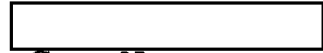


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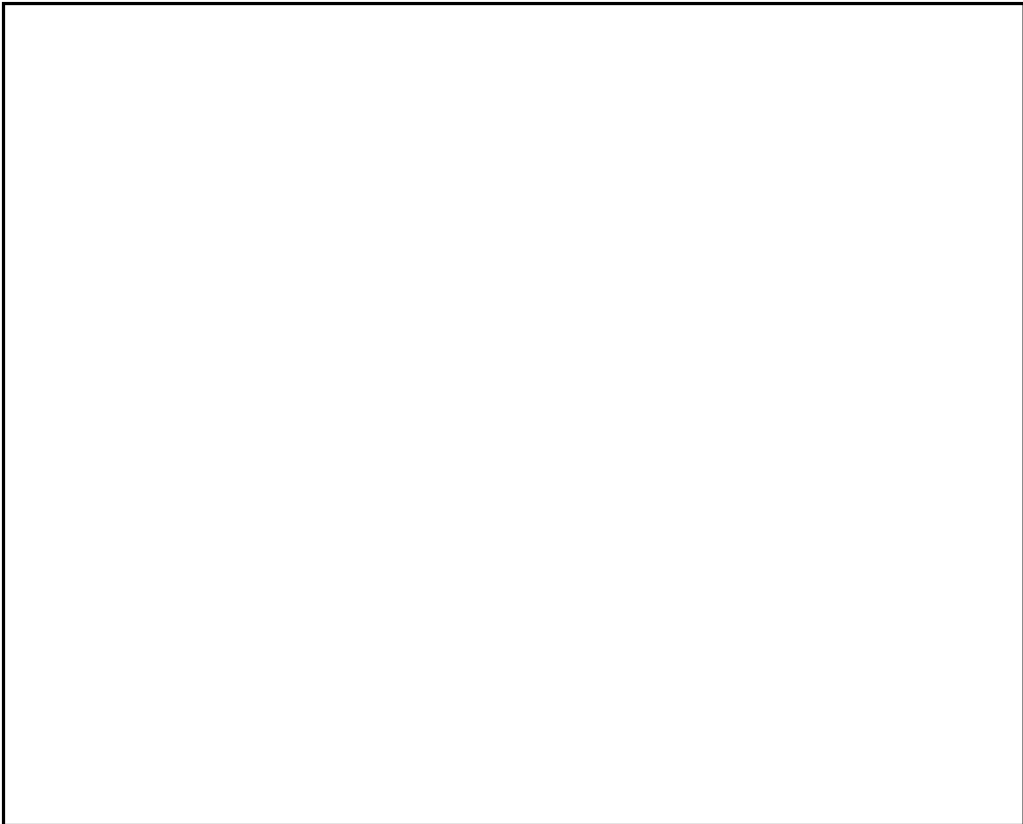


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2. BRITISH URGE IMMEDIATE SECURITY COUNCIL MEETING ON SUEZ

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[REDACTED] British UN delegate Dixon has informed Ambassador Wadsworth that Britain wants the United States immediately to call a Security Council meeting for next week regarding Egypt's Suez Canal memorandum. Ambassador Wadsworth states that he did not feel that Dixon was being frank regarding Britain's reasons for going to the council, since he said only that London wants to "cancel out" Egypt's legal position based on the memorandum and to get on record its own legal and political attitude.

Dixon said the Foreign Office proposes that a resolution be introduced calling for further negotiations on the basis of the six points agreed upon with Egypt and endorsed in a Security Council resolution on 13 October last year. The resolution might be supported by arguing that the unilateral Egyptian memorandum does not satisfy the October resolution calling for a settlement, and otherwise falls short of the six principles. Dixon did not indicate what Britain would do if the Soviet Union vetoed the proposed resolution.

