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DEPARTMENT OF EXTERNAL AFFAIRS

CABLEGRAM.

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Australiana Embassy,
Washington.

Addressed Canberra 553 London S4 and Geneva Miscellaneous.

Drumright today told us -

(A) United States-French talks on United States conditions for intervention in Indo-China are still continuing but with no concrete response so far from French. French attitude is still the key to the whole Indo-China situation and everything depends on the National Assembly where Laniel's position is extremely shaky. The Americans are therefore finding it almost impossible to obtain firm French views on any of their "conditions". Regarding full independence for Vietnam, for example United States were pressing the French to "cut swilling" and sign posts but so far without any positive result.

(B) Ely's report on Indo-China situation was somewhat discouraging in that situation had apparently deteriorated even more than had been expected. However Ely's recommendations for positive action in future including "heating up" French forces in Indo-China were "encouraging". Ely was expected to come to Washington next week when various military matters (including United States training of Vietnamb Forces) would be discussed no doubt against the background of Five Power talks.

(C) Philippines Thailand and even R.O.C. had shown "soreness" at their exclusion from military talks. Nor had they been entirely satisfied by assurances that talks would be of use "not only to countries represented at talks but also to countries in the region in further conversations which might take place later on a wider basis".

(D) Dulles still wanted wider political talks but now seemed more resigned to the fact that not much progress would be possible until Geneva had either produced results or had obviously failed, at which point support of the United Kingdom and other Asian Nations might perhaps be more readily forthcoming.

(E) U.P. report dated London 2nd June (appearing in today's "Washington Post") said that following Soviet support of Vietnam stand on Laos and Cambodia at Geneva India had warned Russia that further Communist territorial expansion in South East Asia would mean loss of friendship for Russia among independent South Asian countries. Report added that this position was made known to Molotov in Geneva by Menon. Drumright said they were very interested in this report but that so far he had received no official confirmation from any source.