

JANE SCHNELL
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BACK MESSAGE AS BELOW

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SECRET BRIEFS (FOR LIAISON) // BEFORE IN STARTS

1. USSR MARKING TIME ON SHELLS MOSCOW APPARENTLY DOES NOT WANT AUTOMATIC INCIDENTS TO SPOIL DELICATE ATMOSPHERE, BUT IT HAS GIVEN NOTICE IT WILL RESPOND VIGOROUSLY TO ANY WESTERN MOVE TO ALTER STATUS QVO, PARTICULARLY IN GERMANY.

2. COMMUNIST AID FOR CUBAN HURRICANE DISASTER. THE SOVIET UNION AND COMMUNIST CHINA ARE SENDING EMERGENCY RELIEF SUPPLIES. KHRUSHCHEV LETTER HAS OFFERED CUBA PROGRAM TO SUPPLY WIDE VARIETY OF FOOD AND CONSTRUCTION EQUIPMENT AND MATERIALS DURING NEXT YEAR AT LEAST SOME WITHOUT CHARGE. ADDITIONAL AID REQUESTS LIKELY TO BE FORTHCOMING FROM HAVANA.

3. YUGOSLAVIA AND REALIGNED STATES: KHRUSHCHEV'S VIEW NOW IS THAT THE WORLD IS NO LONGER DIVIDED BETWEEN EAST BLOC AND WEST BLOC. IT SEES A POLITICAL DIVISION BETWEEN THREE STATES

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WILLING FOR "PEACEFUL COEXISTENCE" AND TERMED AGAINST IT, AND AN ECONOMIC DIVISION BETWEEN THE DEVELOPED AND UNDERDEVELOPED STATES. IT WAS BEING CONCERNED ABOUT HINDERING THE DEVELOPED STATES AS A MAJOR IMPACT WITHIN THE "CASE ^{OF} PEACEFUL COEXISTENCE".

4. ~~THESE~~ ~~RECORD~~ ~~IN~~ ~~POLAND~~. ~~THE~~ ~~RECORD~~ ~~IS~~ ~~CHARACTERIZED~~ ~~BY~~
~~THE~~ ~~FACT~~ ~~THAT~~ ~~THE~~ ~~COUNCIL~~ ~~HAS~~ ~~AGGRAVATED~~ ~~THE~~ ~~SITUATION~~ ~~AND~~ ~~ANGER~~
~~AND~~ ~~DISSENT~~ ~~IN~~ ~~INTERNAL~~ ~~ECONOMIC~~ ~~POLICY~~. ~~COUNCIL~~ ~~'S~~ ~~PRACTICE~~
~~AND~~ ~~ATTITUDE~~ ~~HAVE~~ ~~DETERIORATED~~ ~~SHARPLY~~, ~~BUT~~ ~~THE~~ ~~POPULATION~~ ~~FEELS~~
~~THE~~ ~~NEED~~ ~~FOR~~ ~~SOME~~ ~~ALTERNATIVE~~, ~~AND~~ ~~THAT~~ ~~AN~~ ~~ATTEMPT~~ ~~TO~~ ~~CHANGE~~
~~THE~~ ~~SITUATION~~ ~~MIGHT~~ ~~PROVOKE~~ ~~SEVERE~~ ~~RESENTMENT~~

5. EVERY OTHER MILITARY INSTALLATION, EVERY AIRPORT OR
PARTICULAR CONTAINS THE LARGE NUMBER OF NEW AND OLD WEAPONS, ESPE-
CIALLY CANNONED MILITARY EQUIPMENT, IS PERMITTED TO ARRIVE IN
ONE 14 GUN.

