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The Embassy has been asked to re-examine Viet-Nam's military and civilian budgets for CY 1959 to determine what items, if any, might be postponed for funding until late U. S. FY 1959 when additional resources might become available, or, in view of the lag between the calendar and fiscal years, until U. S. FY 1960 when they might be considered for priority financing from FY 1960 aid funds. This review enabled some reduction in the 1959 military budget, but it is still \$3 million higher than the 1958 budget.

NOTE: The following NIEs are applicable to Southeast Asia:

- NIE 64-58, The Federation of Malaya, Jan. 14, 1958
- NIE 62-58, Thailand, Aug. 19, 1958.
- NIE 63-56, Probable Developments in North and South Viet-Nam Through Mid-1957, July 17, 1956.
- NIE 63-2-57, The Prospects for North Viet-Nam, May 14, 1957.
- NIE 61-56, Probable Developments in Burma, April 10, 1956.
- SNIE 100-12-58, Probable Developments in the Taiwan Strait Crisis, October 28, 1958.
- NIE 13-2-57, Communist China's Role in Non-Communist Asia, December 3, 1957.

Attachments:

- Annex A - Additional Major Developments.
- Annex B - CIA Intelligence Annex, dated December 18, 1958.
- Financial Annex and Pipeline Analyses.

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