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OPERATIONS COORDINATING BOARD
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July 14, 1954

PROGRESS REPORT ON NSC 5405

UNITED STATES OBJECTIVES AND COURSES OF ACTION

WITH RESPECT TO SOUTHEAST ASIA

(Policy approved by the President, January 16, 1954)

A. SUMMARY OF MAJOR ACTIONS

1. In seeking regional defense for Southeast Asia, the U.S. has taken the initiative rather than awaiting action by the governments of the area; the U.S. concept has been enunciated by the Secretary of State as "united action". United States participation in the Indochina phase of the Geneva Conference and in the ~~five~~-power staff talks held in Washington and support of the Thai appeal to the UN constituted other U.S. steps toward this objective.

2. Despite U.S. military and economic assistance, and diplomatic efforts, the military, economic and political situation of the Associated States has deteriorated. Plans and preliminary arrangements have been made for U.S. training of Associated States forces with final arrangements dependent on agreements between France and the United States. United States assistance to North Vietnamese militia and emergency pacification programs have been approved.

3. Information programs in Indochina directed against the Viet Minh and in support of civilians morale in Vietnam have been continued and expanded.

4. Limited activities are reportable under Phase A of the Special Committee Report on Indochina (NSC Action No. 1019a.): The U. S. has supplied aircraft to the French airforce in Indochina; the establishment of a volunteer air group has been explored and pertinent recommendations to the NSC have been put into OCB channels. A new Chief, MAAG, Indochina has been designated and is serving with the rank of Major General; and an operations advisory group was established in Saigon.

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5. U. S. assistance in the evacuation of the Chinese Nationalist forces from Burma has been an important factor in the improvement of U.S.-Burmese and Thai-Burmese relations. Assistance programs in Burma have not been resumed nor has any reimbursable military equipment been ordered by Burma.

6. Various projects to increase military and economic assistance to Thailand have been brought forward; the U.S. Government has now committed or is considering military and economic aid to the Thais designed to offset the following:

- a. The construction of the Saraburi-Ban Phai highway.
- b. The improvement of certain air navigation facilities in Thailand and the improvement and construction of air base facilities therein.
- c. The inclusion of substantially the entire present Thai army strength under MDAP for the purpose of creating a reinforced corps of three divisions plus an additional independent division and support arms.
- d. Aid and training in the development of an improved Volunteer Defense Corps.
- e. Certain assistance to the operating costs and improvement of the Thai Navy.
- f. The improvement of and assistance in certain intelligence and clandestine capabilities of Thailand.

(Reference OCB "Special Report on Thailand", July 14, 1954.) The U. S. Information Agency has started, as part of its expansion in Thailand, a special psychological offensive designed to reach all levels of the Thai Government.

7. The U.S. has taken several steps in relation to the over-all economic problems of Southeast Asia, including the calling for bids for U.S.-owned synthetic rubber plants, the withholding of tin stockpile surplus, and consideration for future steps to assist rubber growers.

8. Covert activities will be separately reported to the Board.



B. POLICY CONSIDERATIONS

Inasmuch as certain assumptions underlying the policy statement in NSC 5405 are no longer valid, the paper requires reconsideration in certain respects. The most important assumptions are those relating to the success of the Laniel-Navarre plan, the favorable attitudes of the Vietnamese people and the multilateral agreements on actions which were to have been taken should the Tonkin delta be jeopardized by French inability to hold.

The objectives and conclusions of Phase "A" of the Special Committee Report on Indochina have been overtaken and altered by such developments as the Geneva Conference, Navarre's replacement, and the fall of the Laniel Government. Consequently, many of the contemplated actions have not been taken. While certain parts of the Phase "A" paper may be carried out at a later date, it has little current validity or applicability to the context of this Report.

C. EXTENT OF AGENCY INTEREST

No agencies of the Executive Branch of the Government, other than those on the OCB (including U. S. Information Agency), have played a significant part in the implementation of NSC 5405.

D. EMERGING PROBLEMS AND FUTURE ACTIONS

The general nature of the problems of U.S. policy and strategic interests in Southeast Asia remains unchanged. Recent developments in and concerning the area have placed them in sharper perspective.

