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GENERAL

1. **Colombian Ambassador urges expression of confidence in US decisions on Korea:**

   The Colombian Ambassador is trying to get a "strong majority" of the nations fighting in Korea to issue a joint declaration of "perfect accord" with United States decisions there.

   The Ambassador said that the European governments fail to realize that the action in Korea is diverting Russian pressure from Europe. He charged that they are tending to "disrupt most effectively" the United Nations' struggle.

   **Comment:** The Ambassador's suggestion, coming immediately after the Yalu river bombing, is further indication that Colombia, which until recently took little interest in world affairs, now considers itself directly concerned with international events. This favorable development probably stems from participation in the Korean action. Colombia is the only Latin American nation with troops serving in the UN command.

FAR EAST

2. **Japan reportedly formulating new China policy:**

   Japanese Foreign Minister Okazaki has expressed the view that the peace treaty signed with Nationalist China on 28 April ends the state of war with all of China, and that the "question of a peace treaty between Communist China and Japan does not present itself."
this thesis shows a certain evolution in Foreign Office thinking on the Taipai treaty.

Comment: An assertion that peace has been established with all of China carries the implication that it is not only unnecessary but legally impossible to conclude a peace treaty with Communist China. This would also permit the establishment of de facto relations with Peking without the formality of a peace treaty. Such an interpretation would represent a departure from the previous government position that the Taipai treaty had no effect on Japan's future relations with Peking.

The American Embassy believes, for its part, that no actual change has occurred in the government's policy.

3. China unyielding on withdrawal of British firms:

Peking's reply to London's notes asking permission for British firms to withdraw from China states that Communist China has repeatedly proved its willingness to trade with other countries. Sino-British trade has declined, the reply charges, because of British embargo measures instituted under American pressure and because of the bad management of the individual British firms in China.

British businessmen wishing to withdraw from China may apply to local authorities, who will deal with each case on its merits under existing regulations.

Comment: The tone of Peking's reply does not suggest any intent to relax its conditions for permitting the withdrawal of British firms. Before receiving permission to close down, foreign firms in China must yield to exorbitant financial demands for severance pay to Chinese workers and for settlement of other inflated claims.
6. New Egyptian Prime Minister to confer with Sudanese leader:

Egyptian Prime Minister Sirry Pasha has invited El Mahdi, the leader of the pro-independence Sudanese Umma Party, to Cairo as an official guest of the Egyptian Government. El Mahdi is expected to arrive on 22 July at the head of a large delegation of tribal chiefs and party leaders who are advocates of Sudanese independence.

Comment: This is the first evidence that Sirry Pasha will renew Egyptian-Sudanese talks in an effort to obtain Sudanese acceptance of Farouk's title of "King of the Sudan." El Mahdi, who himself has aspired to this title, has not yet indicated his reaction to the first Egyptian-Sudanese talks last month.

WESTERN EUROPE

7. East German Alert Police reportedly receives 74 Soviet tanks:

A total of 74 tanks being transported from the Soviet Union to East Germany on 15, 18 and 24 June. American representatives in Munich believe that these tanks have been delivered to East German Alert Police units.

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Comment: This is the first reliable report in some time of the receipt of tanks by Alert Police units, although an issue of Soviet weapons to three units in May has been confirmed. It is believed that for the past year the Alert Police has had 90 tanks for training purposes.

Senior Alert Police officers were negotiating for the purchase of military equipment and heavy armament of Soviet make and that the raising of a national army was to be entrusted to a special mission from the general staff of the Soviet forces in Germany.

LATIN AMERICA

8. Senora de Peron near death; civil disturbances possible:

The demise of Senora de Peron appears to be a question of days. All major diplomatic functions have been cancelled at the request of the Foreign Office.

The US Embassy in Buenos Aires comments that her death could touch off civil disturbances.

Comment: Peron has stated privately that his wife is dying, and during the past few weeks the government's propaganda campaign has been concentrated on her. A high point of the campaign has been the allegation that the United States has banned her book.

This build-up increases the possibility that any demonstrations occasioned by her death might assume an anti-US character.