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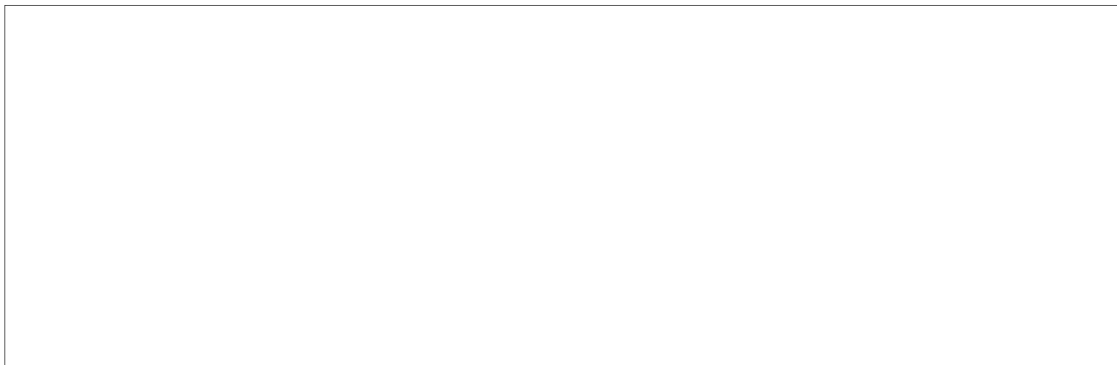
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**GENERAL**

**1. USSR reverts to tough position in London disarmament talks:**

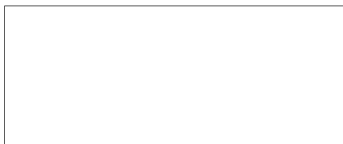
[REDACTED] The position taken by Andrei Gromyko at the London meeting of the UN disarmament subcommittee is completely at variance with the Soviet attitude in the last session of the United Nations General Assembly, according to Ambassador Lodge. At the 1 March session in London, Gromyko, in effect, dissociated the Soviet Union from its earlier ostensible acceptance of the Anglo-French proposals of June 1954 and made clear his unwillingness to answer any of the Western delegates' questions regarding the Soviet position.

The American delegation concludes that Gromyko's blunt insistence that atomic stockpiles be destroyed, without controls or limitations on manufacture and without any conventional disarmament, represents the most negative position the USSR has adopted on disarmament since the end of World War II. The French, British, and Canadian representatives did not conceal their dismay.

Comment: The Soviet disarmament plan presented to the last session of the General Assembly by Vyshinsky was designed primarily to offer the French a substitute for German rearmament at the time of the London conference called last fall to find an alternative to EDC. Gromyko's reversion to a tougher position in the current secret talks is further evidence that the Soviet leaders are not interested in serious negotiations on disarmament problems. They are, instead, apparently seeking to secure a propaganda advantage by giving publicity to such general statements as their 18 February proposal to destroy nuclear weapons and freeze armed forces and other armaments at the levels prevailing on 1 January 1955.