In respect to Indochina, the failure of the Laniel-Navarre concept of military operations, the fall of the Laniel government in France, the continued unwillingness of the Bao Dai to assume either effective leadership or the position of a constitutional monarch, failure to bring to a definitive conclusion the negotiations between France and Cambodia, and France and Vietnam on the political status of the latter and their relations to the French Union, have along with substantial Viet Minh victories all contributed to a general deterioration in the political environment in the theater of major military operations. The foregoing developments tend to attract the fence-sitters to the support of the Viet Minh.



In the other countries covered by NSC 5405 the situation is more favorable. Thailand continues to be an active partner of the U.S., Burma has shown encouraging signs of recognition of the nature of Communist activities and aims, and in Malaya the percentage of "white" -- exempt from emergency regulations -- area has increased.

Further action towards regional defense agreements may be expected now that the U.S. has taken the initiative in this matter. Participation by the U.S. in whatever eventual organizational form such agreements may take requires a reassessment of U.S. strategy, which in essence involves the relative merits of strengthening the mainland countries militarily and economically, associating ourselves with them, and/or of relying on the off-shore island chain.

The relation of solutions meeting U. S. requirements and within U.S. capabilities to other problems in eastern Asia is important. U.S. strategy is necessarily area-wide in order to achieve a position of strength in the area (cf. NSC 5416 and NSC 166/1). In the same manner, possible employment of Chinese Nationalist forces against Communist aggression in Southeast Asia, as provided for in NSC 5405, should be predicated on a political strategy for the area. This would probably involve a political organization, now lacking in the Far East, embracing more than either the mainland countries or a series of unrelated mutual defense pacts with the U.S. by these several countries.

Indochina will continue to present a number of problems such as possible U.S. intervention in Indochina, development of a strategic concept including an offensive attitude, arrangements for U.S. training missions, and logistic planning.

In respect to Thailand, the budgetary and foreign exchange position of the country will not permit the government to increase substantially its financial obligations. Therefore, the likelihood of the necessity for direct U.S. budgetary support must be considered in connection with any programs which would require large outlays of currency by the Thai Government.

DETAILED DEVELOPMENT OF MAJOR ACTIONSA. SOUTHEAST ASIA IN GENERAL

Para. 11. "Demonstrate to the indigenous governments that their best interests lie in greater cooperation and closer affiliation with the nations of the free world".

Action agencies: State, U. S. Information Agency

Action:

Implementation of this course of action has taken place in three main categories:

1. Politico-military -- the commitment of U.S. funds and equipment to assist French Union forces against the Viet Minh.

2. Economic -- U.S. agreement to maintain current stocks of tin at present levels; U.S. proposals at the Rubber Study Meeting as a possible basis for improvement in raw material production in the area.

3. Informational -- an increase in informational and cultural activities directed to this objective with special emphasis on Thailand and Indochina.

Para. 12. "Continue present programs of limited economic and technical assistance designed to strengthen the indigenous non-Communist governments of the area and expand such programs according to the calculated advantage of such aid to the U.S. world position".

Action agencies: State, FOA

Action: Economic and technical assistance programs have been conducted during the period under review. Application of the criterion of "calculated advantage" has resulted in the programming of a number of new projects in Thailand and Indochina. The total amount involved in such projects in Indochina was \$8,000,000 and in Thailand \$3,580,000 during the period under review.



Para. 13. "Encourage the countries of Southeast Asia to cooperate with, and restore and expand their commerce with, each other and the rest of the free world, particularly Japan, and stimulate the flow of raw material resources of the area to the free world."

Action agencies: State, FOA

Action: Efforts have been made to encourage the establishment of diplomatic relations between the Associated States, Japan and the Philippines.

Para. 14. "Continue to make clear, to the extent possible in agreement with other nations including France, the United Kingdom, Australia, and New Zealand, the grave consequences to Communist China of aggression against Southeast Asia and continue current military consultations to determine the military requirements for countering such Chinese Communist aggression."

Action agencies: State, Defense

Action: A number of public announcements and speeches by high officials of the U.S. Government have taken place to implement this course of action. Although activity by other nations has not been as positive as that of the U.S. on this subject, consultations prior to the issuance of some statements have achieved some degree of understanding with other nations on this subject. Discussions at the Geneva Conference have, however, reduced the effectiveness of U.S. efforts to reach a common approach.

Para. 15. "Strengthen, as appropriate, covert operations designed to assist in the achievement of U.S. objectives in Southeast Asia."

Action agency: CIA

Action: This paragraph will be separately reported to the Board.



Para. 16. "Continue activities and operations 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 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 as a symbol of Chinese political resistance and as a link in the defense against Communist expansion in Asia."

