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CURRENT SITUATION IN INDOCHINA

I. Military picture highlighted by new aggressiveness on part of French and increased Chinese aid to Viet Minh.

A. French operation at Langson, major Viet Minh supply base 10 miles from China border, successfully concluded.

1. About 5,000 tons of materiel destroyed, including 1,000 brand new Skoda automatic rifles.
2. Viet Minh apparently caught completely off balance, offered negligible opposition.
3. Operation's psychological impact on both French and Viet Minh troops in Indochina probably overshadow strategic significance.
4. In Paris, pressures against continuing the French effort at least temporarily lessened; added support for General Navarre's plan to carry war into Viet Minh territory.

B. China now delivering upwards of 1,000 tons of supplies a month to Viet Minh.

1. Compares with monthly average of 500 tons in 1952.
2. Increase possibly temporary, but transport improvements on both sides border suggest augmented program.

II. No indications of Viet Minh's autumn campaign plans.

25X1C A. [REDACTED] believes enemy has four alternatives:

1. Massive attack on Tonkin delta.
2. Renewal last spring's offensive in Laos.
3. Attack against Laichau in northwestern Tonkin, to consolidate last fall's gains that area.
4. Attack against important French coastal installations in Hue-Tourane area Central Vietnam.

B. Second two alternatives have little of strategic significance of first two.

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- C. Meanwhile, Viet Minh commander-in-chief reportedly in central Annam on inspection tour preparatory to opening campaign there.
 - D. French also fear the Viet Minh surprise attack on Luang Prabang, in Laos.
 - 1. Most defensive units there last spring now moved to south or returned to Tonkin delta.
- III. On political side, relationship between France and Associated States to be renegotiated following French 3 July policy declaration.
- A. Declaration evaded basic issue of whether the Associated States have right to withdraw from French Union.
 - B. Cambodia answered 3 July note with 60 specific demands, in effect asked France transfer all remaining powers, services in advance of negotiations.
 - C. Vietnam outwardly conciliatory, obviously waiting to profit by any concessions to Cambodia.
 - D. Uncertainty regarding French intentions continues among Indochinese, inhibits the fight against the Viet Minh.

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