6. SOVIET ECONOMIC SITUATION: BRACERMENT OF THE ECONOMIC SITUATION CAUSED BY ~~BRACERMENT~~ ^W ~~WAS~~ ^{THE} ~~FORWARDINGS~~ ^W MAY DELAY FINAL ~~ADJUSTMENTS~~ ^W OF THE 1954-55 ECONOMIC PLAN. KHRUSHCHEV'S LATEST ~~REMARKS~~ ^W FOR ~~ADJUSTMENTS~~ ^W ARE ~~PRESENTLY~~ ^W ~~CONTAINING~~ ^W A LAST-MINUTE

[illegible]

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REVIEW, BUT SIGNS INDICATE THE PROGRAM IS BEING RECONSIDERED

7. // FLOODS IN NORTH CHINA: LARGE AREAS OF THE NORTH CHINA PLAIN ARE STILL COVERED WITH WATER AFTER TWO MONTHS, AND AUTUMN HARVEST, ESPECIALLY WHEAT, APPEARS TO HAVE SUFFERED A SERIOUS LOSS. BLOW WITHIN THAT AREAS WILL PROBABLY BE REDUCED AND PLANTING DELAYED. //

8. WEST GERMANY: LUDWIG ERHARD HAS TAKEN OVER CAUTIOUSLY, MAKING FEARED CABINET CHANGES THAN EXPECTED AND MOVING CLOSELY TO THE ADAMS LINE IN FURTHERING HIS GOVT'S POLICIES. ERHARD'S MOVING FROM CHRISTIAN SOCIAL DEMOCRATIC PARTY HAVE STAFFED PARLIAMENTARY GROUP INTEND TO GIVE ERHARD "EMERGENCY" OF ABOUT SIX YEARS. ON THE OTHER HAND, ERHARD'S REPEATED DISSENTATION WITH ERHARD'S PUBLIC STATEMENT SUPPORTS THE NEW CHANCELLER'S EARLIER TROUBLE MAY BECOME FROM WITHIN HIS OWN PARTY. "NEW"

9. // GERMANY HAVE REPORTED THAT CURRENT SOCIALIST PARTY CONGRESS WILL PAVES RECONSTITUTING A CENTER-LEFT GOVT. ERHARD, NEGOTIATIONS WITH CHRISTIAN DEMOCRATIC PARTY ON DISTRIBUTION OF PORTFOLIOS IN SUCH A GOVT ARE UNDERWAY. PROSPECTS ARE THAT ANY CENTER-LEFT

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MEANS THAT NEGOTIATIONS WILL HAVE DIFFICULTY BECAUSE OF THE ANTI-PATHY OF LEFTWING SOCIALISTS AND BISHOPLY CHRISTIAN DEMOCRATS. EITHER OR BOTH OF THESE GROUPS MAY ONE DAY TRY TO STOP THE GOVT BY VOTING AGAINST IT ON IMPORTANT LEGISLATION. (CONF)

10. PORTUGAL: NEGOTIATIONS ARE UNDERWAY IN PREPARING A NEW INITIATIVE IN THE DISCUSSION FOR AN EXTENSION OF US AIRBASE RIGHTS IN THE AREA WHERE THE AIRBASE IS LOCATED. THERE IS LITTLE LIKELIHOOD THE PORTUGUESE GOVERNMENT WILL RELINQUISH LEVERAGE THEY FEEL THEY MAINTAIN ON THE US AS LONG AS THEY REFUSE TO MAKE MORE THAN A SHORT-TERM EXTENSION. THIS, SAID NEGOTIATIONS WILL PROBABLY RESULT IN ONLY ONE YEAR EXTENSION.

