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unobtrusively encouraged these developments and supported some regional projects such as malaria eradication, a telecommunications system and the construction or improvement of trans-border highways, taking care to leave the initiative with the Asian leaders.

3. Burma. There has been substantial progress toward the achievement of United States objectives in Burma. The government of Prime Minister Ne Win has introduced stability and vigor into the conduct of Burma's domestic and international policy. The United States has encouraged the new Burmese Government to cooperate with the West and has made available substantial military assistance. The Burmese security forces have effectively used U. S. equipment against insurgent elements within the country. At the same time, the insurgents' relations with communist political organizations have been impaired by the arrest of communist political leaders engaged in liaison. Communist influence in labor, among the students, and in the press has been substantially reduced. The government's information services have evidenced greater willingness to cooperate with the United States Information Agency and other United States services in psychological warfare against the insurgents and in general public indoctrination.

In its international policy, the Ne Win Government has made it clear that, although it may maintain an overt posture of neutrality because of its geographical position, it considers itself, in fact, ideologically aligned with the West and looks to the United States for support and leadership in many fields. The Prime Minister has privately stated that he believes SEATO plays an important and useful role, and, while noting continuing Burmese sensitivity to open identification with the western powers, he hopes to move Burma gradually toward a public posture of closer identification with SEATO. Relationships between the United States and Burma are more cordial than they have ever been. At Burmese request, the United States has agreed to contribute substantially to the construction of a highway and university facilities as evidence of United States interest. By contrast, Burmese relations with the Soviets have deteriorated sharply. Burma is curtailing its trade and aid relationships with the USSR and the press has been severely critical of Soviet Embassy conduct. In its relations with Communist China, Burma has moved much more cautiously but is stiffening its attitude toward the Peiping Government, particularly in the matter of a border settlement.

4. Cambodia. A resurgence of severe tension in relations between Cambodia and its neighbors, particularly Viet-Nam, resulting from Cambodian conviction of Thai and Vietnamese involvement in two abortive anti-Sihanouk plots, threatened seriously to frustrate United States objectives in Cambodia during the early months of 1959. Primarily because of our close association with the anti-communist governments of Thailand and

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