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State Department review completed

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GENERAL**1. Comment on Chou En-lai's proposal to resume Korean truce talks:**

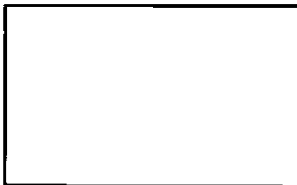
Chou En-lai's statement calling for the resumption of the Korean armistice negotiations is not only conciliatory in tone but departs from the previous Communist demand for total repatriation. His statement admits for the first time that there are two categories of POW's -- those who insist on immediate repatriation and those "remaining prisoners." The latter would be handed over to a "neutral" state which would ensure "the just solution of their repatriation."

It is not clear from Chou's statement whether the repatriation agreement is to precede the cease-fire. In this connection, the UN has held that any repatriation agreement must be effected before hostilities are ended. It is also not clear how the screening and classification will take place.

Chou's return from Moscow only five days ago underlines the probability that the move is closely tied to the current Soviet "peace offensive." It could also indicate that the Malenkov regime believes that its Cold War strategy would be better served by obtaining a post-hostilities political conference on divisive Far Eastern issues. In any event, the Communists realized that an apparent concession on "total repatriation" was essential in order to resume the Panmunjom discussions.

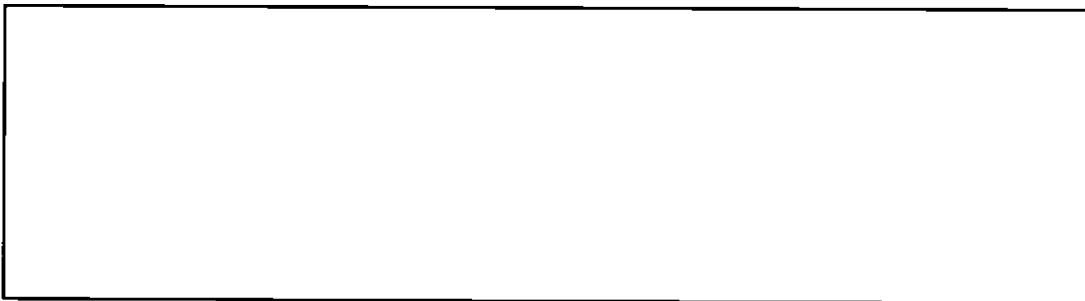
2. Polish UN delegate will welcome discussion of Burma's complaint:

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The Polish representative at the United Nations has told a member of the American delegation that Poland "would have a good deal to say" when Burma's complaint against Chinese Nationalist "aggression" is discussed.

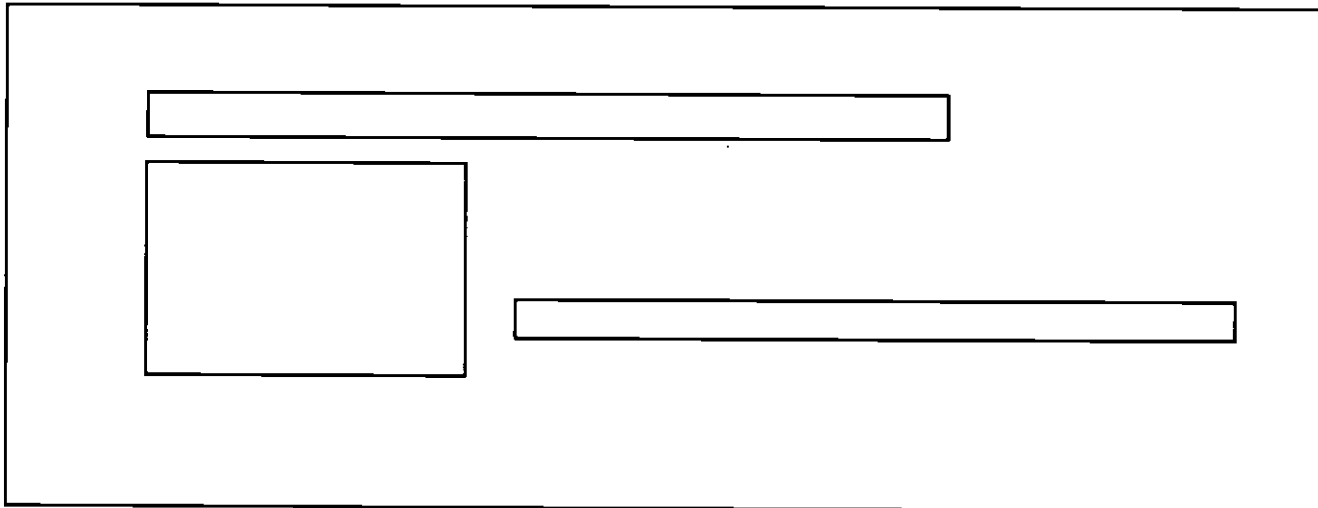
He said that "everyone knows that the United States is in a weak position" because of its support of the Nationalist units in Burma and claimed to have specific knowledge of the involvement of two American officers.



