>4</sup> the vote on investiture to take place the following day.

Integration of Pathet Lao troops (1,500 will be taken directly into the Lao Army and the remaining 5,000 will be placed in the reserves) is scheduled to be completed within 60 days, but until the agreement is fully implemented the Lao National Army cannot occupy the two provinces and seal off the Chinese Communist and North Vietnamese frontiers. There is no reference in the agreement to screening and reindoctrinating Pathet Lao troops, so that the Communists are permitted to hand-pick 1,500 of their best men for infiltration of the Lao National Army.

The political accord provides for nominal restoration of the Government's administration over the two provinces over a three-month period. Higher-ranking administrative posts are to be divided 50-50 between the Government and the Pathet Lao. Lower-level jobs are to be retained by Pathet Lao incumbents until municipal elections are held, scheduled for within three months after the agreement's effective date. Since the Pathet Lao will remain in a position to control the municipal elections, they will probably be returned to office. The Pathet Lao movement is to be succeeded by a legal political party permitted to operate throughout Laos, the legal superstructure facilitating support for existing illegal underground activities.

This "settlement" is clearly of the dangerous type we have been trying to prevent; that is, the Communists immediately gain seats in the Cabinet, with consequently increased penetration opportunities, whereas control of the two provinces is restored to the Government only after long delay and on terms which will probably make "control" a meaningless word.

We are no longer able, however, to prevent some kind of coalition. Souvanna has managed to obtain widespread support for a quick "solution" without regard for the cost; Katay has taken the line that no matter what the settlement terms the execution of them

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<sup>2</sup> The ceremony took place on November 18 and is described in telegram 831 from Vientiane, November 19, not printed. (*Ibid.*, 751J.00/11-1957)

<sup>3</sup> Telegram 782 from Vientiane, November 12, not printed. (*Ibid.*, 751J.13/11-1257)

<sup>4</sup> Souvanna Phouma presented the Assembly with his Cabinet in the afternoon of November 18; it included two former Pathet Lao as ministers. In addition to Reconstruction and Urbanism, Souphanouvong was Minister for Plan. The other Pathet Lao minister was Phoumi Vongvichit, Minister of Religion and Fine Arts. (Telegrams 782 and 830 from Vientiane, November 12 and 19; *ibid.*, 751J.13/11-1257 and 751J.00/11-1957 respectively)



can be made safe, but since he has suffered a severe stroke <sup>5</sup> even his countersubversive effort may be rendered impossible; Phoui feels increasingly powerless to resist the tide toward coalition; and the British and French consider it unwise to oppose a settlement apparently having general Lao support. Only the Crown Prince might change the course of events, but our Ambassador believes it unlikely he will intervene unless he is told flatly that U.S. aid would be cut off if coalition goes through.

Should the Crown Prince ask the question, the Ambassador recommends that he tell Savang that, if the Pathet Lao enter the Cabinet, the Ambassador will be recalled to participate in a Washington reappraisal of our policy toward Laos. He would add that he could not predict the result of the reappraisal but that the U.S. desire to support Laos and help keep it out of Communist hands would persist so long as the practical possibility of obtaining funds from the Congress and of their serving their intended purpose in Laos existed. I have authorized the Ambassador to make such a reply because 1) the Crown Prince was told last year that the Ambassador would be recalled if coalition materialized; 2) the statement conforms to our letter of November 13, 1956, in which we stated that we might be obliged to reappraise our political and economic policies toward Laos if the Government took steps (among them coalition) which we considered might jeopardize Laos' prospects for survival as an independent state; and 3) it gives us sufficient flexibility as to the outcome of the reappraisal. Some concrete display of the seriousness with which we regard the situation is required to avoid the impression that we have tacitly approved coalition with the Communists, but we do not wish to lose our freedom of maneuver on the aid issue.

Ambassador Parsons has commented: "If the deal goes through, it is . . . <sup>6</sup> difficult to predict whether or not the Lao Government can maintain control of the situation and prevent an ultimate Communist take-over. I am somewhat more hopeful about the Royal Lao Government's capabilities now than before, but this, of course, presupposes continued United States support and cooperation during the period of implementation of the accords and thereafter." <sup>7</sup>

<sup>5</sup> According to telegram 789 from Vientiane, November 13, Katay suffered a stroke on November 12 which completely paralyzed his right side. (*Ibid.*, 751].13/11-1357)

<sup>6</sup> Ellipsis in the source text.

<sup>7</sup> The quotation is from Document 502.

## 509. Telegram From the Embassy in Laos to the Department of State <sup>1</sup>

*Vientiane, November 19, 1957—5 p.m.*

840. Department pass CINCPAC for POLAD. Reference: Deptel 541.<sup>2</sup> On morning 19th I requested audience with Crown Prince which immediately granted for 10 a.m. Having once before told Savang I would be recalled if coalition went through, I interpreted final sentence reference telegram as permitting me discuss this subject today.

I told Savang we understood Assembly would approve RLG-PL accords<sup>3</sup> (by investing coalition government) that we considered them excessively risky and that their application therefore was of obviously critical importance. In light rapidly evolving situation I wished tell him in advance US reaction and instructions which I would carry out by note to Souvanna after anticipated Assembly action.

Reminding him that I had once told him I would be recalled in event coalition I said Department had now given me firm instructions to this effect. We would during ensuing policy review enter into no new commitments but I had, subject to possible later instructions, advised PEO continue logistic support and aid ANL in any way possible in its efforts apply military accord.

. . . Savang considers it probable Assembly will approve accords which he considers nonenforceable. He believes almost immediately ANL will uncover bad faith of Pathet Lao in cacheing rather than delivering all arms, in obstructing takeover in north and in other ways. He believes—rather wishfully I fear—that when Deputies here see that Pathet Lao perpetrated fraud on RLG Souvanna will be overthrown and sound policies established.

In apparent contradiction to foregoing Savang also said accords would be means of getting rid of ICC and Chinese-Vietminh interference which he said would at least be important gains from present situation.