Action agencies: State, FOA, CIA, U.S. Information Agency

Action: In accordance with the policy statement in NSC 146/2 (Formosa and the Chinese National Government) a policy interpretation has been agreed to by all interested agencies, an instruction sent to all posts in Southeast Asia, and specific information campaigns on a country-by-country basis have been undertaken to implement this course of action. Certain aspects of U.S. programs responsive to this course of action will be reported separately to the Board.

Para. 17. "Take measures to promote the coordinated defense of Southeast Asia, recognizing that the initiative in regional defense measures must come from the governments of the area."

Action agencies: State, Defense

Action: The principal development under this course of action has been the "united action" concept enunciated by the Secretary of State in April 1954. Prior to this development little progress had been made and little was expected as long as initiative remained with the indigenous governments. Thus the progress noted above has taken place in a context differing from that of the paragraph being reported on.

Para. 18. "Encourage and support the spirit of resistance among the peoples of Southeast Asia to Chinese Communist aggression, to indigenous Communist insurrection, subversion, infiltration, political manipulations, and propaganda."

Action agencies: CIA, U.S. Information Agency



Action: In respect to the overt aspect of implementation of this course of action, U.S. information programs have continued to reiterate constantly this theme in programs directed to Southeast Asia.

Para. 19. "Strengthen propaganda and cultural activities, as appropriate, in relation to the area to foster increased alignment of the people with the free world".

Action agencies: U.S. Information Agency, State

Action: Propaganda activities in both Indochina and Thailand were materially increased in early 1954. The scope and emphasis of these programs have contributed to the implementation of this course of action. Legal and budgetary restrictions on cultural programs have prevented a comparable increase in such activities; the proposals now under study for expanded educational and technical exchange programs will greatly strengthen such activities when adopted.

Para. 20. "Make clear to the American people the importance of Southeast Asia to the security of the United States so that they may be prepared for any of the courses of action proposed herein".

Action agency: State

Action: The several pronouncements and speeches referred to in para. 14 above have in most cases been directed at least in part to this domestic objective. Congressional debate has in a number of instances also been effective in this regard.

B. INDOCHINA

Para. 21. "Without relieving France of its basic responsibilities for the defense of the Associated States, expedite the provision of, and if necessary increase, aid to the French Union forces, under the terms of existing commitments, to assist them in:

"a. An aggressive military, political and psychological program, including covert operations, to eliminate organized Viet Minh forces by mid-1955.

"b. Developing indigenous armed forces, including independent logistical and administrative services, which will eventually be capable of maintaining internal security without assistance from French units.



"Toward this end, exert all feasible influence to improve the military capabilities of the French Union-Associated States forces, including improved training of local forces, effective command and intelligence arrangements, and the reposing of increased responsibility on local military leaders."

Action agencies: Defense, U.S. Information Agency, CIA

Action: During the period under review Indochina has had the highest MDAP priority. Accordingly, military assistance to Indochina has had precedence over all allied nations and in respect to some items even over the U.S. armed forces. Throughout the period, U.S. materiel support and other forms of assistance to the French Union forces have been increased and accelerated, often on an emergency basis.

Annex B gives the details of MDAP materiel support.

As indicated by the numerous NSC actions, interagency studies, and contingency plans bearing on the achievement of this course of action, despite the extensive military and other assistance which the U.S. has provided to the French Union forces in order to achieve the policy objectives in this paragraph, the situation in Indochina has seriously deteriorated. In its military aspect the "Laniel-Navarre plan" accepted by the U.S. as the basis for increased military assistance has been abandoned as a strategic concept.

The development of native armed forces has not progressed even toward the limited objective of maintenance of internal security.

Information activities were directed at the Viet Minh, the Vietnamese Army, and the civilian population. A program of vastly increased leaflet production was in support of psychological warfare directed at the Viet Minh and operated in conjunction with and through the Vietnamese Information Service and the Ministry of Defense. Pamphlets, posters, and films were used in support of the troop recruitment and morale campaigns of the Vietnamese Government. Information activities directed at civilian populations concentrated on obtaining their support of the military, and establishing stable institutions within the country.



Para. 22. "Continue to assure France that: (1) the United States is aware that the French effort in Indochina is vital to the preservation of the French Union and of great strategic importance to the security of the free world; (2) the United States is fully aware of the sacrifices France is making; and (3) U.S. support will continue so long as France continues to carry out its primary responsibility in Indochina."