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The Pole's remarks, together with charges in Izvestia of American involvement, clearly suggest that the Orbit will press for full UN discussion.

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SOUTHEAST ASIA

4. Viet Minh attack on northern Laos expected about 10 April:

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The decisive phase of the coming Viet Minh offensive will be a two-division attack about 10 April against Sam Neua in northern Laos,

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third division will cover this movement. Elements of a fourth division are moving westward from their positions south of the Tonkin delta in what may be a pincer movement against northern Laos. (see map, p. 6).

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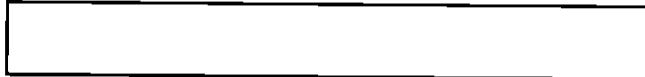
cident with the drive on Sam Neua, a fifth Viet Minh division will engage in diversionary action against the southern part of the Tonkin delta, although this is not expected to be serious.

Comment: The imminence of a Viet Minh offensive against northern Laos has been indicated by numerous reports over the past two weeks, although no firm date has been established. Despite French reinforcement of several posts in the threatened area, its defenses are still believed inadequate to meet a concerted Viet Minh attack.

NEAR EAST - AFRICA

5. Saudi Arabia refuses to arbitrate Buraimi dispute with Britain:

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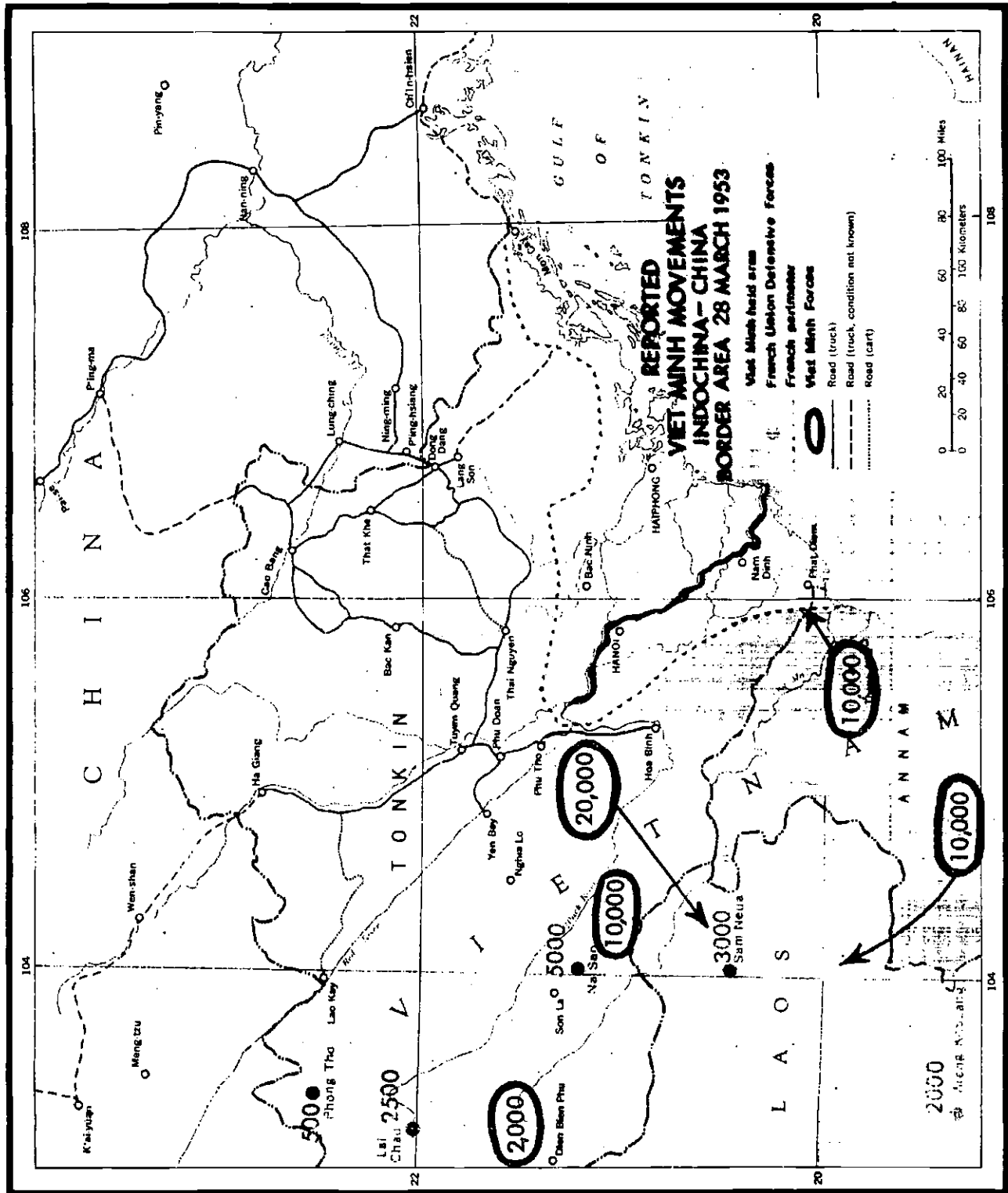
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Saudi Arabia will definitely not submit its dispute with Britain over the Buraimi oasis to arbitration. He added that unless there is a change in British policy on the dispute, his government will have no alternative but to meet force with force or to resort to some other measure, such as presenting the problem to the UN Security Council.

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told Hare that he agreed with Yassin's observation that the situation had deteriorated so badly that matters could not be allowed to continue in their present state.