11. FINLAND: PRESIDENT KOSKINEN HAS FINALLY ACCEPTED THE RESIGNATION OF THOSE LEFTIST TRAITOR MEMBERS WHOSE MOVE TO LEAVE THE GOVT LAST AUGUST CONSPIRATED THE CABINET CRISIS WHICH IS STILL UNRESOLVED. FINLAND'S REPLACEMENTS WILL NOT BE EASY. UNLESS THE IMPASSE IS BROKEN, THE FINNS MAY HAVE TO SETTLE FOR A GOVT MADE BY CIVIL SERVANTS. (CONF)

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12) //A SETTLEMENT OF DISPUTE MAY NOT BE REACHED ON THE
MORRIS WAG. US AND REC ALIGNED LAST WEEK TO HAVE SECRETARY
GENERAL OF GATT APPOINT A NEUTRAL PANEL TO RENDER AN ADVISORY
OPINION ON THE VALUE OF THE COMMERCE AFFECTED BY THE TARIFF
IMPOSITIONS ON US PRODUCTS WHICH WERE VETERANARY IN 1961. THIS
OPINION IS EXPECTED EARLY NEXT MONTH. CONFLICT FROM THE SETTLEMENT
SETTLEMENT WILL NOT ANSWER THE QUESTION OF WHETHER THE US WILL
RETAINE REC OUTLETS FOR OTHER AND SUCH ARE IMPORTANT FACT PRO-
DUCTS. //(CONF)

13. MORRIS: CHIEF OF POLICE ALONG THE MORRIS ALGERIAN
BORDER, MORRIS APPARENTLY IS ENFORCING ITS TARIFFS ALONG ITS EN-
TIRE LONG BORDERLINE. MORRIS CLAIMS TO HAVE REPEATED ALGERIAN AT-
TACKS ON SMALL OUTPOSTS EAST OF TIN-OUT. BUT HAS MADE NO EFFORT
TO RECAPTURE THE BORDER POST AT THE WESTERN OF THE MORRIS-ALGERIA.
THE ALGERIANS, FOR THEIR PART, HAVE MOVED SOME OF THEIR HEAVY EQUIP-
MENT AND ARMED AND THEIR FEW MORRIS-ALGERIA AIRCRAFT TO THE
BORDER AREA, ESPECIALLY IN THE ORANGE-MECHAR AREA. BOTH GOVERN-
MENTS ARE PRESSING FOR OUTSIDE ASSISTANCE, MORRIS FROM WESTERN

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SOURCE AND ALGIERS APPARENTLY FROM 1957. MEDIATION ATTEMPTS ARE CONTINUING BY OTHER AFRICAN COUNTRIES BUT HAVE SO FAR FOUNDERED OVER MOROCCO'S REFUSAL TO EVACUATE TWO SOUVENIR BORDER POSTS TAKEN LAST YEAR, AS BEN BELLA DEMANDS.

1. //CONGO: PRESIDENT KASABUDE DECLARED A STATE OF EMERGENCY FOR THE CITY OF LEOPOLVILLE ON 20 OCTOBER AND NAMED A THREE MAN COMMITTEE UNDER DEFENSE MINISTER ASANT TO RULE UNDER DEER PARTIAL LAW. FUMINE ADOULA IS STILL IN OFFICE, BUT THE EMERGENCY COMMITTEE IS MAKING THE DECISIONS WITH THE BACKING OF ARMY CHIEF KIBUTU. THE COMMITTEE IS FACING MOUNTAIN LARGE DISSENT AS LARGE LEADERS HAVE DENOUNCED ITS ESTABLISHMENT. A CIVIL SERVICE STRIKE BEGAN ON 22 OCTOBER AND STRIKING TEACHERS HAVE IGNORED ASANT'S EXHORTATION TO RETURN TO WORK. LEFTIST EXTREMISTS ARE CONTINUING THEIR EFFORTS TO GAIN POWER. THEY APPARENTLY HAVE SUCCEEDED IN DISABLING SOME OF KASABUDE'S WHITE PARACOMMANDOS AND SEVERAL OF THEM ARE IN BRAZZAVILLE TALKING OF SETTING UP A GOVERNMENT IN KINSHASA.

15. SOUTH AFRICA: FOLLOWING JUNTA LEADER PAK CHENG-CHI'S NARROW VICTORY IN THE 15 OCTOBER PRESIDENTIAL ELECTIONS, THE REGIME IS PREPARING TO RETURN A BRIBERY MAJORITY IN THE 26 NOVEMBER ELECTIONS.

