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GENERAL**1. Comment on Peiping's rejection of United Nations invitation:**

[Redacted] Chou En-lai's letter to UN secretary general Hammarskjold on 3 February supports other indications that the

Peiping regime does not intend to conclude an early cease-fire, but means instead to promote tension in the China area.

It had been expected that Peiping would bid for more favorable terms of reference by insisting, as Chou has in his 3 February letter, on discussing the Soviet resolution about American "aggression." Chou has gone beyond this and beyond any previous Chinese Communist statement, however, in declaring that Chinese Communist representatives will not attend Security Council discussions until Communist China replaces the Chinese Nationalists in the council. The Security Council voted 10 to 1 against such action on 31 January.

Chou's letter, like other recent Chinese Communist comment on the concept of a cease-fire, suggests that even if Peiping's conditions for attending the UN debate were met, Chinese Communist representatives would maintain a stubborn attitude and would simply demand the withdrawal of American forces from the China area.

Both Moscow and Peiping are well aware that most non-Communist nations hope to avoid any hostilities which might lead to a world war. The Communists appear to believe that if tension is maintained many governments will intervene in an attempt to modify American commitments to Nationalist China.

2.

FAR EAST

3. Tokyo sees Moscow stalling on Soviet-Japanese issues:

Japanese Foreign Ministry officials are almost unanimous in believing that Moscow's current objective toward Japan is to restore diplomatic relations and then stall on the settlement of issues vital to Japan,

Comment: Prime Minister Hatoyama and his close advisers have weakened Japan's already poor bargaining position with the USSR by irresponsible statements made for domestic political purposes. The Foreign Ministry is aware of this danger and is proposing to hold negotiations with the USSR at the UN in New York in an effort to remove the issues from Hatoyama's personal supervision during the election campaign.

SOUTHEAST ASIA

4. Indian truce official irked by Polish stubbornness:

The Indian chairman of the International Control Commission team in Saigon reports that for the first time his group has failed to reach a unanimous agreement on an issue referred to it. He informed the American embassy that he had finally had enough of the Polish delegate's monotonous reiteration of his position and had referred the matter to commission headquarters in Hanoi.

The embassy believes this action to be important because of the Indian representative's previous insistence that commission unanimity was absolutely essential.

Comment: This is a further indication that Indian truce officials in Vietnam, as well as in Laos and Cambodia, are developing a more realistic view of the local situation as a result of firsthand experience in dealing with the Communists. There is as yet no evidence, however, suggesting that New Delhi is wavering in its intention of maintaining strict neutrality.

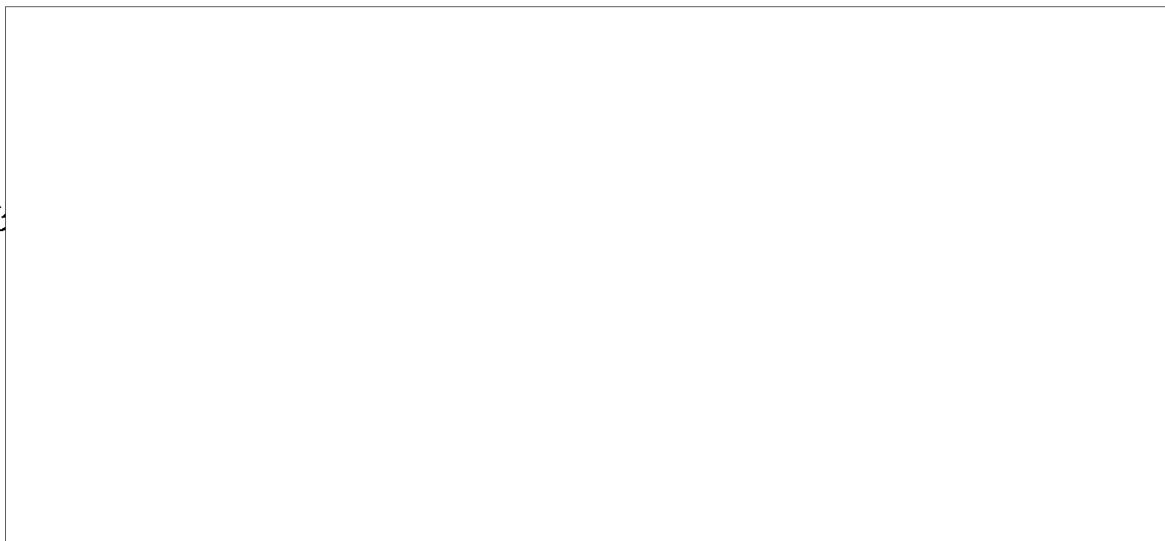
5. Viet Minh unit violates Laotian border:

The first violation of the Laotian border by a Viet Minh unit occurred on 31 January when an understrength battalion moved into northern Laos in an apparent attempt to reinforce Pathet Lao troops now surrounding a small Laotian post east of Sam Neua. The Laotian government, meanwhile, has ordered a battalion into Sam Neua Province with the mission of preventing the Communists from gaining further control in an area southwest of the provincial capital.

The American army attaché in Vientiane sees a possibility for extensive hostilities in continued troop maneuvering.

