1. Reported Chinese views on Korean cease-fire--According to US Embassy London, British diplomatic representative Hutchison in Peiping has informed his government that when handed the text of the Chinese Communist reply to the latest UN cease-fire proposal, he was “given time for an extended but fruitless discussion” of the Chinese note with the Chinese deputy Foreign Minister. Hutchison also reported that Foreign Minister Chou En-lai, in a separate interview with Indian Ambassador Panikkar, indicated that the Chinese reply was not meant to close the door on negotiations. Both Hutchison and Panikkar “came away with the impression” that the Chinese Communists are still prepared to consider possibilities of a settlement on the basis of the UN proposal, with appropriate modifications. The US Embassy offers the opinion that the Chinese Communists, during these interviews, were attempting to aggravate the rift in the UN over the Korean issue and provide India (and to a lesser extent the UK) with further excuse for forestalling or at least delaying positive UN action.