Savang went on say it important to unveil (devoiler) Pathet Lao quickly because in present state of mind Lao people will be all too easily taken in by Pathet Lao tactics, seeming loyalty, ostentatious reverence at pagodas et cetera, et cetera. While PL will make point of

<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-1957. Secret. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup> Document 507.

<sup>3</sup> According to telegram 842 from Vientiane, November 19, the National Assembly unanimously voted (26-0) for the coalition government as presented by Souvanna Phouma. (Department of State, Central Files, 751J.00/11-1957)

doing everything which loyal Lao do, in their minds it is only means to end of Communist control.

With reference my departure date Crown Prince appeared believe situation would evolve so rapidly we would have clear indications trend events within two weeks (this seems to me over-optimistic). . . . he said we should aid ANL for short while but they must be made realize where their help came from. I said these matters would require most careful consideration in Washington including relationship Laos situation to broader picture including reactions our allies. He said his own views have been developed in this broader context but he worked always on simple premise Commies must be opposed. We could count on him and others here to prevent any resort to Chinese aid should that be attempted as result of United States cutting aid. Cambodia was example of difficulties easy acceptance Chinese aid provokes. Population there was now dissatisfied and Sihanouk, who knew he had made mistake, could not make up his mind to return home.

Savang also took note on his initiative of misuse of aid funds and said it was necessary for Laos have sound financial policy. Value of kip meant nothing. If free, country could always manage survive.

I emphasized to Crown Prince our need for accurate and full information during period ahead. I said we enormously appreciated opportunity to confer with him and I hoped he would be willing receive chargé in my absence. Savang said he would be glad to.

*Comment:* While it is difficult to distill Savang's current program out of this typically diffuse conversation, I believe he 1) expects accords to be approved, 2) feels certain they will break down, and 3) desires United States take extremely tough line in belief this will both ensure breakdown and bring home to all Lao their dependence on United States and therefore necessity of following anti-Communist line which he and US believe in. As Crown Prince's predictions have not always worked out I believe that while fully agreeing with his analysis of danger we should defer action on his prescription until situation has evolved to point where we can see our way more clearly. Moreover note to Souvanna on my recall should suffice for present.

Parsons

## 510. Telegram From the Embassy in Laos to the Department of State <sup>1</sup>

*Vientiane, November 20, 1957—6 p.m.*

849. Department pass CINCPAC for POLAD. Reference Embassy telegrams 844 <sup>2</sup> and 812.<sup>3</sup>

(1) By entering into military and political accord with PL on terms which include participation PL in government and which in our view do not adequately protect RLG security and independence, RLG has taken step which compels us to re-evaluate utility continued US aid to Laos.

(2) However much we deplore action RLG and Assembly have just taken, cannot begin immediately to phase out US aid, for in so doing we would present to PL on silver platter one of their prime objectives RLG drastic reduction Western influence and Western economic and military support in Laos.

Achievement of foregoing objective by PL would open way to accomplishment immediately succeeding objectives: (a) to obtain aid from bloc countries; (b) to open diplomatic relations with same; (c) to obtain substantial rather than token representation in Assembly.

(3) It follows from (2) above that re-examination should not be based exclusively on situation of Laos on day coalition government is formed, but on succeeding developments which indicate whether RLG has will and ability to apply accords in manner justifying hope that it will succeed in gambit it has chosen.

(4) Re-evaluation must not be hasty; it will require weeks and probably months before sufficient evidence is at hand. In fact, definitive test of RLG's efforts will probably be supplementary elections, to be held about March 19. Any decision taken prior thereto must be provisional.

(5) Therefore, until final decision based on our re-evaluation has been reached, US military and economic aid should not be reduced; indeed present efforts to make present aid programs as effective as possible should be continued. There will even be need to increase logistic support for ANL to enable it to cope with extraordinary prob-

<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-2057. Secret; Priority. Repeated to Paris, London, Saigon, Phnom Penh, and Bangkok.

<sup>2</sup> Telegram 844, November 20, contained the text of a note which Parsons planned to deliver to Souvanna Phouma when the Assembly adjourned. (*Ibid.*, 751J.00/11-2057) The text of the note as delivered on November 23 is attached to a memorandum by Byrne, November 25. In the note the Embassy referred to the November 13, 1956, letter and observed that one of the eventualities envisioned in it, Pathet Lao participation in the government, had become a reality. Therefore the United States was reexamining its policy toward Laos and the Ambassador was returning to Washington to take part in the reexamination. (*Ibid.*, 611.51J/11-2557)

<sup>3</sup> Document 505.

lems it must now face in handling its integrative responsibilities. A contrary course adopted by US would jeopardize RLG's ultimate success.

(6) On other hand, we must not permit RLG to assume that US will continue aid throughout interim period regardless of RLG's performance, or that US will bail out Laos once more if RLG heavily defeated in elections.

(a) This might be beyond our capabilities.

(b) Assumption continuance aid at any price would encourage Lao to let things drift.

(c) Congress may refuse us the means; justification for continued funding admittedly poses difficulty and we believe exceptional problem.

(7) Hence re-evaluation in sense favorable to RLG would have to be justified by proofs furnished by RLG itself that it is attacking problems of integration with energy, intelligence, and reasonable hope of ultimate success. US should examine these proofs with sceptical but not jaundiced eye. US will expect be permitted to test their authenticity by checks made by its own agents, where desired. Meantime, RLG can hardly undertake new departures in its foreign policy which would permit further Communist penetration of country—such as acceptance of Chinese or Soviet aid, establishment of diplomatic relations with bloc countries, et cetera.

(8) Foregoing is recommendation interim policy pending re-evaluation. Suggest further that substance paragraphs 1, 3, 4, 7 be reflected in our contacts with key Lao and allies prior my return to US. Would appreciate Department's reactions soonest.<sup>4</sup>

**Parsons**

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<sup>4</sup> See telegram 571, *infra*.