Comment: Talks between the royal government and the Pathet Lao were recently suspended. Armed clashes in the area have led the government to deploy several battalions northward, in readiness for action should further incidents occur. Although warned by the International Control Commission, the Pathet Lao continues to maintain a bellicose attitude in its efforts to win undisputed control over the northern provinces.

6. Khmer-Issarak campaign for approaching Cambodian elections outlined:



The Khmer-Issarak political objective is to "get a number of people into the national assembly" by expanding the party's underground organization, by setting up a "national front of solidarity" and by spreading "party policy far and wide."

Comment: [redacted] the Khmer-Issarak--comparable to the Pathet Lao in Laos--will place primary emphasis on political techniques to further their aims during the next several months. Other information, however, contradicts the Communists' low opinion of the king's popular appeal.

The Democratic Party is the largest and best organized political party in Cambodia and its connection with left-wing elements offers the possibility of Communist exploitation.

A prominent Cambodian Democrat stated on 2 February that Communists were now in leading positions in the party.

NEAR EAST - AFRICA

7. Iraqi prime minister reported planning to sign pact with Turkey in next few weeks:

[redacted] Iraqi prime minister Nuri will proceed with the signature and ratification of the pact with Turkey within the "next few weeks," according to Minister of Education Kenna, who is one of Nuri's closest advisers. Kenna stated that this course is the "only answer to the Egyptian nuisance."

Kenna told Ambassador Gallman that Egypt and Iraq were holding adamantly to their respective positions, with Lebanon attempting to mediate. He expects no agreement or conclusive resolution to be announced at the formal termination of the Arab prime ministers' conference in Cairo, which began its sessions nearly two weeks ago.

Comment: Kenna's timetable may be ahead of the schedule contemplated by the cautious Nuri, who has been greatly concerned over general Arab opinion as well as over the attitude of the Iraqi public.

8. French opposition to Iraqi-Turkish pact seen encouraging Egypt:

[redacted]

[Redacted]

Comment: French support of the Egyptian position can be expected to encourage Cairo's unyielding opposition to Iraq's participation in a pact. France's attitude is also in line with its efforts to develop a preferred position in Israel, which has voiced strong concern over the Iraqi-Turkish agreement.

9. Britain opposes delay on Turkish-Iraqi pact:

[Redacted]

Foreign Secretary Eden has informed British representatives in the Middle East that Britain opposes the suggestion put forward recently in Cairo that

Iraq be urged to delay six months before concluding its proposed treaty with Turkey. London considers that any such concession would give Egypt further opportunity to organize opposition to the pact and would undermine the confidence of the Turks.

The Foreign Office believes that Iraqi premier Nuri Said has shown "courageous initiative" in developing closer ties with the West and that any coolness shown by the West to his advances would make a bad impression.

Comment: In spite of its preference for a different approach to Middle East defense, Britain worked actively during the recent meeting of Arab prime ministers in Cairo to mitigate Egyptian opposition to the proposed treaty.

Iraqi officials have indicated that Britain and the United States will be asked to join the proposed pact. Thus far, however, no formal action is known to have been taken in this direction.

10. Israel reported seeking bilateral pacts with US, Britain and France:

[Redacted]

Israel still hopes to participate in a general Middle East defense arrangement, but desires stronger security guarantees than a reaffirmation of the 1950 declaration signed by the United States, Britain and France to maintain the status quo in the area.

Comment: Israel has been seeking security guarantees from the Western powers to offset its growing feeling of isolation,

11. Disorders in North Africa might follow should Mendes-France fall:

[Redacted]

Overthrow of the Mendes-France government during the current National Assembly debate would have serious repercussions in North Africa, in the opinion of the American embassy in Paris.

The embassy notes that Mendes-France's approach has apparently helped create a "certain atmosphere of confidence" among North African leaders, and it believes there is increasing sentiment in France for the country to establish its relationship with North Africa on an "imaginative and realistic basis." Should time be lost in a change of government, however, violence might break out in North Africa even before the new government's policy is known.

Comment: The French director of security in Algiers believes Mendes-France's fall would be "catastrophic" and bring on renewed violence in Algeria and Tunisia. Disorders in Morocco would probably again break out.

In view of René Mayer's strong attack against Mendes-France in the current assembly debate, the premier's chances of surviving are now less than even.

LATE ITEM

12. Burmese premier proposes Geneva-type conference to handle Formosa problem:

Burmese premier Nu has proposed to Chou En-lai that the Formosa problem be dealt with at a Geneva-type conference in New Delhi.

U Nu envisaged a conference with no fixed agenda "in order to give the fullest opportunity to both sides to bring up any matter which they like." Nu offered to contact Nehru in London and ask him to explore the possibilities of holding such a conference, provided Chou agreed.

Comment: Unconfirmed press reports state that Nehru is already pressing for a Geneva-type meeting on Formosa. Nehru, speaking to the Commonwealth premiers on 1 February, expressed his warm approval of the Geneva conference on Indochina and reiterated India's willingness to continue in its role as peacemaker.

Since Chou rejected the UN Security Council's invitation to attend its current session to discuss the Formosa situation, he may wish to take advantage of other opportunities to present Peiping's views to the world. Communist China's participation in the Afro-Asian conference in April will provide an opportunity, however, so that such a conference as Nu has suggested may have no appeal for Chou.