

<http://www.mtholyoke.edu/acad/intrel/pentagon/doc16.htm>

The Pentagon Papers

Gravel Edition

Volume 1

Document 16, Memorandum for the National Security Council on Further US Support for France and the Associated States of Indochina, 5 August 1953, pp. 405-410..

NATIONAL SECURITY COUNCIL
WASHINGTON

August 5, 1953

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

SUBJECT: Further United States Support for France and the Associated States of Indochina

REFERENCES: A. NSC 124/2

B. NSC Action Nos. 758, 773 and 780

C. NIE-63 and NIE-91

The enclosed report by the Department of State on the subject is transmitted herewith for consideration by the National Security Council of the recommendation contained in paragraph 9 thereof at its meeting on Thursday, August 6, 1953.

JAMES S. LAY, Jr.
Executive Secretary

cc: The Secretary of the Treasury
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence

[Opening sections missing]

The winding up of the Indochina war is a necessary condition to enable France to check both these trends and reassume a more confident and positive role on the continent.

4. The lack of success so far in Indochina is traceable largely to French failure:

a. by timely grants of sovereignty and impressive military success, to win a sufficient native support to permit more rapid development of larger and more effective native armies, and to frustrate nationalist appeal of the Viet Minh.

b. to plan and execute aggressive military operations.

5. The present French government is the first in seven years which seems prepared to do what needs to be done to wind up the war in Indochina. Its plans offer the United States at last an opportunity to attack the major Indochinese and Metropolitan French problems as a whole. The French Premier has assured our representatives that his government is anxious to continue the struggle and to press on to win, but he can carry through his program against political opposition only if he offers a "package" solution, not only of Indochina but of the related French weakness in Europe and at home. For this purpose the new government has developed the following program:

a. *Military Initiative.* A new commander, General Navarre, has taken over in Indochina and is determined to assume the offensive. The initial operations under his command testify to this resolve. He has revised the plan originally presented in outline to us by M. Letourneau in March 1953 for breaking the back of Viet Minh resistance during the campaign season of 1954-55. His plans include an increase in the native armies by approximately the following figures: 59,600 in 1953; 76,000 in 1954, and 20,000 in 1955 for a total of 331,650 by January 1956. At his request, the French government is prepared, despite popular opposition, to send nine more regular infantry battalions plus ancillary units from France, if the rest of the program is agreed on. The Navarre operational plans drawn up on Indochina were approved by Lt. Gen. O'Daniel, USA, in his report on his recent mission.

b. *Political Program.* Pursuant to the French declaration of July 3, M. Laniel has assured U.S. representatives of his determination to grant genuine independence to the Associated States without the strings which have marked the previous grants of "independence." He apparently envisages something very much like Dominion status, retaining only such French authority and privileges as may be agreed.

c. *Fiscal Rehabilitation.* Laniel conceives his project for Indochina as an integral part of a new and supreme effort by France to "put its house in order." He plans to approach a balanced budget during CY 1954. This will involve a cut in French military as well as civil expense for that year. At the same time he contemplates a greater effort in Indochina. To do this he asks the U.S. for additional assistance amounting to about \$400 million for FY 1954.

6. a. Attached are two tables showing (1) the financing of the Indochina war in CY 1953 and as proposed for CY 1954; and (2) U.S. aid for France and Indochina under 1953 program and 1954 appropriations. They contain tentative figures for 1954.

b. As the first table makes clear, under the proposed program, the United States would assume about 50 per cent of the 1954 budgetary expenditures (\$829 million out of \$1,676 million) and, if end-item aid is included, would be carrying about 61 per cent of the total financing. This would represent about two and one-third times the amount of U.S. aid for CY 1953.

c. As shown by the second table, this program would entail an increase of \$403 million over the assistance now planned for France (\$1,286 million). Of the total French military budget for both Indochina and NATO, the presently planned U.S. aid, including end items, would be 26 per cent; if the aid were increased as requested, such U.S. assistance, including end items, would be 34 per cent of the total.

d. Finally, as the first table indicates, under the program, the total expenditures for Indochina for 1954, including end items, would be \$2,160 million as compared with \$1,700 for CY 1953.

7. The program presents substantial risks. Under it, the French build-up in Europe would be slowed down in some degree, both by the limited troop diversion and the cut in the French military budget. Moreover, in the best of circumstances, the Indo-Chinese war cannot be successfully closed out before the 1954-55 fighting season. Consequently, in addition to any supplemental aid furnished now, we would have to contemplate a comparable further contribution a year from now to assure a satisfactory conclusion. Furthermore, there is the risk that the French Union forces in Indo-China might suffer reverses before the projected additional effort can be brought to bear.