Action agency: State

Action: Public expressions responsive to this course of action have been made on several occasions. Such assurances have been included in all discussions of matters related to Indochina between U.S. officials and French military and civilian officials.

Para. 23. "Encourage further steps by both France and the Associated States to produce a working relationship based on equal sovereignty within the general framework of the French Union. These steps should take into account France's primary responsibility for the defense of Indochina,

"a. Support the development of more effective and stable governments in the Associated States, thus making possible the reduction of French participation in the affairs of the States.

"b. Urge the French to organize their administration and representation in Indochina with a view to increasing the feeling of responsibility on the part of the Associated States.

"c. Seek to persuade the Associated States that it is not in their best interest to undermine the French position by making untimely demands.

"d. Cooperate with the French and the Associated States in publicizing progress toward achieving the foregoing policies."

Action agency: State

Action: During the period under review the relations of the Associated States with the French Union have become increasingly complex and apparently less and less susceptible to the exercise of U.S. influence.



Thus, although accord has been reached on new French-Vietnamese treaties they have not come into effect. The joint U.S.-French communique of April 14 has taken note of the status of the Associated States within the French Union.

Para. 24. "Continue to promote international recognition and support for the Associated States."

Action Agency: State

Action: The U.S. has taken an active interest in (1) establishment in March 1954 of diplomatic relations between Cambodia and Japan; (2) assignment of a Philippine military observer in the Associated States as a first step toward diplomatic relations.

Para. 25. "Employ every feasible means to influence the French Government and people against any conclusion of the struggle on terms inconsistent with basic U.S. objectives. In doing so, the United States should make clear:

"a. The effect on the position of France itself in North Africa, in Europe, and as a world power.

"b. The free world stake in Indochina.

"c. The impact of the loss of Indochina upon the overall strategy of France's free world partners.

Action agencies: State, U.S. Information Agency, CIA

Action: (See para. 29 below)

Para. 26. "Reiterate to the French:

"a. That in the absence of a marked improvement in the military situation there is no basis for negotiation with any prospect for acceptable terms.

"b. That a nominally non-Communist coalition regime would eventually turn the country over to Ho Chi Minh with no opportunity for the replacement of the French by the United States or the United Kingdom".

Action: (See para. 29 below.)



Para. 27. "Flatly oppose any idea of a cease-fire as a preliminary to negotiations, because such a cease-fire would result in an irretrievable deterioration of the Franco-Vietnamese military position in Indochina."

Action: (See para. 29. below.)

Para. 28. "If it appears necessary, insist that the French consult the Vietnamese and obtain their approval of all actions related to any response to Viet Minh offers to negotiate".

Action: (See para. 29. below.)

Para. 29. "If the French actually enter into negotiations with the Communists, insist that the United States be consulted and seek to influence the course of the negotiations".

Action agencies: State, U.S. Information Agency, CIA

Action: The courses of action, 25-29 above, have had specific application in the consultations preceding the Geneva Conference and at the Conference itself, although they were adopted prior to the agreement to hold the conference. These courses of action have thus been implemented within the unforeseen context of American participation in negotiations with the Communists on Indochina.

Para. 30. "In view of the possibility of large-scale Chinese Communist intervention, and in order that the United States may be prepared to take whatever action may be appropriate in such circumstances, continue to keep current the plans necessary to carry out the courses of action indicated in paragraphs 31 and 32 below. In addition, seek UK and French advance agreement in principle that a naval blockade of Communist China should be included in the courses of military action set forth in paragraph 31 below."

Action agencies: State Defense, CIA

Action: Contingency planning for possible U.S. military operations in Indochina in implementation of paragraphs 31 and 32 has been completed and approved by the Joint Chiefs of Staff. Certain other contingency planning has been completed by CINCPAC though not all has as yet been approved by JCS. CINCPAC has obtained agreement for planning purposes for a naval blockade and air attacks on selected targets in Communist China. UK and French advance agreement for a naval blockade has not been obtained.



C. IN THE EVENT OF CHINESE COMMUNIST INTERVENTION

Para. 31. "If the United States, France and the Associated States determine that Chinese Communist forces (including volunteers) have overtly intervened in Indochina, or are covertly participating so as to jeopardize holding the Tonkin delta area, the United States (following consultation with France, the Associated States, the UK, Australia, and New Zealand) should take the following measures to assist French Union Forces to repel the aggression, to hold Indochina and to restore its security and peace:

"a. Support a request by France or the Associated States that the United Nations take immediate actions, including a resolution that Communist China had committed an aggression and a recommendation that member states take whatever action may be necessary, without geographic limitation, to assist France and the Associated States to meet such aggression.