SOUTHEAST ASIA

2. Comment on Cambodian king's abdication:

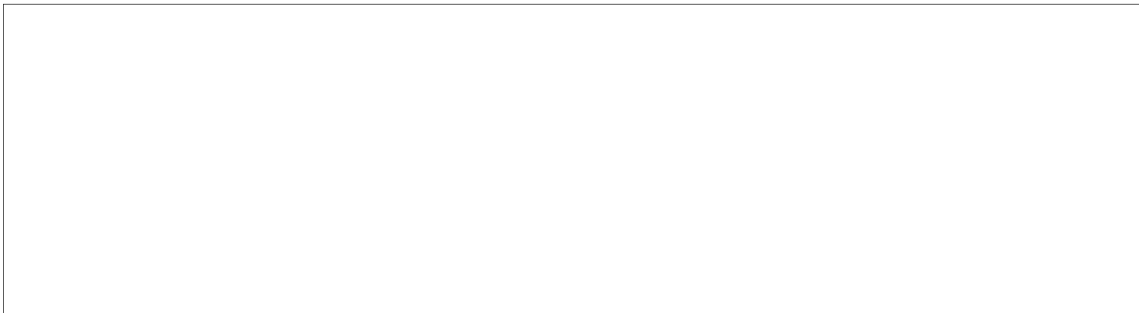


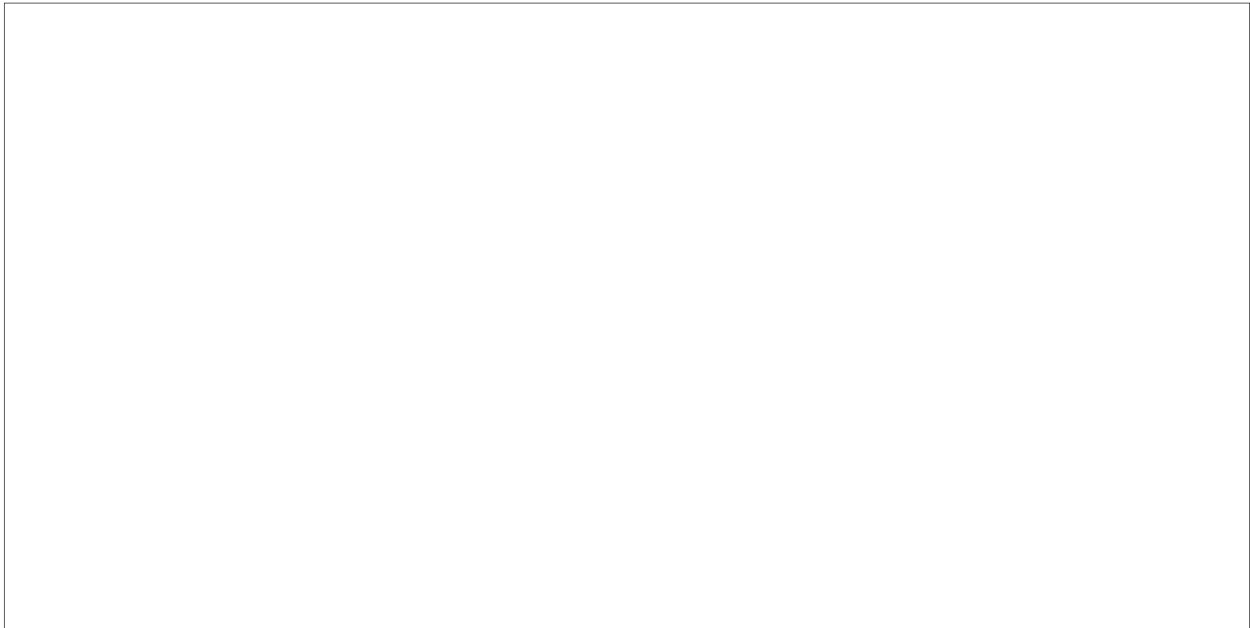
Cambodia's stability may be adversely affected by the precipitous abdication of King Norodom Sihanouk on 2 March in favor of his father. The circumstances under which he abdicated, however, suggest that he will continue to be influential in Cambodian politics.

Less than a month ago Norodom received an overwhelming vote of confidence in a national referendum which passed judgment on his policies of the last three years. Moreover, his aging father has no apparent political aspirations. The act of abdication itself is typical of Norodom's penchant for dramatizing his displeasure, in this case directed at what he considers unwarranted intervention in Cambodia's internal affairs by India, Canada and Britain, which have protested against his plan to postpone national elections as a violation of the Geneva agreement. In view of these considerations, it is quite possible that Norodom's abdication is by no means permanent.

Norodom's exaggerated fear of opposition caused him to make sure that no potential rival held a position of any real responsibility in the government. Consequently, the present regime will, in all probability, encounter considerable difficulty in controlling its security forces--whose discipline is already notoriously weak--and in preventing an increase of political factionalism. 

3.





**NEAR EAST - AFRICA**

**4. French may propose Big Three talks on Middle East developments:**

	<p>The French government proposes that Britain, the United States, and France consult on Middle East developments, and particularly on the implications of the Turkish-Iraqi defense treaty,</p>

[redacted] France, as a Mediterranean and African power with important bases in the west Mediterranean, cannot dissociate itself from developments in the "hinge" area between Asia and Africa.

France considers that the consequences of the extension of Turkey's defense responsibilities as a result of its treaty with Iraq must be examined from the point of view of the Atlantic alliance. As the basis for such action, Paris cited the Tripartite Declaration of 25 May 1950. In this declaration, the

United States, Britain, and France, which also form the Standing Group of NATO, had agreed to maintain the status quo in the Middle East.

France proposes that a solution be sought which would reconcile the interests of the Big Three and those of the Middle East countries, including Israel, and which would also enable the Middle East to defend itself.

