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**TELEGRAM RECEIVED**

*Directly*  
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FROM : PARIS

DATE : November 24, 1954

*Langley*  
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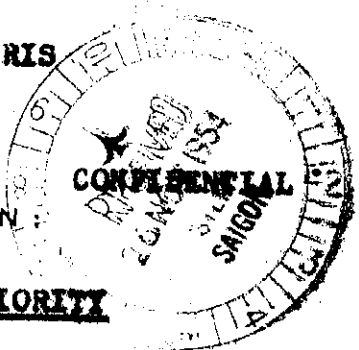
USOM 56

CLASSIFICATION :

No. : November 25, 0735

~~SECRET~~  
*Langley*

RECEIVED :  
Typed: November 25, 1030



**PRIORITY**

SENT DEPT TOUSFO 299 RPTD INFO SAIGON USOM 56.

Reference: (A) Paris TOUSFO 292, rptd USOM 54 to Saigon,  
November 22

(B) Saigon USFOTO 635, rptd Paris USFOTO 259,  
November 23.

1. Sadrin asked McGrew and myself to see him today to discuss again question piaster financing for refugee program. He explained that message he had drafted on November 8 and sent to Ministry Associated States for despatch did not actually leave Paris until November 17 covered points mission summarized for Saigon and Washington in Paris TOUSFO 262, rptd USOM 50 to Saigon, November 9.

2. In interests of gaining time, we explained to Sadrin the FOA/W proposal contained in para. 2 Saigon USFOTO 607, rptd Paris USFOTO 245, November 16. Sadrin said that proposal not possible of implementation from French side since, among other difficulties presented, it would require a specific new parliamentary authorization. This would rule out possibility urgent action, even if French

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were to agree to proposal from policy standpoint. Sadrin stated he was cabling in this sense to French authorities Saigon.

3. Sadrin said he could see no feasible method of rapidly proceeding piaster fund except through his proposal (summarized in Paris TOUSFO 262). However, Sadrin explained that on basis present outlook, French would probably not be in position resell dollars against piasters (rather than francs) January 1, 1955, (since at request Vietnam government French tentatively planning advance purchase piasters on that date to extent ten to fifteen billion francs in order supplement franc reserves new Vietnamese bank of issue). French state this is maximum amount for which they would want to participate their piaster requirements.

4. Thus U.S. would have to look to Vietnam to provide necessary francs for dollar repurchase as previously dependent upon outlook Vietnamese position in francs as of January 1. Sadrin indicates that Vietnamese may not be in particularly strong franc position at that date. Consequently there could be some delays in completing dollar repurchase.

5. Re para. 1 Saigon TOUSFO 706, rptd USOM 100 to Paris, November 15, Sadrin points out that his proposal also has effect leaving franc proceeds of original dollar sale at disposal Institut d'Emmission for distribution in Liquidation.

TIMMONS

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