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NATIONAL ASSEMBLY ELECTIONS MAY ALSO BECOME A FURTHER SOURCE OF
 CHIEF KIM CHONG-PIL BACK FROM AN EIGHT MONTH BATTLE TO HOLD BUT
 BECAUSE OF KIM'S UNFAVORABLE REPUTATION THIS MAY BE AGGRAVATE TENSION
 WITHIN THE REGIME AS WELL AS BETWEEN IT AND THE OPPOSITION. IN THE
 PARLIAMENTARY ELECTION THE REGIME APPEARS TO HAVE RELIED CHIEFLY ON
 ECONOMIC PRESSURE RATHER THAN ON DIRECT BRIBES IN ORDER TO WIN
 AGAINST THE RIVAL AND GROWING DEMOCRATIC OR MORE AUTHORITARIAN RULE
 AND WITH THE REGIME'S ECONOMIC RECORD. THE ARMY'S HEAVY ANTI-PAX
 VOTE APPARENTLY REFLECTS THIS FEELING. ESPECIALLY IN THE LOWER RANKS
 AND SENIOR OFFICERS SCARCELY CAPABLE TO SUPPORT KIM, IF ONLY FOR
 LACK OF AN ATTRACTIVE ALTERNATIVE. (CONF)

16. SOUTH VIETNAM: THE ANNIVERSARY OF SOUTH VIETNAM'S NATIONAL
 DAY ON 26 OCTOBER AND THE PRESENCE OF NUMEROUS FOREIGN DELEGATIONS
 IN SAIGON MAY TEST OPPOSITION GROUPS AND VIOLENT GROUPS TO TRY
 TO PROVOKE DISORDERS IN COMING DAYS. ARRIVAL OF THE US UNDEVELOPED
 MISSION THIS WEEK PARTICULARLY FORCES CHALLENGES FOR THE US GOVERNMENT,
 WHICH HAS TAKEN STEPS TO PURSUE APPEARANCE OF HARMONY IN BUDDHIST
 COMMUNITY. BUDDHIST GROUP AND STUDENTS MAY NEVERTHELESS RESORT TO
 DEMONSTRATIONS, STRIKES, AND FURTHER SUICIDES TO FOCUS ATTENTION ON

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THEIR GRIEVANCES. PRESIDENT DIEM AND HIS GOVERNMENT ARE CONTINUING TO SHOW THEY ARE PREPARED TO RISK SUBSTANTIAL REDUCTIONS IN US ECONOMIC AID RATHER THAN bow TO PRESSURES FOR POLITICAL REFORMS. THEY HAVE APPARENTLY BEGUN TO FLOOD ALTERNATIVE SOURCES OF FUNDS, AND MAY USE THE CURRENT SAIGON MEETING OF THE ASIAN PEOPLE'S DEMOCRATIC CONGRESS LEAGUE, A NON-GOVERNMENTAL INTERNATIONAL GROUP AS A FORUM FOR COMPLAINTS AGAINST THE US. THE URGENT POLITICAL ATMOSPHERE STILL HAS NO DISCERNIBLE EFFECT ON THE MILITARY EFFORT AGAINST THE VIET CONG.

17. LAOS: NEUTRALIST LEADERS IN VIETNAM ARE TRYING TO FORESTALL A RESUMPTION OF INTER-FACEDIAL FIGHTING BY REVIVING THE TRI-PARTITE COALITION GOVERNMENT WHICH WAS EXISTED IN 1960 ONLY ABOUT THE TWO PATENT LAO MINISTERS WITHDREW LAST APRIL. MINISTER OF INTERIOR PHONG PHONGSAVAN, THE BANKING NEUTRALIST DURING PHANIAN SOUVANNA'S CURRENT VISIT TO LAOS AND HANOI, SAID HE IS GOING TO ANNOUNCE FOR SOUVANNA TO MEET WITH LAOS CHIEF MINISTERS SOMPHANVONG VONG VONG PHANIAN RETURNING ABOUT 6 NOVEMBER. SOMPHANVONG HAS REQUESTED COMMAND OF THE NEUTRALIST FORCES ON THE PLAIN OF JARANG FOLLOWING HIS RETURN FROM AN EXTENDED VISIT TO THE SPK. GENERAL ANHUA NOW BECOMES SUBORDINATE TO SOMPHANVONG IN THE NEUTRALIST MILITARY