511. Telegram From the Department of State to the Embassy in Laos <sup>1</sup>

*Washington, November 21, 1957—7:33 p.m.*

571. Vientiane 849 repeated Paris 189 London 182 Saigon 265 Phnom Penh Bangkok unnumbered passed CINCPAC.<sup>2</sup> We concur your recommendation interim policy.

Obvious difficulty will be paragraph 6 reference telegram, that is, how continue support during phase implementation accords without giving Lao false sense security producing unconcerned apathetic attitude toward responsibility enforce agreements.

Paragraph 7 highly important in countering erroneous impression among Lao and SEA neighbors. In this connection suggest in point re Chinese aid and diplomatic relations with Bloc we avoid implication these steps especially bad only during reassessment period. Recommend saying, instead of "Meantime, RLG can hardly undertake", that new departures RLG foreign policy permitting further Communist penetration would undoubtedly adversely affect results reevaluation.

Re what we say to key Lao and allies, we agree substance paragraphs 1, 3, 4, and 7 should be used. We shall not do so however until notified you have handed note on recall to Souvanna.

Canadians, Australians, French and particularly British have in past few days repeatedly urged us not take drastic action and stressed necessity continue furnishing aid if Laos not to be lost. British have strongly supported Holliday view supplementary elections will be test and Laos' foreign friends must do utmost help RLG insure victory. In reply we have expressed awareness importance our aid to Laos' future, adding U.S. would of course take no hasty action and situation would be carefully studied. We have been noncommittal on reappraisal and how when it would take place pending word your action Vientiane.

Dulles

<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-2057. Secret; Priority. Drafted by Byrne, cleared by Kocher and Jones, and approved by Robertson. Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, and CINCPAC for POLAD.

<sup>2</sup> *Supra.*

512. **Telegram From the Department of State to the Embassy in Laos** <sup>1</sup>

*Washington, November 27, 1957—5:23 p.m.*

600. Jones informed Lao Ambassador November 25 of reevaluation our policy necessitated by formation coalition government and Parsons' recall near future participate therein, and gave him copies substantive paragraphs Note handed Souvanna November 23.<sup>2</sup> In commenting Jones followed line your recommendation for interim policy set forth Vientiane 849 repeated Paris 189 London 182 Saigon 265 Phnom Penh Bangkok Unnumbered passed CINCPAC. He stressed burden on Lao Government to prove it able effectively control situation and prevent further Communist penetration and ultimate take-over.

Ourot replied RLG thought itself strong enough control Pathet Lao and he would urge vigilance. He knew only way win U.S. confidence was to demonstrate will and ability resist; he confident RLG would resist but result could not be predicted. Expressing gratitude no hasty action would be taken, Ourot said if U.S. acted too quickly its friends in Laos would be discouraged and Communists profit.

Jones said he trusted Ourot's confidence in RLG would be deserved. He agreed Lao people not Communist but unfortunately one could point to many examples of non-Communist people ruled by small Communist minority. It was our fervent hope experience of Czechoslovakia would not be repeated Laos.

Robertson briefed British Ambassador November 26, giving him substance Note to Souvanna. He also mentioned our concern at recent intelligence reports of withdrawal hard-core PL troops and best equipment to North Viet-Nam. We did not now know, said Robertson, what our decision would be. Since cutting aid would have extremely bad consequences, we would do nothing hasty. Our aid would continue unless and until it clear continuation assistance would only subsidize Communist Government.

Caccia commented U.S. on horns of dilemma: If it withdrew aid it would drive Laos into arms Communists, but if it took no notice coalition it might end up subsidizing satellite.

To British Ambassador's remark RLG seemed have been careful about Cabinet posts given PL, Robertson replied Ministry Planning, which involved American aid, would provide Souphannouvong with opportunity lobby for necessity accept Bloc assistance. Religion was

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/11-2057. Secret; Priority. Drafted by Byrne, cleared by Kocher and Jones, and approved by Robertson. Repeated to Paris, London, Saigon, Phnom Penh, Bangkok, and CINCPAC for POLAD.

<sup>2</sup> See footnote 2, Document 510.

favorite Communist post for infiltration and Phoumi particularly bad egg. Robertson added he did not see why Communists would ever keep agreements since by not doing so they always won. In Laos PL held out for three years and ended up with Cabinet portfolios which they never asked for at Geneva.

Caccia recalled there had been talk at Geneva of ceding two provinces to PL but RLG not ready for such step so partition not practical politics.

Concluding, Robertson said we wished British know we not bluffing and if it looked like Communist take-over we would pull out of Laos. Friends like Crown Prince should recognize there grave danger Laos' sliding into Communist orbit because time might come when we unable continue aid. Congress could only be convinced by favorable RLG performance. At same time we would do nothing to precipitate difficulties by withdrawing aid now.

SEA officers discussed Note to Souvanna, difficulties we face with Congress, and importance RLG performance in applying accords with Counselor Landy November 26, French Ambassador being unable at last minute keep appointment with Robertson. In response Department's question Landy said Quai seemed be approaching settlement cautiously and appeared feel accords could only be judged as executed. Department stressed it in everybody's interest help RLG see agreements carried out to its advantage and said we understood French policy was to take active role in implementation phase.

**Dulles**

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**513. Telegram From the Embassy in Laos to the Department of State<sup>1</sup>**

*Vientiane, December 4, 1957—9 a.m.*

928. Department pass CINCPAC for POLAD. This message attempts (1) to explain certain features of recent political events in Laos, (2) to evaluate their impact on Lao political leaders, (3) to indicate their possible effect on future political developments in Laos, (4) to point out how this would affect US policy.

**1. Analysis of Phoui-Katay alliance.**

Katay-Phoui alliance consummated during spring this year collapsed while Phoui was in US which permitted Souvanna bring to

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/12-457. Confidential. Repeated to Paris, London, Saigon, Bangkok, and Phnom Penh.



fruition his plans for settlement PL problem which included coalition government. Fact Katay chose to change his policy when Phoui was absent and nobody among Independents and Nationalists tried reverse trend is indication that alliance did not have deep roots among rank and file of two parties. Once Katay ceased oppose Souvanna's policy, Independents were isolated in their opposition and rather than seem against national union, they joined coalition bandwagon.

