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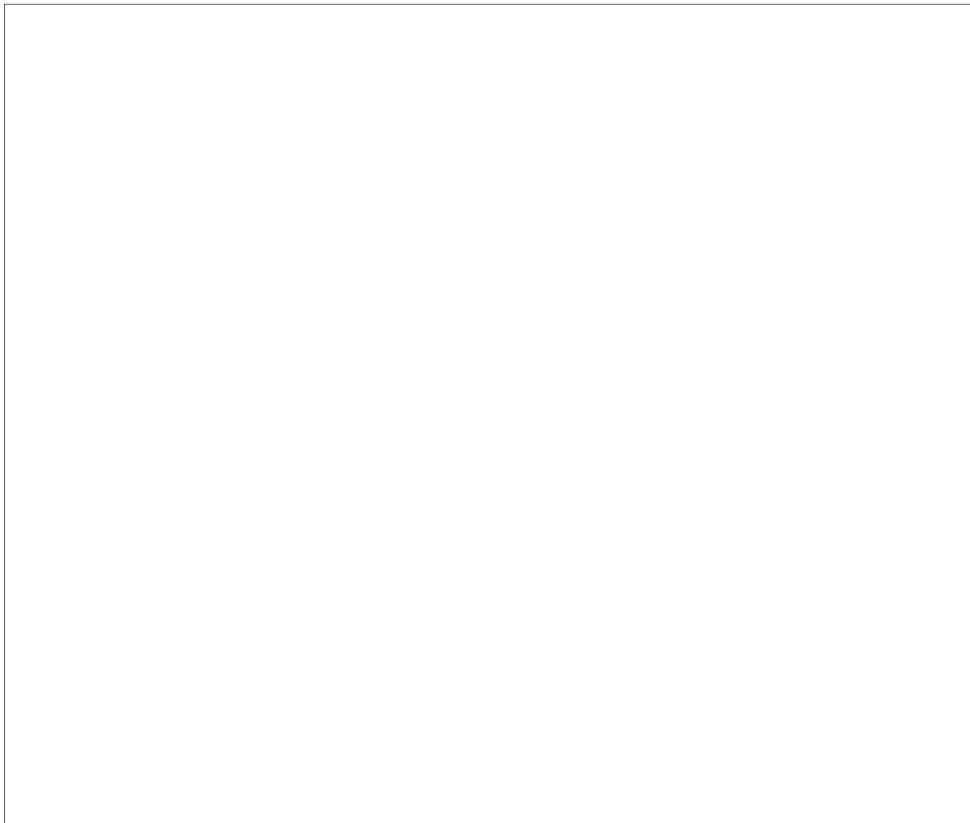
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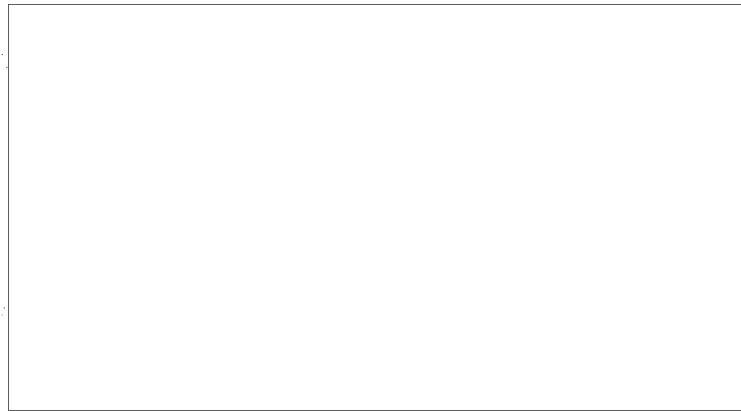
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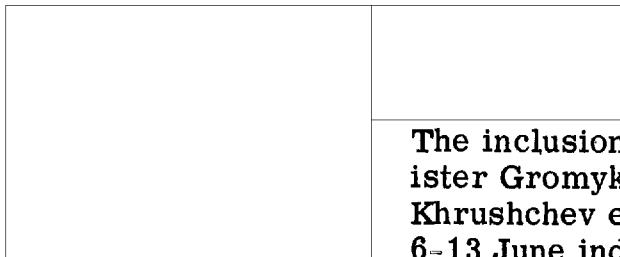
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1. GROMYKO TO ACCOMPANY BULGANIN AND
KHRUSHCHEV ON VISIT TO FINLAND



The inclusion of Soviet foreign minister Gromyko in the Bulganin-Khrushchev entourage to Finland

6-13 June indicates, according to the secretary general of the Finnish Foreign Ministry, that the USSR intends to conduct "conversations of importance," although very little time has been reserved for talks. President Kekkonen regards the development as "good news" and the Finnish press is speculating on the possibility of Karelian border adjustments. Karelia has a strong emotional appeal, and most Finns are excited by the visit, since they are still hoping to regain the historic territories ceded to the USSR in 1947.

A Moscow AFP report published in the Helsinki newspapers states that the USSR may propose some form of joint appeal to the Scandinavian countries on neutrality, disarmament, and the abolition of atomic weapons. In view of the special emphasis of world opinion on these issues, a proposal along these lines is quite possible. The Finns, however, would be reluctant to be a "Soviet messenger boy" to Scandinavia, unless they received some tangible reward.