Comment Britain's pressure for Security Council action in part reflects its desire to restore the entire Middle East question to the council before the next session of the General Assembly. More generally, however, Britain's tactic appears to be to exhaust the recourses open to the UN for settling with Egypt, possibly to clear the way for future independent British moves.

On 3 April the French cabinet reportedly decided to propose the Suez problem for UN Security Council consideration but not until the results of American negotiations on the problem were known. [REDACTED]

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3. SUKARNO ANNOUNCES HE WILL FORM
INDONESIAN CABINET

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Indonesian president Sukarno has announced that he will personally undertake to establish an "extraparliamentary emergency business cabinet" to which former vice president Hatta will be appointed. Sukarno has given no indication whom he wants as premier.

It is probable that Sukarno will offer most of the cabinet posts to members of the National Party and the vacillating Nahdlatul Ulama (NU), but that some fellow travelers--or outright Communists--will also be included. In the interest of national "unity," he may offer minor portfolios to the Moslem Masjumi. It is highly unlikely that Sukarno would offer Hatta a position of real authority.

Sukarno undoubtedly calculates that he can succeed in forming a cabinet by either bribing or intimidating the opponents of his "concept." The NU, for instance, is strongly attracted by offers of high positions and other emoluments, and was on the verge of accepting those promised by the last formateur, Suwirjo.

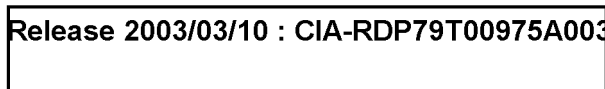


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Sukarno's action is something of a political gamble. Never before has his prestige been committed to this extent, and if he fails to form a government, the result may be chaos or the emergence of a military junta.



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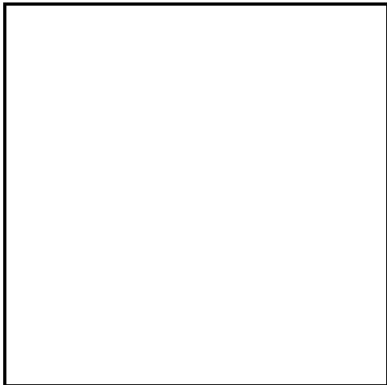
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6. THE NEW IRANIAN CABINET

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The Shah appears to have given Iranian prime minister Manuchehr Eqbal a free hand in choosing his cabinet. Eqbal has retained about one third of the old cabinet and filled the remaining posts with technically competent ministers who have not been active in partisan politics in recent years, although nearly all of

them have held a wide variety of cabinet, subcabinet or administrative positions.

The new cabinet represents a victory for Eqbal over his political opponents, notably the former minister of interior and the former minister of justice. The notoriously corrupt minister of finance has also been removed. A key question still unresolved is the future relationship between Eqbal and Abol Hassan Ebtehaj, the controversial head of the Seven-Year Plan organization, which will play a vital role in any development plans for the country.

The new government is not expected to make any significant changes in foreign policy. Iran's ties with the West and with the Baghdad pact will remain unimpaired.



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Watch Report 348, 4 April
of the
Intelligence Advisory Committee

Conclusions on Indications of Hostilities

On the basis of findings by its Watch Committee, the Intelligence Advisory Committee concludes that:

- A. No Sino-Soviet bloc country intends to initiate hostilities against the continental US or its possessions in the immediate future.
- B. No Sino-Soviet bloc country intends to initiate hostilities against US forces abroad, US allies or areas peripheral to the Orbit in the immediate future.
- C. A deliberate initiation of hostilities against Israel by the Arab states is improbable in the immediate future. Israel may at any time renew hostilities if faced with one or more provocations, such as an introduction of substantial Egyptian military forces into the Gaza strip, a renewal of extensive fedayeen raids, or an attempted denial of passage for Israeli shipping through the Straits of Tiran. Other unsettled issues and tensions in the Middle East, especially in Syria and Jordan, also constitute possibilities for violence.

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