2. Katay's temporary eclipse and rise of Souvanna.

By helping bring about coalition Katay added to Souvanna's prestige who has now emerged as leading Lao politician and as "national conciliator". In contrast rise Souvanna's political star, that of his leading opponent in Nationalist Party—Katay—eclipsed by stroke last month and by criticism of deputies for callous way he favored southern interest as Minister Economic Affairs. Although power in party, especially southern wing, even if Katay recovers health, he will have long battle ahead to replace Souvanna unless latter voluntarily retires.

3. Forthcoming struggle between conservatives and leftists in Laos.

With coalition a fact situation has changed considerably. Before formation coalition government, US opposed those who favored coalition which we considered and still do as dangerous step in long run. We therefore opposed Souvanna and to lesser extent Pheng Phong Savan while we supported Katay and Phoui who tried keep PL out of government. With PL in problem is now how to get them out again, how to minimize PL influence resulting from their membership in government, how to reduce their influence as legal political party, and how to combat subversive influence of their clandestine wing. Differences between leaders within political parties, for example Katay and Souvanna, is now relatively minor issue. All existing political parties and Lao politicians face new challenge from outside: Neo Lao Hak Zat. Lao political parties will eventually have to take sides on issue whether Lao policy should continue pro-western and basically conservative, or pro-neutralist and in favor state planning. Nationalist Independents, and maybe even some Democrats, generally support pro-western policy while Bong's Santiphab plus deputies to be elected on Neo Lao Hak Zat ticket can be counted on to favor neutralist line—or worse.

Lao politicians beginning to beware of potential threat to their own position and to kingdom itself posed by creation Neo Lao Hak Zat Party. Better informed Lao do not underestimate PL popularity among rural population nor PL discipline which will make Neo Lao Hak Zat best organized political party in country. Ngon Sananikone already discussed this problem with Embassy officer and indicated Nationalists and Independents beginning to study possibilities meet-

ing this threat. At this stage discussions confined to exchange of ideas. Two possibilities presently under discussion:

(a) Conservative elements in Laos—Nationalist, Independents and maybe certain Democrats might create a "United Front" during election period. This means putting up only one conservative candidate for each seat against Neo Lao Hak Zat or Santiphab candidate. Conservative candidate chosen from either party on basis popular appeal. Purpose United Front is to avoid splitting vote and reduce voters choice to conservative versus leftist candidate. After elections parties would regain their separate status. In this connection Embassy notes with satisfaction that Conservative and well-educated Souvannavong family (with exception maverick Bong) has come to terms with Sananikones in running several family members in areas where they have excellent chance of election.

(b) Faced with serious long range threat from left, separate conservative parties might form one party and then oppose leftist as monolithic bloc. In short, present political parties would be dissolved and one large new party formed. In contrast with United Front idea this new large party would be permanent creation and would continue to function after elections.

4. Under new conditions United States would be able support Conservative Party rather than individual leaders. We are of course not forgetting difficulty of maintaining unity in face sectional and family rivalries. However if issue becomes clearly one of pro-western element versus pro-neutralist opposition, United States will have no difficulty in taking sides. Above all there will be less need for United States to support individual leaders such as Souvanna, Katay or Phoui, who will or at least should be united in opposing common enemy. On contrary, United States will be in position support conservative elements as a bloc. By helping Lao weld together pro-western political bloc without playing favorites among Lao politicians United States will find itself undoubtedly in harmony with Crown and most resident foreign diplomatic missions. British and French Embassy would undoubtedly support such a conservative front. Thai and Vietnamese diplomatic establishments can be counted on to oppose neutralist or even pro-Communist parties. Indians will be only resident diplomatic mission to plug neutralist line for Laos.

To exclude Pathet Lao from cabinet, conservative elements must win in supplementary elections.

Most Lao leaders including Souvanna have indicated that creation government national union was necessity in November this year to bring about PL settlement. After elections however, make-up of assembly may be considerably altered. Assembly will then be split into generally pro-western conservative camp and pro-neutralist opposition. If pro-western bloc can elect sufficient deputies to control comfortably assembly and invest government reflecting these policies, neutralists or pro-Communist threat embodied by Neo Lao Hak

Zat and Santiphab will have been temporarily parried. Lao politicians have indicated that entry PL into government at this time does not imply they will remain there forever. PL participation in new government to be formed after elections will depend on Santiphab and Neo Lao Hak Zat showing in elections. If elections go smoothly pro-western government should be able to govern bloc despite existence of opposition bloc in assembly, similar to situation presently existing in France and Italy which have communist minorities in assembly.

8. [sic] Recommendation.

It therefore appears to Embassy that United States can contribute to RLG's efforts to parry the PL threat over next few months: (1) by helping Lao politicians form strong anti-Communist blocs; (2) by trying reduce to very minimum PL representation in new assembly; (3) by continuing assist build up internal security so that PL will be in no opposition to undermine effectively Royal Government and administration. All this implies need for positive United States role even before outcome of reappraisal. Also as before American dollars are powerful counter in our efforts maneuver effectively both for purposes recommended here and to bring about prior essential success of RLG in implementing RLG PL accords.

Parsons

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**514. Despatch From the Embassy in Laos to the Department of State**<sup>1</sup>

No. 83

*Vientiane, December 16, 1957.*

REF

Deptel 603<sup>2</sup>

SUBJECT

Lao Capabilities for Countering Pathet Lao Subversive Activities

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/12-1657. Secret. Drafted by Bacon.

