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GENERAL**1. Eden comments on topics for Washington talks:**

[Redacted] Foreign Secretary Eden, in a half-hour conversation with Ambassador Aldrich on 21 June on subjects likely to arise during his visit with Prime Minister Churchill to Washington this week end, expressed the following views:

(1) Under the Mendes-France government, France will not ratify the EDC treaty without reservations unacceptable to West Germany.

(2) India and Burma have recently moved much closer toward participation in a Southeast Asian defense arrangement, but Indonesia is the most unlikely to co-operate.

(3) Chou En-lai was more impressive than Molotov at Geneva. He was intelligent, cultured, and "apparently desirous" of agreeing on a method to deal with the Cambodian and Laotian problems.

(4) A new British plan for the Suez base, calling for maintenance by British contractors and not requiring American participation, will probably be satisfactory to Egypt. In order to avoid implications of American pressure, London may inform Cairo before this week end of its desire to reopen negotiations.

Comment: Despite this wide number of topics, the British Foreign office has given the impression that Britain is most urgently concerned with defense arrangements for Western Europe.

2. Moscow newsman suggests USSR may ask for more international conferences:

[Redacted] Soviet newsman Alexei Popov said that conferences outside the United

Nations offer the only satisfactory means of settling international problems as long as the United States insists on keeping the Chinese People's Republic out of the United Nations. He added that conferences on European affairs "soon will be in order" in London or Moscow.

Comment: Pravda warned on 19 June that it will be impossible to resolve the Korean question without the participation of the Chinese Communists and charged the West with attempting to exclude the Chinese by transferring this question to the United Nations.

Popov's remarks correspond to the views of several other Soviet newsmen at Geneva who have indicated that the Kremlin may desire another conference on European questions.

SOUTHEAST ASIA

3. Salan agrees on need to form Cambodian divisions:

[Redacted]

In a conversation with Chargé McClintock on an American military training program in Cambodia, Deputy Commander Salan agreed with numerous arguments in favor of forming three Cambodian divisions under such a program.

Salan also expressed agreement with General O'Daniel's concept of forming divisional training units, which, after training, should not be broken into smaller sized units unless tactically necessary.

Comment: General Salan, most of whose career has been in Indochina, is usually identified with conservative French colonialism. If the favorable attitude credited to Salan in this conversation represents a genuine conviction, the change from his previous opposition to increased American participation in Indo-chinese affairs will go far toward facilitating the progress of the training program.

NEAR EAST - AFRICA

4. Comment on dissolution of Jordan's Chamber of Deputies:

[Redacted]

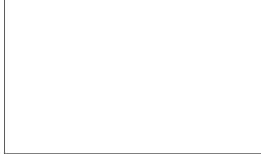
King Hussain's decree of 22 June dissolving the Chamber of Deputies on the advice of Prime Minister Tawfiq Abul Huda indicates

that Huda intends to return to a policy of firm personal control. Because of Huda's moderate attitude toward Israel and his record of Communist repression, he is bitterly opposed by the radical Palestinian deputies and left-wing elements in parliament. Huda can now maintain control for four months, after which new elections are mandatory.

Huda is pro-British. His cabinet, formed on 2 May, has already signed the United States economic aid agreement. He apparently has the confidence of the king and can be expected to maintain a moderate approach to the Palestine problem.

[Redacted]

LATIN AMERICA

5. Comment on Guatemala's requests to UN and Inter-American Peace Commission:

Guatemala's 21 June request to have Inter-American Peace Commission action deferred was apparently based on a belief that Guatemala would be better served by

consideration of the case in the UN Security Council, where the Soviet member can assist the Arbenz cause.

In making this request to the Peace Commission--a semiautonomous five-member subsidiary body within the Organization of American States--the Guatemalan government said it desired to await the outcome of the UN's 20 June resolution calling for a cease-fire. Meanwhile, the Guatemalan delegation at the UN has intimated that further Security Council action will be requested if the fighting continues. The Guatemalan government can be expected to make further efforts to document charges of aggression by such "evidence" as it can produce.

Guatemala's original complaint to the Peace Commission--filed simultaneously with its appeal to the UN on 19 June--appeared designed to rebut possible charges that it had ignored its legal obligation to seek remedies within the regional security system. Arbenz may also have hoped to block efforts to call a full meeting of the OAS to discuss the Guatemalan threat to hemisphere security.

6. Departure of Guatemalan army leaves defense of capital to Communist-led groups:

Most army units have been withdrawn from Guatemala City and Communist-led workers there are being armed and organized into civilian brigades.

The archbishop of Guatemala appealed to Ambassador Peurifoy on 20 June for direct American intervention to prevent mob violence and reprisals against anti-Communists in the city.

The American air attaché in Guatemala reported on 20 June that at least two key army commanders had been relieved of their posts and one of them was understood to be in jail. The attaché added that the army continues to support the government, but points out that "the possibility of disaffection still exists."

Comment: In addition to the army units usually stationed there, the Civil Guard normally maintains about 1,400 men in Guatemala City. Though it is considered capable of performing usual police functions, it is responsive to Communist pressure and has recently participated in repressive measures against anti-Communist elements.

The Guatemalan army announced on 21 June that it had that day initiated a general offensive against "enemy" forces at Gualan and in the vicinity of Puerto Barrios and Chiquimula, all near the Honduran border (see map, p. 7).