Comment: The French consider the Turkish-Iraqi treaty as a cover for Iraqi designs for union with Syria, and hence a threat to France's "special position" of influence in Syria.

[redacted] the French were assured that Britain would be prepared to disclaim publicly any designs on Syria when London joins the Turkish-Iraqi treaty.



5. Egyptian-Israeli border clash considered well-planned military operation:


[redacted] The American army attaché in Tel Aviv believes that the 28 February attack on Egyptian military installations in Gaza was a well-planned operation by Israeli army units. He considers that the numbers involved and the type and quantity of explosives used indicate that the incident was not a "spontaneous retaliatory raid."


Comment: This incident, coming ten days after former prime minister Ben-Gurion returned to the Israeli cabinet as defense minister, may be the first demonstration of a tougher military policy toward the Arabs. Ben-Gurion has personified such a policy in the past. Other border incidents may be expected, but it is unlikely that Israel will provoke an outbreak of general hostilities.


6. Greek prime minister's physical decline may presage major political crisis:



Greek prime minister Papagos' sudden departure for Switzerland on 2 March was caused by a serious deterioration of his health in the last few days,   


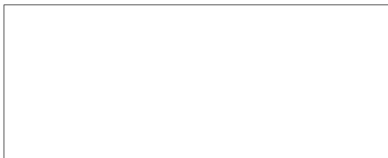
The illness has been variously reported as cancer of the stomach, tuberculosis of the stomach and intestines, and other serious ailments. 

Comment: Papagos, 

 is the only unifying force in the Rally coalition which he heads. His departure will give rise to rumors which will intensify political maneuvering. His death would almost certainly bring about the disintegration of the Rally and its leadership of the government.

EASTERN EUROPE

7. Hungarian regime may be preparing public trial attacking United States:



The American legation in Budapest believes that the arrest in late February of two Hungarian nationals employed by the legation may be part of a build-up for a public trial indicting the United States and the legation for subversive activities. In support of this possibility, the legation cites the publicity given the recent trial of a "counterrevolutionary organization" accused of direct ties with "Hungarian Fascists living in the United States," and the current crescendo in the propaganda campaign against West German rearmament.

The legation points out that if the aim of the regime, on the other hand, is to reduce the legation's effectiveness, it can accomplish this by using "legal" pretexts for arresting its other Hungarian employees.

Comment: This harassment of the American legation appears to be part of a general intensification of an anti-West propaganda campaign which has been growing in several Satellites in recent weeks.

The arrest of two legation employees is the first such move against the American legation in Budapest since last September, when a local employee was arrested on charges of tax evasion. In November, the legation in Budapest even reported an apparent improvement in the Hungarian attitude toward the American mission.

### WESTERN EUROPE

#### 8. French spokesmen optimistic on Paris agreements:

[Redacted] The chairman of the French Council of the Republic's Foreign Affairs Committee predicted to American officials in Paris on 28 February that the council will approve the Paris agreements without amendments. Because time and the Communist campaign against German rearmament have worked against the agreements, however, he has lowered his estimate of 170 to 180 senators in favor of the accords to between 150 and 160. He still counts 50 of the 319 senators as against ratification.

The Foreign Ministry's chief specialist on German affairs is also "relatively optimistic" that the agreements will be approved without amendments.

Comment: Foreign Minister Pinay's appointment of the Foreign Ministry specialist mentioned above to be a "technical adviser" in his personal cabinet indicates that Pinay is fortifying himself to meet council objections to the agreements.

The council has tentatively scheduled the debate and vote on the agreements for 22-25 March.



9. Italian Communists reported planning series of strikes:



Under heavy pressure from the Italian Communist Party, the executive committee of the Communist-dominated Italian General Labor Confederation

has agreed to start a series of "labor actions," including general strikes, to continue without interruption during the next few months, [redacted]

The Communist Party is said to consider strike action necessary because failure by the confederation to react to attempts to eliminate it from factories might give the impression it lacks the capacity to fight back. [redacted]

Comment: Except in the Genoa area, there has been no organized resistance thus far to anti-Communist measures in Italian industry. In Genoa, efforts of the Communist-dominated unions to maintain control over the hiring of ship repair workers have interfered with port activities since January. Short sympathy strikes in other industries in the Genoa area have also been reported. Should such protest strikes spread to other localities, they could have serious results for the Italian economy.