<sup>2</sup> In telegram 603, November 27, the Department requested the Embassy's views on the effect of Katay's illness on antisubversive measures and information on Royal Lao Government capabilities to enforce the accords with the Pathet Lao to its advantage. (*Ibid.*, 751J.00/11-2757)

*Summary:* The symbolic transfer of authority on November 18 over the two provinces of Sam Neua and Phong Saly, and the formation of a government with Pathet Lao participation on the following day, marked the end of the primarily military phase of the Communist effort to control Laos. Although the Pathet Lao certainly intend to retain the capability of resuming hostilities in the form of "brigandage" and guerilla operations, overt and clandestine political activity will be dominant for the next few months and perhaps for one or two years. Despite the existence of a large police force with a number of specialized branches, it is the Lao National Army which appears best fitted to counter Communist subversive activities, aided by certain governmental agencies which have either benefited from improved training and facilities provided during the past year (Lao Information Service) or which have been newly created (SIDASP, Civic Action).

Lao capabilities for countering Pathet Lao subversive activities are represented by the following six agencies:

National Police,  
Special Police (including the Sûreté Générale and the Special Branch),  
SIDASP,  
Lao National Army (including Auto-Defense units),  
Civic Action, and  
Lao Information Service.

1) *National Police.* The National Police now includes 2900 men, of whom 500 are stationed in Vientiane Province and the remaining 2400 in the remainder of the territory controlled by the Royal Government. The rank and file are largely untrained and frequently illiterate, the officers very generally corrupt, and the organization as a whole is seriously deficient in discipline, coordination, planning, and equipment (it even lacks a central file system). It is probably the weakest of all countersubversive agencies. The Director, Tiao Somsanith, is weak as an administrator and because of the stroke which last month disabled Katay don Sasorith, Minister of the Interior, the Lao National Police is without energetic leadership or effective control. For the time being, the situation might be somewhat improved by placing the police more directly under the control of the Prime Minister.

Training of selected police officers in countersubversive methods has nevertheless been carried on since last June. Twelve officers have now been given training in Malaya, and a full-scale Third Country training program in the Philippines for 90 company-grade is approaching the half-way mark. Each is given a two-months' course on Communist subversive tactics and effective countersubversion oper-

ations and procedures, conducted by Filipino officers and based on their successful experience in combatting the Huks. Thirty officers have now returned to Laos; 15 more will be graduated on February 1, 1958; and the remaining 45 by August. Upon completion of their training, these officers are assigned to provincial headquarters in Laos where they can impart their knowledge to subordinates and apply the methods which they have learned.

The real fruits of these training activities remain, of course, to be seen. Certain local commanders have already shown initiative in arresting and temporarily neutralizing Pathet Lao agents in their districts, particularly in Northern Laos. But despite this spotty improvement over the past year, the National Police, in the present state of its organization and training, must be considered incapable of neutralizing a well-organized and directed Communist subversive movement.

2) *Special Police*. The Special Police includes three presently activated sections: The Sûreté Générale, the Special Branch, and the Propaganda Section.

a) *Sûreté Générale*. The Sûreté Générale, under French advisory direction, is responsible for criminal and political investigations. As such it is the main repository of all police files; but since it is unwilling to open these files to other branches, it cannot be said that there is an effective central files system. It is uncooperative with both the Special Branch and the Immigration Service.

b) *Special Branch*. The Special Branch, organized in April, 1957, gathers intelligence for the use of the National Police, the ANL, and the Immigration Service, in arresting and neutralizing Lao subversives and in deporting foreign agents. It has identified and broken up PL training centers, including five in Vientiane province. It has not yet unearthed any "foreign" subversive networks, despite the numbers of Chinese and Vietnamese resident in Laos. Except for Vientiane, Xieng Khouang and the northern border areas, its intelligence activities are very weak. A considerable part of its activity is in the propaganda field and is aimed at informing the public and the Buddhist priesthood of the dangers of Communism. Here it has been successful (along with SIDASP and Civic Action) in greatly reducing support in the Vientiane area for Bong Souvannavong's National Union Party, diverting the allegiance of some 3700 members to the Nationalists. Since the Union Party was in effect the Assembly spokesman for the Pathet Lao, this could be considered a countersubversive success; but in fact the Special Branch has been developing more and more as a propaganda agency and police strong arm for the Katay wing of the Nationalist Party than as a public safety agency. This development may yet be turned to good effect if a United Front of the Nationalists, Independents and some Democrats should be created, thus permitting the Special Branch to function impartially for the benefit of all conservative candidates in the coming supplementary elections. In the meantime, however, and as a result of the recently adopted Amnesty Law and the entrance of two Pathet Lao repre-

sentatives into the Cabinet, Bong's followers are reportedly regrouping.

c) *Propaganda Section*. This division has not been developed to any extent. Its activities are limited to morale-building and dissemination of news within the police force itself. For this purpose it borrows personnel from the Special Branch.

3) *SIDASP*. The Information, Documentation and Socio-Political Action Service is an executive agency under the Prime Minister with . . . support. Since this organization is both free of corruption and enjoys the favor of the Prime Minister, it has better capabilities than the police for immediate usefulness. In gathering intelligence it is handicapped by the inaccessibility of police files and by the ineffectiveness of its own documentation division (there is even inter-service friction between the civilians who direct SIDASP and the military personnel who are engaged in documentation). In the past year, however, its capabilities have been increased by a training program . . . ; by improvement in transport, communications and laboratory facilities; by the removal of the incompetent director of its socio-political section; and by improvement of relations with other services. Two new stations have been opened in Southern Laos. Some of the credit for the erosion of Bong's strength in Vientiane province belongs to SIDASP. A clandestine unit for gathering intelligence and for political action against the Pathet Lao successor party Neo Lao Hak Xat has been proposed . . . , subject to receiving . . . financing. In sum, SIDASP has steadily grown in experience and initiative; its equipment has been improved; its operations are expanding; and having the great advantage of . . . support administered under capable . . . advisors, it is far less handicapped than other agencies by the political rivalries and personal jealousies which plague the police.

