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## SUMMARY

## GENERAL

Comment on Soviet note on foreign ministers' conference (page 3).

2. South Africa agrees to gradual withdrawal of air squadron from Korea (page 3).

## SOUTHEAST ASIA

Taipei orders partial evacuation of Nationalist troops from Burma (page 4).

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6.	Soviet military mission reportedly in Egypt (page 6).	

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	GENERAL	
1.	Comment on Soviet note on foreign ministers' conference:	
	The USSR's 4 August counterproposal for a foreign ministers' conference with a broad agenda lessens the possibility of four-power talks. The Kremlin's proposal apparently is an effort to appeal to world opinion and create a propaganda forum on its own terms. On Germany, the USSR seeks to avoid the issue of free elections by calling for a discussion of German unity and the conclusion of a peace treaty.	3.5(c
	The West Germans will probably regard the note as Moscow's "no" to unification, because of the absence of any clear Soviet position on such questions as free all-German elections and German neutrality. The note will be regarded as evading the issue, both by Chancellor Adenauer's coalition followers, who in view of the 6 September elections feared that the USSR might move ahead on unity, and by the opposition Social Democrats, who fervently hoped for such a move.	
	As part of the Soviet effort to maintain maximum maneuverability in any forthcoming negotiations, the USSR raised an additional obstacle to negotiation by making an appeal, though not a demand, for Chinese representation in big power deliberations. France probably will welcome the Soviet call for inclusion of Communist China as offering a chance of easing the Indochina burden.	
2.	South Africa agrees to gradual withdrawal of air squadron from Korea:	
	Prime Minister Malan has refused to reconsider his decision to withdraw the South African fighter squadron now in Korea, but has agreed to make the shift in gradual stages and without any further public statements.	3.3(h)(2)
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Malan added that a token force could and would remain in Korea, but he refused to say definitely for how long, since South Africa's present policy is to undertake no new postarmistice commitments.

Comment: Withdrawal of South Africa's 18-plane contingent, announced by Malan on 28 July, is the first formal postarmistice withdrawal of one of the UN forces. Several other UN members, including Colombia and the Philippines, have previously discussed the departure of their forces following a truce. Any withdrawal of forces would weaken the UN's bargaining position at the forthcoming political conference.

### SOUTHEAST ASIA

3.	Taipei orders partial evacuation of Nationalist troops from Burma:	
	Chinese Nationalist foreign minister Yeh informed Ambassador Rankin in Taipei on 4 August that his government had cabled Mong Hsat directing the evacuation from Burma of 2,000 to 3,000 Nationalist troops. According to Yeh, it is hoped that two groups will be evacuated by 1 September. He added that Li Mi will issue a statement dissolving his "Yunnan anti-Communist national salvation force."	3.3(h)(2)
		3.3(h)(2)
	Comment: Yeh's statements may indicate a significant departure from previous Nationalist efforts to stall implementation of the evacuation plan adopted by the four-power committee in Bangkok.	

It is doubtful that Burmese forces are capable of taking Mong Hsat. An offensive at this stage would evoke a violent reaction in Taipei and possibly destroy any chance for the removal of the troops by negotiation.

	NEAR EAST - AFRICA	
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6.	Soviet military mission reportedly in Egypt:	1
		3.3(h)(2)

Comment: Spokesmen for the military regime in Egypt have reportedly indicated a willingness to procure arms from the USSR if possible. There is, however, no confirmation that a Soviet mission was sent to Egypt or that the Egyptian government requested it.

The sale of Soviet arms to Egypt would be a departure from Moscow's past practice of selling arms only to Satellite countries and China.

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