Comment: The State Department has explained to Prince Faisal in Washington that the American Government, like Britain, still favors arbitration as the best method of settling the dispute.

LATIN AMERICA

6. Comment on the 29 March "uprising" in Guatemala:

The apparent ease with which the Guatemalan armed forces suppressed the 29 March "revolt" at Salama is evidence that the major portion of the army remains loyal to the Arbenz administration. The "uprising" may be another indication of dissatisfaction among some of the junior officers, and possibly among some troops, in the garrisons distant from the capital.

It is entirely possible, however, that the "revolt" was staged by the government for the purpose of alerting troops to control the crowds in the streets of the various communities during Holy Week. On 30 March the army declared a nationwide military alert, according to press reports.

Salama is about 100 miles north of

Guatemala City [Redacted]

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7. Panamanian President wants to discuss Canal Zone treaty in Washington:

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Panamanian Foreign Minister Gulzado told Ambassador Wiley on 28 March that he was proceeding to Washington to request an official invitation for President Remon to visit the United States, and to clarify Panama's position that a total revision of the 1936 Canal Zone treaty is essential.

The Panamanian Ambassador to Washington, who is now in Panama, believes that Remon feels obliged to have some agreement to submit to the National Assembly next fall, because of the Canal Zone resolution approved by the Assembly last November.

Comment: Remon has sought to dissociate himself from the enthusiastic response with which extreme nationalist and anti-US elements greeted his recent decision to seek a revision of the 1936 treaty. It is clear, however, that he does not intend to alter his stand on treaty revision or his determination to discuss the matter with President Eisenhower. Failure to carry through his much-publicized plans would expose him to criticism and possibly weaken his political position.