4) *Lao National Army*. When Colonel Ouane became Chief of Staff in late 1956, ANL morale was low, corruption spreading, desertions occurring in Sam Neua, and Auto-Defense units existed only in Ouane's own military region. He transferred or gave dishonorable discharges to dishonest officers and imprisoned 15; reorganized the Sam Neua command; set up Auto-Defense units in all four military regions; set up command training schools, including a special school to train officers in improving relations with the population; and reorganized the ANL so as to include "volunteer battalions" with the responsibility of ensuring local security and of creating good relations with the people through Civic Action and by using Civic Action methods. All regional commanders have now initiated Civic Action instruction in their commands, and relations between the military and civil authorities in the provinces have notably improved, in part because the commanders have been instructed to conduct their Civic

Action activities (particularly assistance to the people) in the name of the Chaokhoueng, thus enhancing his prestige. The Army Information Service was merged with the G-5 in November and placed under Colonel Oudone Sananikone, Director of Civic Action, with resulting increase in efficiency. Intelligence and psychological warfare training was given to seven ANL officers last Spring. In June the ANL initiated action in arresting PL agents and agitators in Vientiane province; 80 from the Vang Vieng area were re-indoctrinated by the Army Information Service and sent to their homes, where they have since cooperated with the ANL in organizing local Auto-Defense units. The indoctrination has apparently been successful. With the retroactive approval of the Prime Minister the ANL sweep was extended in July-September to Luang Prabang and Xieng Khouang provinces; and in October to the heavily infested Tchepone area on the North Viet Nam border. Interrogations which followed these sweeps have produced considerable information on PL agents elsewhere in the country and with this experience the ANL has been able to improve techniques of interrogation.

a) *Auto-Defense Units.* "Auto-Defense" is a concept which the Prime Minister enthusiastically embraced in 1956 and which has now developed into reality. As of November 1957 there were over 14,379 men enrolled in Auto-Defense, of whom 9,498 were armed. Units are disposed throughout the country, and naturally vary considerably in effectiveness; but the best trained and equipped are placed in Northern Laos bordering on China and the areas controlled by the Pathet Lao. Auto-Defense strength is as follows:

	<i>Armed</i>	<i>Unarmed</i>
1st Military Region.....	3512	2630
2nd Military Region.....	3850	1079
3rd Military Region.....	1624	886
4th Military Region.....	512	295
Totals.....	9498	4881

Where Auto-Defense units have been brought to their greatest effectiveness (as in the Phong Saly Military Subdivision commanded by Major Kham Ouan), each village is guarded by permanent Auto-Defense personnel concealed in fox holes, reinforced at night by roving patrols of three men. The AD personnel in fact compose only the summit of a defense organization which embraces the entire population: the "combat group", made up of armed men aged 17 to 35; the "observers and reporters", made up of unarmed men 35 to 45, women and children; and the "delaying group" made up of girls and old men and women. AD personnel are recruited in the first place by

ANL teams traveling about the area; the first task of the teams is to establish friendly relations with the villagers, and then to recruit likely AD candidates from among them. Meantime the ANL team is also propagandizing for the RLG and gathering local intelligence. Men chosen for AD are given training on the spot, and the best sent to a special school for command training, ultimately returning to their own villages. The local AD unit thus becomes not only a defense against Pathet Lao marauders and a source of reliable intelligence, but a symbol of the Royal Government's presence and power.

5) *Civic Action*. The Civic Action program, which now has eleven teams in the field and seven more whose training is to be completed in January, has been remarkably successful in obtaining the cooperation of villagers, improving health and living standards, and in impressing on the rural population the presence of the RLG and the benefits accruing therefrom. It has top priority in the eyes of both the Prime Minister and the Embassy. Supported by the ANL, it also works effectively with SIDASP; it also is one of the agencies entitled to credit for the extensive break-up of Bong Souvannavong's organization in Vientiane province, primarily because its activities in village improvement provided a visible indication of the Government's ability and willingness to help rural communities, whereas Bong's propaganda had depended largely on criticism of the Government for its indifference. Civic Action has just surmounted a funding crisis resulting from (a) disappearance of Lao Treasury funds earmarked for it and (b) temporary exhaustion of all counterpart funds in consequence of suspension of U.S. cash grants pending clarification of fiscal and import license abuses. Emergency action has been taken to provide immediate funding of Civic Action activities and normal operations are being resumed. If no new crisis develops, the RLG possesses in Civic Action a highly effective anti-subversion weapon which did not exist last Spring.

6) *Lao Information Service*. During the past Summer the Lao Information Service conducted a successful training course for 30 government officials in Lao civics, the history of the Pathet Lao movement, the dangers of world Communism and public speaking. The course also provided instruction in the logistical side of informational activities: Operation of vehicles, projectors, generators, public address systems, typing and mimeographing machines. Finally, the course included training in First Aid, health and sanitation, because medical assistance to a community ensures a welcome and is remembered gratefully. Graduates of the course are now stationed in ten provinces and others are awaiting entry into Sam Neua and Phong Saly. At the same time the physical facilities of the Service have been improved; Radio Vientiane's range has been significantly increased by alterations to its antennae, and plans have been prepared for the



placement of community radio receivers in rural areas; in various centers official Lao Information Service posts are to be established where news broadcasts from Vientiane may be taken down at dictation speed, mimeographed and distributed. The Information program as a whole appears to have been carefully and imaginatively planned; it is now being vigorously pushed.

In conclusion, it seems clear that the Lao Government has now at its disposal various agencies with trained and experienced personnel (although still limited in numbers) with which to meet subversive activities and which scarcely existed twelve months ago. To obtain maximum effectiveness from the material at hand, better coordination among them is essential. Of utmost importance is vigorous and intelligent direction. At the present time, it appears that only the Prime Minister has the prestige necessary to bring this about. In consequence, no opportunity to impress this upon him should be lost.