"b. Whether or not the United Nations so acts, seek the maximum international support for participation in military courses of action required by the situation.

"c. Carry out the following minimum courses of military action, either under UN auspices or as part of a joint effort with France, the UK, and any other friendly governments:

"(1) Provide as may be practicable, air and naval assistance for a resolute defense of Indochina itself; calling upon France and the Associated States to provide ground forces.

"(2) Provide the major forces to interdict Chinese Communist communication lines, including those in China; calling upon the UK and France to provide token forces and such other assistance as is normal among allies.

"(3) Provide logistical support to other participating nations as may be necessary.

"d. Take the following additional actions, if appropriate to the situation:

"(1) If agreed pursuant to paragraph 30 above, establish jointly with the UK and France a naval blockade of Communist China.



"(2) Intensify covert operations to aid guerrilla forces against Communist China and to interfere with and disrupt Chinese Communist lines of communication.

"(3) Utilize, as desirable and feasible, Chinese National forces in military operations in Southeast Asia, Korea, or China proper.

"(4) Assist the British in Hong Kong, as desirable and feasible.

"(5) Evacuate French Union civil and military personnel from the Tonkin delta, if required."

Action agencies: State, Defense, CIA

Action: The courses of action above have not been implemented. Military and political developments have resulted in jeopardy to the Tonkin delta area. The contingency planning for assistance to the French Union forces to repel aggression is actively under way but not in a manner or sequence identical with those above. The problem of gaining international support for assistance to French Union forces has been complicated by the Geneva negotiations.

Para. 32.a. "If, after taking the actions outlined in paragraph 31-c. above, the United States, the UK and France determine jointly that expanded military action against Communist China is necessary, the United States, in conjunction with at least France and the UK, should take air and naval action against all suitable military targets in China which directly contribute to the war in Indochina, avoiding insofar as practicable targets near the USSR boundaries.

"b. If the UK and France do not agree to such expanded military action, the United States should consider taking such action unilaterally."

Action: This contingency has not developed during the period under review.

Para. 33. "If action is taken under paragraph 32, the United States should recognize that it may become involved in an all-out war with Communist China, and possibly with the USSR and the rest of the Soviet bloc, and should therefore proceed to take large-scale mobilization measures."



Action: This contingency has not developed during the period under review.

D. BURMA

Para. 34. "Encourage the Burmese Government to cooperate with the anti-communist nations."

Action Agency: State

Action: Every opportunity has been taken to impress the U.S. point of view on the Burmese; recent estimates of the climate of opinion in Burma indicate an increase in awareness of the nature of the Communist threat to Burma and a corresponding tendency to cooperate with anti-communist nations.

Para. 35. "Implement promptly and effectively the recent agreement to furnish Burma with military equipment and supplies on a reimbursable basis."

Action agencies: State, Defense

Action: The agreement has not been implemented; the Burmese Government has not yet ordered any of the arms and equipment on which the Burmese War Office had made inquiries in 1953. One reason alleged for absence of orders from the Burmese is what they conclude to be high cost of American equipment.

Para. 36. "Be prepared to resume economic and technical assistance to Burma if requested by Burma".

Action agencies: State, FOA

Action: This course of action has not been implemented since the Burmese Government has not requested the resumption of U.S. economic and technical assistance programs. The U.S. would give serious consideration to such a request, if received.

Para. 37. "Continue to demonstrate U.S. interest in a solution of the problem of the Chinese Nationalist irregular troops in Burma, and be prepared to provide limited logistic support for the evacuation of these troops".

Action agency: State



Action: This course of action is more fully reported in the Progress Report on NSC 146/2. In summary, three phases of evacuation were completed by May 7, 1954 involving a total of 5,688 troops and 868 dependents. Extension of the period of the third phase was authorized by the OCB on June 16, 1954, to care for stragglers who might present themselves on or before September 1, 1954.

Para. 38.a. "Exchange views with the UK regarding policy for Burma, avoiding indications of any desire to supplant the British, but making clear that it is undesirable for the British to maintain a monopoly over military assistance to Burma.

"b. Urge the British to expand their military mission, insofar as possible, to meet Burmese requirements."

