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ANNEX B

December 18, 1958

SINO-SOVIET BLOC ACTIVITIES IN MAINLAND SOUTHEAST ASIA

Sino-Soviet Bloc Activities in Mainland Southeast Asia. (Prepared by CIA without inter-agency coordination as an informal document for use by the OCB Working Group and as background for the information of the OCB and the NSC)

40. General Bloc Policy: The Sino-Soviet bloc is actively working to encourage neutralism in Southeast Asia, to destroy the Southeast Asia Treaty Organization, and to encourage the creation of a group of independent, nationalist anti-Western entities which might ultimately come under close Sino-Soviet influence.

41. Bloc policy has been flexible and opportunistic, adjusting itself to the degree of anti-communism evident in each state. Peiping and Moscow have avoided pressing too urgently and have sought to influence by example the states in which conditions have been most favorable to them. Thus in Cambodia and in Burma--at least up to the change in government--where bloc activity has been most pronounced, Moscow and Peiping have attempted to be circumspect and have tried to fulfill economic aid agreements smoothly and satisfactorily.

42. Communist China and the USSR for the most part appear to have reserved a judgment for the present on developments potentially adverse to them in Burma, Laos, and Malaya. The bloc continues to stand on a professed plank of noninterference in the internal affairs of other states embodied in the "Five Principles" enunciated by Chou En-lai and Nehru in 1954. Chou repeated his "advice" to Cambodia's Chinese to "refrain from taking part in political activities" during the August visit of Cambodia's Prince Sihanouk to Peiping.

43. The immediate aim of local Communist parties is two-fold--to achieve legality and eventually to turn their governments' policies into neutralist channels. The USSR and Communist China complement that aim by discreet and frequent offers of "disinterested" economic aid and wider cultural relations.

44. Diplomatic Activity. Repeated bloc initiatives to expand diplomatic representation met with success in Cambodia but not in Laos. Cambodia, which already has resident missions from the USSR and Czechoslovakia, recognized Communist China in July and ambassadors have been exchanged. This is a significant diplomatic victory for Peiping in Southeast Asia and will considerably raise Communist China's prestige among the Overseas Chinese in the area. Malayan Prime Minister Abdul Rahman continues his policy of

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