**J. Graham Parsons**

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**515. Telegram From the Embassy in Laos to the Department of State <sup>1</sup>**

*Vientiane, December 19, 1957—9 a.m.*

1025. Department pass CINCPAC for POLAD. During talk with Foreign Minister 18th I raised subject supplementary election. Though I could speak only personally and subject was internal Lao concern I wanted him understand position I was put in by requests by candidates for election [for] USIS assistance in form projectors, films, posters etc. Thus far when such requests reported to me I had taken position that much as we wanted help our friends I could not permit commitments to be made to individual candidates. Phoui would realize position I would be in if one friend asking help to run in say Khammouane Province on Nationalist ticket was given affirmative answer and next day another good friend running as candidate for Independent Party in same place were then to ask for help. USIS might then be put in position helping two friends compete against each other which would benefit only Bong-PL combine and cause our assistance be wasted. I said I did not expect Phoui to reply to this which I would also mention to Souvanna as key figure of Na-

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<sup>1</sup> Source: Department of State, Central Files, 751J.00/12-1957. Secret; Limited Distribution. Repeated to Saigon, Paris, London, Bangkok, and Phnom Penh.

tionalist Party at this time but I would want my dilemma be understood.

Phoui then said he was continuing hold talks with Souvanna on conservative unity and was still himself plugging for merger of Nationalists and Independents. He said Souvanna had been considering for some time assuming formal leadership of Nationalists but as Katay had not yet been evacuated it was embarrassing take this step now. This also was delaying action either to agree on a 2-party slate of candidates or on a complete merger and subsequent slate representing new party. Phoui then asked if we would be disposed to help Conservative candidates provided agreement was reached to prevent conservatives from competing against each other. I said USIS had made facilities available informally during 1955 campaign, as he recalled, and I was confident that we could do same thing again although my opinion was personal, unofficial and without instructions. Phoui then said he would speak with Souvanna on 20th when he got back from Phong Saly because delay in agreeing on single slate could obviously become detrimental to conservatives chances. He would also thereafter submit an estimate of materials and other assistance needed. I said I would be glad to receive this for such action as we then found it possible to take.

Phoui went on to say that he and his brother Ngon were working actively on election strategy and tactics. While it was necessary to avoid tagging them with political activity he believes means for overseeing campaign and win people in rural areas were to be found in army, auto defense and civic action. He, Ngon, Col. Oudone Sananikone (head of civic action) and others were working up confidential group of insiders in these organizations who would be responsive to central direction from leaders of Conservatives and who would in turn inform them quickly of requirements in various localities.

He hoped we could help with "means" in this regard too. I again said I could tell him personal basis that we regarded auto defense, civic action and Operation Brotherhood as projects of a special nature with high priority and while we too could not admit any political motivation with respect thereto I was hopeful I could get strong support for demonstrated needs these projects. In this context he spoke of proposed augmentation of auto defense to give Conservatives a solid group of activists among populations throughout country and I expressed my pleasure at hearing that such steps were being actively promoted.

Phoui also said that it was particularly necessary to work among youth in rural areas and to that end he and Ngon had recalled Major Sakoun Sananikone from his post as Military Attaché in Phnom Penh. He was active in sports world here and would be given small

office in Defense Ministry to organize this drive which would be activated primarily through augmented civic action organization.

Alluding to recent talk with Vietnamese Minister he said he had asked Duyen for detailed information on tactics used in South Vietnam for beating Communists at polls there. Duyen had already provided interesting ideas and now Phoui was accompanying Prime Minister to Saigon January 2 for primary purpose talking with those in Vietnamese Government best qualified to brief him on election tactics. I told Phoui this was all reassuring to me as we had heard quite a bit of disturbing information including such predictions as that Leftists would sweep Attopeu, Saravane and perhaps Pakse in which areas there apparently was reaction to Katay's scandalous activity on import licenses. Phoui said everybody was talking about Katay's misbehavior and this was serious handicap which responsible leaders regretted. He personally thought measures they had in mind and those which would be developed would be successful and would result in real success in elections. We could be sure that danger was realized and that leaders here would do everything in their capacity wage active and effective campaign.

Parsons

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**516. Telegram From the Embassy in Laos to the Department of State <sup>1</sup>**

*Vientiane, December 28, 1957—6 p.m.*

1077. Reference: Deptel 618.<sup>2</sup> RLG visit to Washington is motivated by several factors including (a) concern as to US public and government reaction to coalition and (b) desire to show US and west that Laos albeit neutral (non-provocative) recognizes where its primary dependence lies. Souvanna personally is anxious overcome US "misunderstanding" of RLG position and explain why Lao can't be

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<sup>1</sup> Source: Department of State, Central Files, 033.51J11/12-2857. Secret; Priority.

<sup>2</sup> Phoui Sananikone told Ambassador Parsons that the Royal Lao Government had decided to send him to Washington to explain the Pathet Lao settlement and Phoui asked how he would be received. (Telegram 898 from Vientiane, November 28; *ibid.*, 033.51J11/11-2557) It soon became apparent from discussions with Lao officials that Souvanna Phouma wanted to go in place of Phoui. (Telegrams 902 and 907 from Vientiane, both November 29; *ibid.*, 033.51J11/11-2957) In telegram 618 to Vientiane, November 30, the Department suggested early January as the best time for Souvanna's visit, and noted that while Souvanna would be given the red-carpet treatment, the visit would have to be treated as a business meeting because of the lack of time for preparation. (*Ibid.*, 033.51J11/11-2957)

Souvanna Phouma visited Washington, January 13-15, 1958.

Communist. He also is interested in prestige of trip, eager to meet key Americans and hopeful of reaching understanding with US. He is full of easy confidence as to success of his policy for uniting country, conscious that he has no formidable rivals to his leadership at present, and pleasantly aware that neither French nor British opposed him in final stages RLG-PL negotiations—only Americans. Personally he is a bit vain, facile, sensitive but bland and gentlemanly. While his preference is to agree with each interlocutor, he can be stubborn when crossed and has adhered for year and half to consistent and coherent (if perilous) plan of settlement even though at times success must have appeared beyond his reach. He believes he is right and we are wrong and that he can prove [it?] to us. Unfortunately, all too often this reduces itself to sterile argument on fundamental point whether or not PL are Communist. This he will not admit for his policies would then appear indefensible before westerners at least. Rather than attack this point directly with him it is far better I believe for us to insist that guarantees and precautions we seek are in interest of Laos regardless who is right. If PL are Communist, safeguards may save RLG, if they are not Communist, safeguards are essential in meantime anyway if we are to make case for continued appropriations for Laos.