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**2. SAUDIS AT AQABA TO AVOID CLASH WITH ISRAEL
UNLESS ATTACKED**

Comment on:

Saudi Arabian forces deployed in the Aqaba area have been ordered by the Saudi regional commander to refrain from provoking the Israelis in nearby Eilat and the Gulf of Aqaba.

It was pointed out to the Saudi commander in the Aqaba area that he was not prepared to attack the Israelis at present, and that he should not overlook his "lack of capabilities." If attacked, he was instructed to fight a "defensive action."

The Saudi regional commander also suggested to the minister of defense in Riyadh that the present impetuous commander of the Saudi forces in Aqaba be replaced "lest he drag us into something while we are unprepared for it."

the Saudis are unlikely to attempt to interfere militarily with the passage of Israeli vessels to Eilat at this time. Re-
the Israelis have stepped up military activity in the Eilat area. Saudi positions have been reconnoitered by sea and air, and Israeli artillery has been emplaced at Eilat. On 23 May the Saudis complained to Egyptian commander in chief Amer that the delay in delivery of antiaircraft guns had left Saudi positions vulnerable to Israeli observation. The Saudi complaint may also provide an excuse for avoiding action against Israeli shipping.

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3. FRENCH DECISION ON SUEZ TRANSIT ISSUE EXPECTED

The consensus of France's chief political leaders, including Foreign Minister Pineau, favors permitting French ships to transit Suez imme-

dately, according to a Foreign Ministry spokesman. He believes that Premier Mollet, who is still hesitating, might well lift the ban once the government has decided whether to use dollars or francs to pay the tolls.

Comment

A change in French policy on transit of Suez would probably have occurred earlier if the cabinet crisis had not intervened. In any case, a new government can be expected to end the boycott immediately if Mollet hesitates to act in the interim.

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4. ALGERIAN REBELS SEEK MORE CZECH ARMS



Comment



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5. POLITICAL SITUATION IN LEBANON

[Redacted]

General Chehab, the commander of the Lebanese army and main prop of the present government, feels that the majority President Chamoun is striving for in the elections beginning 9 June would upset the delicate balance between Christians and Moslems and turn one group against the other. He told the American

army attaché on 31 May that the Moslems, regardless of their real sentiments would be forced into an anti-Western position and into the Communist-Syrian-Egyptian camp. The general believes this could be avoided if the president would compromise with opposition leaders and give their candidates a better chance in the elections.

The opposition has demanded that the present government be dissolved and that General Chehab, who is a Christian and is pro-West, take over as chief of state. While Chehab does not like President Chamoun, he is unlikely to follow such a course; nor is he likely to accept the government's suggestion that he become minister of interior. Instead, he will probably make every effort to induce President Chamoun to reach a compromise with the opposition.

Meanwhile, the ban on public demonstrations and meetings imposed prior to the 30 May riots continues.

[Redacted]

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6. INDONESIAN FOREIGN MINISTER COMMENTS ON INTERNAL SITUATION

[Redacted]

Indonesian foreign minister Subandrio admitted to the American ambassador on 31 May that the problem of provincial relations with the Djakarta government is more difficult than originally thought. He stated that the situation in Celebes is more critical than in Sumatra. He declared that army officers in Celebes, including territorial commander Lt. Col. Samual, would be tried on charges of corruption when finally replaced. He said that to avoid a "complete breakdown," the central government must move slowly and with discretion, maintaining the "state of war and siege" throughout the country for several more months.

Comment Central government officials, although in general agreement in desiring to avoid civil conflict and in the belief that a relatively long-range approach is necessary, are sharply divided on how to solve provincial disaffection. President Sukarno and army chief of staff Nasution are in the ascendancy among Djakarta officials and favor a more direct and forceful policy than do most members of the cabinet.

Sukarno and Nasution have made repeated efforts to remove Lt. Col. Samual and on 27 May ordered his relief, but Samual reportedly has not complied. Nasution is now in Celebes for military conferences and a week's tour, apparently to test local feeling directly and to see how far he can safely press matters.

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7. KING ACCEPTS RESIGNATION OF LAOTIAN GOVERNMENT

The Laotian king accepted the resignation of the Souvanna Phouma government on 31 May following an adverse vote in the national assembly on its conduct of the Pathet Lao negotiations,

The crown prince, acting for the king, reportedly has indicated that as a courtesy he will first call upon Souvanna to form a new government; however, he does not expect him to accept the offer.

Meanwhile, Phoui Sananikone, leader of the Independent Party, is reported to have assured Deputy Premier Katay of the support of the Independents if Katay were called upon to form a government.

Comment

Most leaders are reportedly feeling their way cautiously in the fluid situation brought about by the collapse of the government. However, the firming of the alliance between Katay and Phoui, who together control about 20 votes in the 39-man assembly, provides a basis on which to build the additional support needed to form a government. The ability of Katay to overcome the personal enmity he has aroused among Laotian politicians will probably determine the degree of his success. In any event, Katay and Phoui will probably have a strong voice in the formation of any government and will probably press for a somewhat tougher policy toward the Pathet Lao.

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