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## SOUTHEAST ASIA

2. Burmese clearly recognize Communist threat from Indochina:

[redacted] Burma favors a peaceful settlement of the conflict in Indochina and complete independence for the three Associated States, [redacted]

[redacted] At the same time, it does not want to see "Indochina falling out of the French frying pan into the Chinese fire," since such a development would mean the progressive encirclement of Burma and a reduction in the neutral bloc area.

[redacted] Burma was not as yet prepared to take a "bold provocative stand" against Communist China and therefore was impelled to decline Foreign Secretary Eden's invitation to attend the Geneva conference. For the same reason, it would remain aloof from the anti-West, pro-Chinese proposals that Indian prime minister Nehru was expected to submit at the Colombo conference of Asian prime ministers.

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Comment:

Contrary to the cautious policy [redacted], Burmese premier Nu in Colombo has opposed Nehru and supported the Pakistani position that Communism rather than colonialism is the greatest immediate threat to the independence of Asian countries.

3.

4. Bao Dai gives police control to Saigon underworld group:

[redacted] Bao Dai's decree granting control of the Vietnamese sureté to the Binh Xuyen organization as of 1 May puts civil law

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enforcement in the hands of "scarcely disguised gangsters," the American chargé in Saigon reports. The move was probably made to implement Bao Dai's recent decision to integrate paramilitary groups, including the Binh Xuyen, into the national army. A French official points out, however, that the resulting clamor from other groups for political prizes will only aggravate disunity.

The French believe that police efficiency in dealing with the Viet Minh will not be impaired, since the Binh Xuyen finds anti-Communism profitable.

Comment: The award of highly important functions on the national level to such a group is certain to cause dismay among respectable non-Communist Vietnamese and to accentuate bitterness toward Bao Dai's one-man rule.

#### NEAR EAST - AFRICA

5. Tension continues between General Nagib and Egyptian military regime:

Nagib is under virtual house arrest. He is now permitted visitors only in the presence of a guard who reports to Wing Commander Ibrahim, a member of the ruling Revolutionary Command Council and newly created minister for presidential affairs.

Comment: Friction between General Nagib and the Revolutionary Command Council will probably continue despite the council's present dominant position.

Nagib still commands considerable popular support and remains a potential rallying point for the many elements

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favoring restoration of parliamentary government. The council, however, is expected to continue using strong pressure to neutralize Nagib's influence.

## WESTERN EUROPE

### 6. French delay on EDC seen further slowing ratification in Italy:

[Redacted]

Representatives of the Italian Foreign Ministry have returned from the North Atlantic Council meeting in Paris "most pessimistic" about the possibilities of

French ratification of EDC, and correspondingly doubtful about the course of Italian ratification. These officials believe that no Italian government would risk a major battle on EDC while estimating that the French would not ratify, but that signs of early action in Paris would make procedural short cuts possible in Rome.

The American embassy, reporting recent procedural delays, estimates that at the present rate the foreign affairs commission of the Italian Chamber of Deputies should terminate its work on the EDC draft treaty by the end of June.

Comment: A contributory factor deterring the Scelba government from giving parliamentary battle on EDC at this time is the current maneuvering of the Monarchists to bring down the government on any pretext. The Monarchists are at present reported negotiating to this end with right-wing elements in Premier Scelba's Christian Democratic Party.

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