Action agency: State

Action: In respect to a. above the policy has been implemented. In respect to b. the policy statement is outdated since the Burmese contract with the UK was not renewed on January 4, 1954. The UK is still negotiating with the Burmese for a new basis for a military mission but it is understood that should such a basis be agreed it will be more restrictive than formerly.

Para. 39. "Attempt to arouse the Burmese to the dangers of Chinese Communist expansion and to the need for effective military defense against it, including coordinated military action with other Southeast Asian countries."

Action agency: U. S. Information Agency

Action: (cf. paragraph 34 above). The favorable change in Burmese opinion is related to progress in accomplishing this course of action. U.S. Information Agency activities have achieved some success in influencing Burmese opinion in this direction, and an important example is a change in Burmese attitudes towards the Viet Minh who are now considered less as "nationalists" than as Communists.

Para. 40.a. "Develop united action and cooperation among indigenous, anti-communist groups in Burma to resist communist encroachments.



"b. Make suitable preparations for the establishment of guerrilla forces among suitable ethnic groups for possible use against the communists; recognizing the limitations involved in making such preparations, because (so long as the Burmese Government remains non-communist) a major consideration should be to take no action that would involve serious risk of alienating that Government".

Action: This course of action will be separately reported to the Board.

Para. 41. "If there is a large-scale attempt by local communists to seize power in Burma, activate to the extent practicable the guerrilla forces referred to in paragraph 40 above."

Action: This course of action will be separately reported to the Board.

Para. 42. "In the event of overt Chinese Communist aggression against Burma:

"a. Support an appeal to the UN by the Burmese Government.

"b. Consistent with world-wide U.S. commitments take appropriate military action against Communist China as part of a UN collective action or in conjunction with France and the United Kingdom and any other friendly governments.

"c. Employ as desirable and feasible anti-communist forces, including Chinese Nationalist forces, in military operations in Southeast Asia, Korea, or China proper".

Action: This contingency did not materialize during the reporting period but certain contingency planning required by paragraph 30 above is relevant to this course of action.

Para. 43. "If, in spite of the preceding courses of action, communist control of all or a substantial part of Burma becomes inevitable, support any trustworthy elements capable of continued resistance to communism."

Action: This will be separately reported on to the Board.



E. THAILAND

Para. 44. "Continue to assist the Government of Thailand in creating conditions of internal security, in becoming a stabilizing force in Southeast Asia, in better withstanding communist pressures in the area, and in maintaining its alignment with the free world; and, as appropriate to support these ends, conduct military, economic and technical assistance programs, and strengthen cultural and propaganda programs and covert operations".

Action agencies: All agencies.

Action: Implementation by all interested agencies of PSB D-23 (Thailand) (which in accordance with NSC Action No. 1066c, has been maintained as an operation plan contributing to the implementation of NSC 5405) and the additional programs initiated by Ambassador Donovan have resulted in marked progress under this course of action. The MAAG has been strengthened and transformed into JUSMAG. Proposals have been discussed and agreed with the Thai Government on additional military aid, on projects of military support significance such as the Northeast Highway and air navigational aids, and a start made in joint staff consultations. (See OCB "Special Report on Thailand", July 14, 1954.)

In Thailand the U.S. Information Agency developed plans for a nation-wide psychological offense against Communism. This program calls for indoctrination of Thai Government officials at national, provincial, and local levels with respect to Communist strategy and tactics, the nature and history of Communism and the threat of Communism to the Government, religion, and their way of life. The first series of lectures and visual presentation to a select group of Thai Government officials started on May 17, 1954.

Para. 45. "If a serious deterioration of the situation in either Indochina or Burma appears imminent, take whatever measures, including increased aid to Thailand, may be determined as feasible to forestall an invasion of Thailand or a seizure of power by local Thai Communists."

Action: While this contingency did not materialize during the period under review, in view of the increasing seriousness of the situation in Indochina, planning was accomplished in accordance with paragraph 30 above.



Para. 46. "In the event of overt Chinese or other Communist major aggression against Thailand:

"a. Support an appeal to the UN by the Thai Government.

"b. Consistent with world-wide U.S. commitments take appropriate military action against Communist China as part of a UN collective action or in conjunction with France and the United Kingdom and any other friendly governments.

"c. Employ as desirable and feasible anti-communist Chinese forces, including Chinese Nationalist forces, in military operations in Southeast Asia, Korea, or China proper."