At outset of talks it will probably be necessary to emphasize that our decisions rest in considerable measure on what Souvanna can tell us. We really need to elucidate Souvanna's thinking on five topics set forth reference telegram both to obtain information needed for re-evaluation and to demonstrate seriousness our concern. Following five sections offer questions or topics for consideration in this context.

*1. Measures to insure safe execution of accords.*

(A) When accords signed ANL plans called for sealing off borders by military (police). How effectively have these plans been carried out?

(B) There are indications that hard-core PL recalcitrants (i.e., Kayson) have refused to integrate and may resort to active resistance. What measures does RLG contemplate to deal with this situation?

(C) In other ten provinces PL and Santiphab agents already working hard to alienate population from RLG. Release of political prisoners and of indoctrinated PL soldiers has increased capabilities subversive elements. As proposed anti-Communist legislation apparently shelved, what measures does RLG propose to counter menace of subversion?

(D) What precautions has RLG taken to insure that PL Ministers and functionaries may not use their positions to undermine government (e.g. attempts to influence Buddhist monks)?

(È) Will PL functionaries who have been Communist indoctrinated be screened to keep them out of information and educational systems? How?

2. *Monetary reform.*

Monetary reform negotiations <sup>3</sup> suspended November 15 when Lao spokesman declared all questions of technicians had been satisfactorily answered and remained for government make main decision whether adjust rate. RLG proposed resumption negotiations and at meeting December 27 gave government decision that it could not accept any solution which included devaluation but to prove its interest suggested three possible points (Embtel 1073 <sup>4</sup>) departure for further negotiations: (1) new study by US of Lao counter proposal (Embtel 741 <sup>5</sup>) which Lao believed would accomplish same purpose as US plan; (2) enlarge scope of Lao stabilization fund plan and share exchange rate difference with US (Embtel 741); and (3) US to present new plan taking into account current psychological and political problems (i.e. approaching supplementary elections). We informed Lao we would submit their decision Washington immediately so that US have chance consider before Lao delegation arrives Washington January. Possible concessions which US might make have already been transmitted Washington for consideration (Embtel 988 <sup>6</sup>).

Honesty in aid administration.

One of most important sources dishonesty in aid program has just been removed with new procedure on processing import licenses which requires USOM approval to make import licenses valid (Toica in preparation). Still no effective control, however, over granting exchange transfers for invisibles except post-audit privilege on which could be based claims for reimbursement of non-approved transfers. USOM-Embassy have concentrated on first correcting import license procedure before tackling other transfer problem. If free convertibility aspect US monetary reform plan accepted, it would eliminate necessity transfer controls.

RLG may well take position new licensing procedures now obviates necessity monetary reform. It should be emphasized that new procedure prevents granting of licenses by ministers without knowledge CNIE and USOM but does not correct opportunity for large profits, diversion, et cetera, by persons obtaining approved licenses at 35 kip per dollar. This can be corrected only by adoption realistic exchange rate.

<sup>3</sup> Documentation on these negotiations is in Department of State, Central File 851J.131.

<sup>4</sup> Dated December 28, not printed. (*Ibid.*, 851J.131/12-2857)

<sup>5</sup> Dated November 6, not printed. (*Ibid.*, 851J.131/11-657)

<sup>6</sup> Dated December 12, not printed. (*Ibid.*, 851J.131/12-1257)

New budgetary and accounting system for counterpart kip expenditures for economic projects has been proposed to RLG (Toica 454<sup>7</sup>). Disappearance of kip has not always been satisfactorily explained. New system if adopted should prevent misuse of funds and misunderstandings arising from present poor bookkeeping system.

3. *Tactics in combatting PL in March and future elections.*

(A) How far have plans of conservative parties matured to counter United Front and electoral tactics of Neo Lao Hak Zat and Lao Rouam Samphan?

(B) How can Prime Minister assure us that conservative candidates will not be competing against each other to profit of leftist parties?

(C) There is talk of "Nationalism". Will it include others besides progressives (Nationalists) and independents?

(D) How will RLG counter opposition parties lines that American aid has gone into pockets of few to detriment of many?

(E) If leftist parties win only handful of seats, will they be excluded from government to be formed after elections even though present government contains two representatives of former PL?

4. *Effective development program.*

Major economic development program Laos has been construction transportation network—principally Vientiane—Luang Prabang highway and adequate ferry service Nongkhai—Thadeua. Former project slow for many reasons among which failure to maintain equipment and diversion equipment other uses; latter project delayed for failure Lao-Thai agreement in-transit procedures and operational arrangements.

Failure of Laos to draw up realistic and comprehensive development plan has been drawback to rational planning for long-range economic development and efficient coordination of aid from different sources. What are possibilities of drawing up such a plan and can US be of assistance?

RLG should also make greater effort to conclude with Thai satisfactory agreements concerning in-transit rights and operation of ferry service.

Civic action should be greatly strengthened and encouraged as economic, political and psychological project.

<sup>7</sup> Not printed. (Washington National Records Center, ICA Message Files: FRC 59 A 2458, Box 78, Vientiane)

5. *Attitude toward bloc.*

(A) What are RLG's views re acceptance of aid from Communist countries, which is strongly demanded by PL?

(B) Does RLG intend accept diplomatic relations with Communist countries? Trade missions from those countries?

(C) What does RLG propose to do about Polish resistance to Prime Minister's request to reduce ICC teams in Laos? Why does not RLG formally state that settlement foreseen in Article 14 of Geneva Accord has been achieved?

(D) What would be attitude of RLG towards a proposal to open trade routes to sea through North Vietnam?

Following additional questions might also be raised:

(a) What are RLG's future plans for auto-defense forces, civic action, Operation Brotherhood, ANL, reserve forces, national police?

(b) What are RLG plans for integration two former PL battalions in ANL?

**Parsons**

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