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FAR EAST

2. Chou En-lai states Chinese attitudes on Korean truce talks:

Chinese Communist Premier Chou En-lai, in a talk on 12 February with Indian Ambassador Panikkar in Peiping, stated that a Korean armistice could be achieved if Peiping were satisfied that the United States had no "aggressive intentions." Chou
specified that early agreement on the withdrawal of foreign troops would be viewed as demonstrating United States intentions. He suggested that all nations involved in the Korean conflict should be included in a post-armistice conference on other Far Eastern questions.

Comment: The Indian Ambassador, who returned to Peiping two weeks ago, reportedly was instructed to urge the Chinese Communists to agree to a reasonable truce in Korea. Panikkar's report of his interview with Chou adds nothing to Peiping's public statements that the Korean negotiations depend upon United States "sincerity," that withdrawal of foreign troops from Korea is essential to a settlement, and that other Far Eastern questions must be discussed in post-armistice talks.

3. **Korean President resorts to force to intimidate political opposition:**

A crisis of serious implications has developed in the struggle for power between President Rhee and the Korean National Assembly, Ambassador Muccio reports. On 18 February the President's campaign of "crude intimidation" reached a climax when his cohorts attempted to storm the Assembly.

Provoked by the Assembly's rejection of an important bill, Rhee has been trying to secure the recall of opposition assemblymen through the use of scurrilous posters and the collection of signatures by armed Youth Corps squads. The National Assembly, "angered and shocked," has placed the blame for the campaign and the 18 February riot squarely on Rhee.

Comment: President Rhee must reach an agreement, either through force or compromise, with the National Assembly prior to its election of a Korean President in June.
4. Parts of Yunnan Province declared a military zone:

The Swiss Minister in Peiping is quoted as stating that western and southern Yunnan Province, bordering on Burma and Indochina, was declared a "military zone" in early January. Foreign nationals, including Swiss and French missionaries, were evacuated.

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Comment: large numbers of Chinese Communist troops in southern Yunnan have been moving for several weeks toward Burma rather than Indochina.
NEAR EAST - AFRICA

6. **Egyptian Prime Minister may recommend temporary suspension of Parliament:**

Prime Minister Ali Maher has stated that if the Wafd Party continues to oppose the government-proposed "assistance" of five million Egyptian pounds (approximately fourteen million dollars) to victims of the January riots, he will ask King Farouk to suspend Parliament for one month.

The American Ambassador in Cairo believes that the Wafd Party is attempting to avoid any implication of responsibility for the January riots and to prevent the discharge of Wafd members now in the government.

**Comment:** The distinction between suspension and dissolution of Parliament indicates that Ali Maher is being cautious in approaching a show-down with the Wafd. The Constitution provides that both houses may be adjourned by the King for one month and may not be continued in adjournment without agreement of both chambers. The Chamber of Deputies may be dissolved, but elections must then be held within two months.

7. **Greek situation not expected to improve:**

The American Embassy in Athens believes that the present Greek Government is unlikely to provide the firm leadership required to overcome economic and political difficulties. Moreover, the King and Deputy Prime Minister Venizelos will not move to overthrow the government except under strong American pressure. Strong American support of any party or faction would only arouse animosity against the United States and make it difficult for Greece to obtain the desired stability.

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Comment: The present coalition government has done little to facilitate the economic rehabilitation of Greece, and its policy of releasing political prisoners has troubled the American Embassy.

In view of Venizelos' fear that new elections under the majority system would eliminate his Liberals as a political force, there is a possibility that the government will decree new elections under the proportional system. This would continue the present political tradition of a multitude of factions working at cross-purposes.