GENERAL

1. Chinese Communists reportedly training Burmese tribesmen--US Ambassador Henderson in New Delhi has been informed that the Indian Government attaches much importance to reports that the Chinese Communists have persuaded a number of Kachin tribesmen from northern Burma to come to China for training in Communism and subversive tactics. The Indian Government believes this development definitely portends trouble in northern Burma. According to Henderson the Indian Government also takes a serious view of an article in a recent Peking publication which openly proclaims the state of Sikkim (which is between India and Tibet) as part of China.

2. Views on Chinese intervention--The US Delegation to the UN reports that Yugoslav UN representative Bebler views Chinese Communist intervention in Korea as the manifestation of the "infantile disease" of a new Communist regime which lacks political judgment. Bebler is convinced the Chinese Communists fear that the Yalu hydroelectric works are threatened and feel that UN forces constitute a genuine threat to Manchuria; he believes US and UN assurances on these two points might do much to reduce Chinese Communist fears. Bebler added that he hoped the US would not rush a resolution through the Security Council, particularly one that contained a finding of aggression by Communist China.

3. Dutch seeking German rearmament compromise--According to US Ambassador Chapin at the Hague, Netherlands Foreign Minister Stikker is working on a compromise between the French and US positions regarding German rearmament. Chapin...
adds that Stikker is seeking a compromise because of his earnest desire to do everything possible to resolve the present disagreement and because of repeated requests by the French Government that he attempt to find some compromise.

FAR EAST

4. INDOCHINA: French attitude toward Vietnamese--US Minister Heath in Saigon reports there is "increased strain" in French-Vietnamese relations as a result of the "rather curious" attitude toward the Vietnamese of Minister for the Associated States Letourneau during his visit to Indochina. As an example, Heath cites Letourneau's blunt remarks in the presence of the Vietnamese regarding their financial incompetence and lack of civic responsibility. As further evidence of the lack of "rapport" between the French and Vietnamese, Heath quotes General Valluy, Inspector General of Colonial Troops, as advocating the abandonment of France's "military-political formula," aimed at instilling widespread loyalty among the Vietnamese for the Bao Dai Government, in favor of a purely military campaign.

(CIA Comment: CIA believes that active participation of the Vietnamese is an essential factor in the defense of Indochina and that their support can be won only by further political concessions by the French.)