Action: This contingency has not materialized. Staff planning has, however, been developed for the contingency.

F. MALAYA

Para. 47. "Support the British in their measures to eradicate communist guerrilla forces and restore order."

Action agencies: State and other agencies

Action: Only minor technical assistance has been considered for the British administration.

Para. 48. "In the event of overt Chinese Communist aggression against Malaya, in addition to the military action which would already have been taken against Communist China, (see paras. 32,42,46) the United States should assist in the defense of Malaya, as appropriate, as part of a UN collective action or in conjunction with the United Kingdom and any other friendly governments."

Action agencies: State, Defense

Action: This contingency has not materialized although as in respect to other paragraphs of this paper certain of the contingency planning required under paragraph 30 is applicable to Malaya.



ANNEX B TO PROGRESS REPORT ON NSC 5405

IMPLEMENTATION OF THE MUTUAL DEFENSE ASSISTANCE PROGRAM
FOR INDOCHINA (JAN-JUNE 1954)

1. The Mutual Defense Assistance Program (MDAP) for Indochina during the period stated above consisted primarily of materiel and equipment support under the consolidated FY 1950-54 MDA Program. In addition, the French effort in Indochina was further supported by direct financial assistance to France, such financial assistance being in two increments of 400 million and 385 million dollars.

2. The status of major items of equipment as programmed for Indochina and as reflected in the most recent report on "Department of Defense Operations under the Mutual Security Program", April 1954, is as follows:

<u>Type of Materiel and/or Equipment</u>	<u>Items Shipped</u>	<u>Items to be Shipped</u>
Tanks and Combat Vehicles	1545	758
Motor Transport Vehicles	23244	14428
Small Arms and Machine Guns (MG)	241547	190389
Artillery	4703	536
Ammunition (thousands of rounds)		
Small Arms and MG	289402	311537
Artillery	8208	1519
Navy		
Vessels	342	216
Aircraft	70	5
Air Force		
Aircraft	336	42

3. The total value of military materiel and equipment programmed under MDAP for Indochina through FY 1954 was \$1,129.3 million. The initial approved FY 1954 program, a phase of the above program, totaled 312.3 million, plus \$30 million provided under a Military Support Program. Subsequent increases were authorized as indicated in the recapitulation below:



MDAP Mil. Support
(In Millions of Dollars)

ARMY

Programmed FY 54	239.3	30
Added as of 1 April *	48.6	15 **
Added, May *	<u>52.2</u>	<u>—</u>
	340.1	45

NAVY

Programmed FY 54	39
Added as of 1 April ***	9.5
No Further Additions as of 15 May	
	<u>48.5</u>

AIR FORCE

Programmed FY 54	34
Added Total as of 1 April ****	24.3
Estimated Total of Subsequent April Additions	30.8
Added, May	<u>47.7</u>
	136.8 (Est.)

* Personnel Parachutes, Heavy Drop Equipment (Parachutes, Containers, Repack Equipment), Barbed Wire, Ammunition, and Individual Equipment.

** Aviation Petroleum, Pierced Steel Planking, Tentage, and Other Items of Equipment.

*** Twenty-five Corsair Aircraft, One Pocket Liberty Ship, Flame Throwers, Bullet-proof Vests, and Miscellaneous Items of Equipment.

**** Aircraft, Aircraft Equipment and Operations as follows:

C-47	-43
B-26	-35
F8F	-12
L20	-24
H-19 (Hcptr)	-10
C-119	-(Up to 24 on a loan basis--Project "IRONAGE" three of which have been lost)

Project "REVERE" - Maintenance Support of C-47 and B-26

Aircraft Spare Parts

Communications Equipment

Emergency U.S. Airlift of Critical Materiel and Equipment



4. In addition to the above, the United States has taken direction action on and assumed responsibility for the expenses incident to the following operations:

a. The dispatch of a Special Joint Military Mission to Indochina in January and February, 1954;

b. Airlift of two battalions of French troops, on an urgent basis, from France and Africa to Indochina;

c. Assignment to Indochina, on a temporary duty basis, of U.S. Air Force technicians for the purpose of assisting the French in the maintenance of aircraft;

d. Provision of technical training teams as requested by the French;

e. The overhaul of French Union aircraft (U.S. types), at Hong Kong, Clark Air Force Base in the Philippine Islands, and Corpus Christie, Texas;

f. Increased the strength of the Military Assistance Advisory Group (MAAG), in order to facilitate operations.