8. Despite these risks and uncertainties it is believed that the U.S. should agree, in its own security interests, to furnish the additional \$400 million of aid to France. Various factors lead to this conclusion:

a. The Laniel government is almost certainly the last French government which would undertake to continue the war in Indo-China. If it fails, it will almost certainly be succeeded by a government committed to seek a settlement on terms dangerous to the security of the U.S. and the Free World. The negotiation of a truce in Korea, added to the frustrations and weariness of the seven years' war, has markedly increased the sentiment in France for some kind of negotiated peace in Indo-China. In the recent protracted French governmental crisis, every leading candidate bid for popular support with some kind of promise to reduce the Indo-China commitment in some way. For the first time in seven years, latent defeatist impulses emerged into real efforts by political and parliamentary leaders to "pull out."

b. Under present conditions any negotiated settlement would mean the eventual loss to Communism not only of Indo-China but of the whole of Southeast Asia.

c. The loss of Indo-China would be critical to the security of the U.S. Communist control of Indo-China would endanger vital raw material sources; it would weaken the confidence of other Southeast Asian states in Western leadership; it would make more difficult and more expensive the defense of Japan, Formosa and the Philippines; and complicate the creation of a viable Japanese economy. If the French actually decided to withdraw, the U.S. would have to consider most seriously whether to take over in this area.

d. On the other hand, if the proposed program does succeed, and the French are able to achieve victory in Indo-China within two years, the effect will be to strengthen the Free World and our coalition in Europe as well as Southeast Asia. France will be enabled to adopt in Europe the active role which her weakness has undermined in the preceding period.

Recommendation

9. Accordingly it is recommended that the National Security Council agree to an increase in aid to France in the current fiscal year by an amount not exceeding \$400 million above that already committed, provided only that (a) the Joint Chiefs of Staff inform the National Security Council that in their view the French plan holds the promise of military success; and (b) the Director of the Foreign Operations Administration ascertain the available sources

within currently appointed funds, and the extent to which a special supplementary appropriation will be necessary when Congress reconvenes in January 1954.

TAB A

FINANCING THE WAR IN INDOCHINA
(millions of dollars)

	1953	1954
<i>French estimate of requirements</i>		
French Expeditionary Corps	866	866
Reinforcements under Navarre plan	0	54
French Air Force and Navy	137	137
Total French forces	1003	1057
Associated States forces		
Regular Armies	335	400
Light battalions and support troops	43	196
Air and naval forces	9	23
Total	387	619
Total budgetary requirementt	1390	1676
<i>Financing of requirements</i>		
French budget of equivalent		
French fiscal resources	975	690
US financial assisatnce		
Presently available	258	426
Requirement yet to be financed	0	403
Total	258	829
Total French budget or equivalent including US financial assistance	1233	1519
Associated States fiscal resources	157	157
Total budgetary resources	1390	1676
<i>Total US aid for Indochina</i>		
Financial assistance (as above)	258	829
Military end-item program	255	429
Common-use program	30	30
Economic aid to Associated States	25	25
Total	568	1313
<i>Total financing by France, Associated States and the US</i>		

Budgetary	1390	1676
Other	310	484
Total	1700	2160
<i>Total US financing as percent of total program</i>	33%	61%

NOTE: U.S. fiscal year 1954 aid program is related to French calendar year 1954 budget program.

TAB B

US AID TO FRANCE AND INDOCHINA
(millions of dollars)

	<i>Program 1953</i>	<i>Proposed 1954</i>	<i>Appropriated 1954</i>
<i>I. Aid related to April memorandum*</i>			
Mutual defense financing			
Attributed French NATO budget	169	100	85
Attributed Indochina budget	48	400	400
Total	217	500	485
Defense support assistance			
Attributed French NATO budget	158	0	0
Attributed Indochina budget	210 a	0	0
Total	368	0	0
"Kitty" to cover partial costs of expansion Indochina forces	0	100	26 b
Total aid related to April memorandum	585	600	511
<i>II. Laniel request for aid to finance proposed Indochina program</i>			829
Total US aid now available for Indochina in relation to April memorandum			426
Requirement yet to be financed			403
<i>III. US aid in addition to April memorandum</i>			
Military end-item program: France	0 d	364	291 e

Military end-item program: Indochina	255	429	429
Common-use program for Indochina	30	30	30
Economic aid to Associated States	25	25	25
Total	310	848	775
<i>IV. Total US aid for France and Indochina</i>			
Presently available funds	895	1448	1286
Requirement yet to be financed			403
Total			1689
<i>V. Total military program of France and the Associated States, including US assistance in all forms French military budget</i>			
NATO and other areas Indochina	2730		2444
Present French budget plan	1233		1090
Additional US financing requested	0		429
Total	1233		1519
Total French budget with US support	3963		3963
Associated States military budgets	157		157
US aid outside April memorandum	310		775
Total program with US aid	4430		4895
<i>VI. Total US aid as percent total programs financed by US, France and Associated States</i>			
Presently available funds	20%		26%
Including requirements yet to be financed			34%

* Memorandum on aid prepared by US delegation to the North Atlantic Council meeting in Paris and handed to the French Government by the US delegation on April 26, 1953.

NOTES: US fiscal 1954 aid program is related to French calendar 1954 budget program.

WEB note: The lettered footnotes (a,b,d, and e) are accurate within the Table--they do not, however, correspond to the lettered explanations.

a. Figure arbitrary since attribution has not yet taken place: figure based upon 1952 experience, and also includes counterpart of \$60 million provided out of fiscal 1953 appropriation, under April memorandum.

b. Available from unprogrammed portion of carry-over into fiscal 1954 of unobligated fiscal 1953 appropriations for Far East military aid.

c. Arbitrarily reduced 20 percent to reflect proportionate reduction in European military aid appropriations below figures proposed to Congress/

d. This figure shown as zero because of reprogramming which took place in course of the year, because of over-programming for France for the period FY 1950-1953; in effect, no net additional funds were therefore necessary for the French end-item program out of the 1953 appropriations.