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PB Meeting
26 November 1957

ITEM 4

PROGRESS REPORT ON U.S. POLICY IN MAINLAND SOUTHEAST ASIA (NSC 5612/1)

BACKGROUND

1. U.S. Policy in Mainland Southeast Asia was approved on 5 September 1956. This progress report covers the period 13 March through 6 November 1957.

SUMMARY

2. General. Many surface developments seemed to favor the Free World, although the Communists, often working underground, may have made gains of their own. The coup in Thailand, the repercussions of which are still to be felt, over-shadowed all other developments. If Thailand orients itself toward neutralism, some of the Free World gains might well be reduced. The SEATO staff was strengthened, and the September Military Advisers' meeting was highly successful. There was modest progress in developing SEATO economic and social programs. Nevertheless, the generation of public attitudes favorable to collective security pacts and the West in general is becoming increasingly difficult in the area. The adverse effect on U.S. political objectives of PL 480 rice sales temporarily receded because the area nations found ready markets for their produce in 1957.

3. Political items of interest on specific countries are:

- a. Thailand: The dependability of assurances that Thai foreign policy will not change remains to be seen. A period of considerable domestic instability is anticipated. Adjustments to Communist China will probably continue. Owing to the changed situation, various U.S. programs, particularly military and economic assistance programs, are being reviewed.
- b. Burma cautiously developed closer relations with the Free World while maintaining publicly its neutral position and continuing to receive Communist aid. Awareness of the Communist danger increased. The Government recognized and began to cope with its foremost problem, the preservation of law and order.
- c. Laos: Although the outlook improved with the formation of a conservative cabinet, negotiations for a cabinet including Pathet Lao (Communist-led) representatives became more active. The threat posed by Pathet Lao control of two northern provinces continues, and security conditions in the areas under government control deteriorated.
- d. Cambodia: A sharper awareness of the Communist danger appeared to create a more friendly climate toward the U.S., and the government showed an increased will to resist internal Communist subversion. Nevertheless, the overall internal security situation deteriorated as a result of more vigorous Communist activity.

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