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HIERARCHY, AND WILL WATCH AFFAIRS IN THE CAPITAL IN CONNECTION WITH THE PREMIER'S SPECIAL MILITARY CABINET. KONG LE SAYS THE RUSSIANS OFFERED MUNITIONS SUPPORT TO HIS FORCES, BUT ATTACHED CONDITIONS THEY KNEW WERE PROBABLY INSURMOUNTABLE.

18. EGYPT: EGYPT'S PETROLEUM INDUSTRY IS ON THE VERGE OF BECOMING SELF-SUFFICIENT AT A TIME WHEN THE REGIME IS ENCOURAGING PARTICIPATION BY WESTERN INTERESTS. SOVIET-FINANCED EXPLORATION AND CONSTRUCTION UNDER A 1958 AGREEMENT ARE NEARING COMPLETION. TWO YEARS OF DO-IT-YOURSELF HIGH COST EXPLORATION AND MARKETING IN THE FACE OF A WORLD SURPLUS HAVE PROMPTED A CHANGE IN CAIRO'S ATTITUDE, AND IN MID-1963 PETROLEUM WAS EXEMPTED FROM A SEVERE NATIONALIZING PROGRAM ENDING VENTURES. THE ITALIAN STATE-OWNED ENI AGENT, THE ONLY IMPORTANT WESTERN BUSINESS DURING THE LAST TWO YEARS, WILL SOON START TO EXPLORATION TWO NEW TRACTS UNDER TERMS OF A CONCESSION FORMALIZED IN MID-OCTOBER, AND LATE THIS YEAR GRANTS A SIMILAR DEAL FOR EXPLORATION IN THE WESTERN DESERT WAS CONCLUDED WITH PHILLIPS PETROLEUM. (CONT)

19. GREECE: IN THE CAMPAIGN FOR THE 3 NOVEMBER PARLIAMENTARY ELECTIONS A CLOSE STRUGGLE IS DEVELOPING BETWEEN FORMER PREMIER KARAMANLIS' CONSERVATIVE NATIONAL RADIANT UNION AND THE LEFT

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NON-COMMUNIST OPPOSITION GROUP, THE CENTER UNION KARAMANLIS APPEARS TO BE ADOPTING LESS ENTHUSIASM THAN PREVIOUSLY, AND AFTER SIX YEARS IN OFFICE IS SUFFERING FROM THE "TIME FOR A CHANGE" PSYCHOLOGY. THE CENTER UNION IS FEATURING A STRONG APPEAL TO GREEK NATIONALISM AND PARTY LEADER PAPANASTASIOU HAS ACCUSED KARAMANLIS OF "SUBMISSIVENESS TO FOREIGNERS" IN REFERENCE TO HIS CLOSE TIES WITH THE UNITED STATES. PAPANASTASIOU HOPES TO SEE GREEK PEOPLE SEATS TO EJECT KARAMANLIS A WORKING MAJORITY. THE COMMUNIST-DOMINATED UNITED DEMOCRATIC LEFT, THE THIRD LARGEST PARTY, HAS FAILED TO FORM A POLAR FRONT BUT HAS TURNED ITS STRONGEST TO THE CENTER WHICH IS CLOSE BACK TO THE SIDE OF CURRENT KARAMANLIS. (CIVIL)

END OF MESSAGE

James A. Kistner

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