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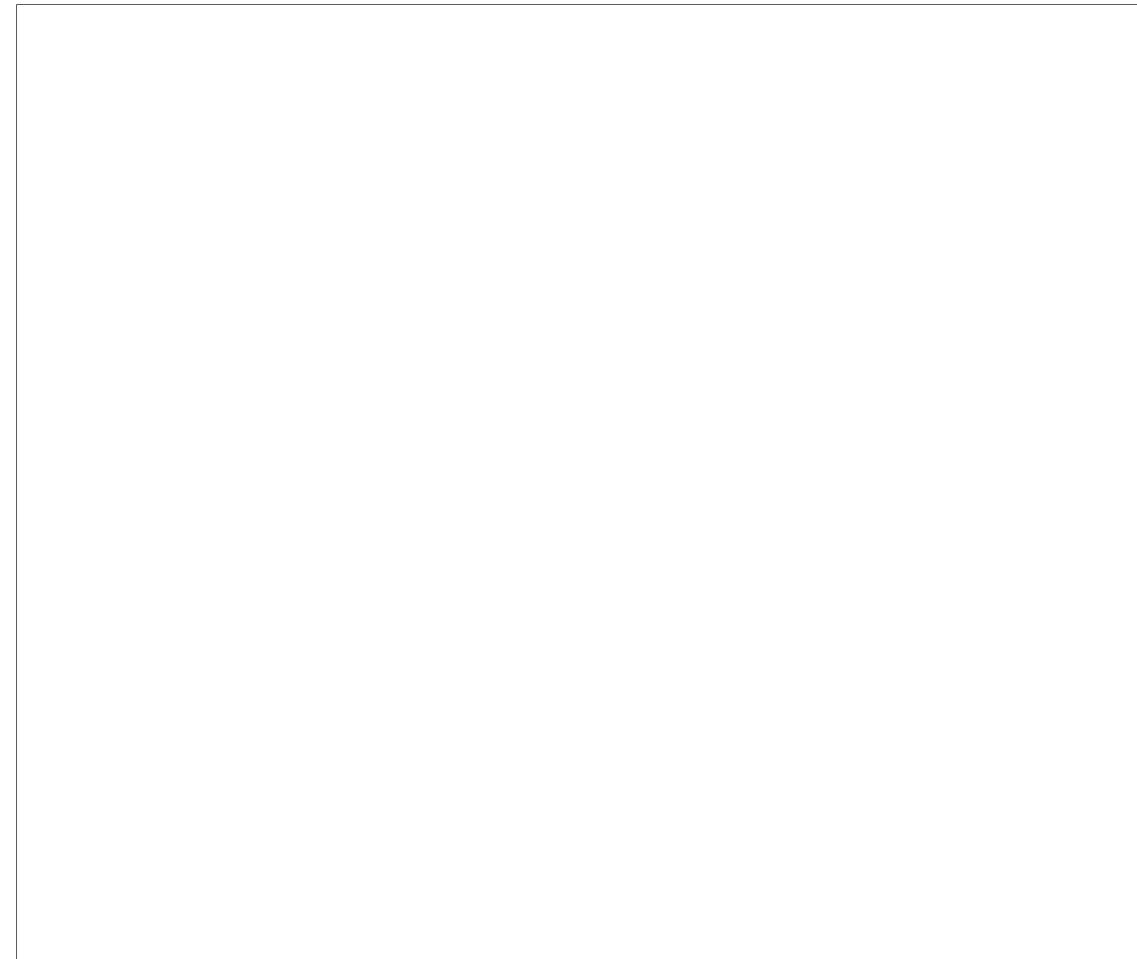
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**GENERAL**

1.



**SOUTHEAST ASIA**

2. Comment on Communists' acknowledgment of royal government's supremacy in Laos:



The declaration by the Viet Minh-backed Pathet Lao recognizing the supremacy of the royal Laotian government throughout the kingdom is apparently aimed at winning the support of the Indian truce delegates and of those high Laotian officials who are convinced the Pathet Lao can be safely integrated into the kingdom

of Laos. The Indian truce chief had earlier expressed the opinion that the Pathet Lao are good nationalists and Buddhists. The royal prince who was formerly premier and is now defense minister has been the most important advocate of the view that his half-brother, the Pathet Lao chief, could be weaned away from the Viet Minh.

The declaration, reported in a Vietnamese press dispatch on 5 November, was addressed to the International Control Commission. It included the statement that Pathet Lao administration in the provinces of Sam Neua and Phong Saly had been placed "under the supreme authority of the royal government." The Viet Minh may believe that with the help of the Control Commission the Pathet Lao can worm its way into the government.

Recognition of the principle of royal sovereignty over the northern provinces will not seriously detract from actual Pathet Lao authority there, particularly if the Indians continue their blind confidence in the Communists' good intentions.

#### NEAR EAST - AFRICA

3.

4. Israeli defense forces may take action on Egyptian border:

Israeli premier Sharett sent word to the American embassy in Tel Aviv on 2 November that increasing Egyptian infiltration activities on the border between

Israel and Egypt are making continuation of his "moderate" policy "very difficult."

Sharett's emissary said that Israel is convinced these activities are inspired and directed by the Egyptian government and requests the Department of State through the American embassy in Cairo to take measures, more forcefully than in the past, to secure Egypt's renunciation of these activities.

The embassy in Tel Aviv believes Sharett's approach indicates that Israel's defense forces are pressuring him for greater freedom of action in dealing with the border problem.

Comment: The Egyptian government apparently has not been involved in recent border incidents. Extremist Moslem Brotherhood groups and other extralegal elements in the area may, however, be responsible for some of them. The Egyptian government has shown a readiness to co-operate in past months with the UN Mixed Armistice Commission and Israel to alleviate tension.

[redacted] Regardless of responsibility, the continuation of incidents on the Israeli-Egyptian frontier is likely to lead to [redacted] organized retaliatory action on the part of Israel.

## EASTERN EUROPE

### 5. Polish-Czech dispute breaks out at meeting in East Germany:

[redacted] The Polish and Czech delegates to the Seventh Christian Democratic Union Congress in Weimar in September quarreled heatedly over the claims of their respective countries to the Tesin area. East German premier Grotewohl's press office, anticipating such a clash because of tensions between the two countries, had issued instructions that the delegations be kept apart.

Comment: [redacted]

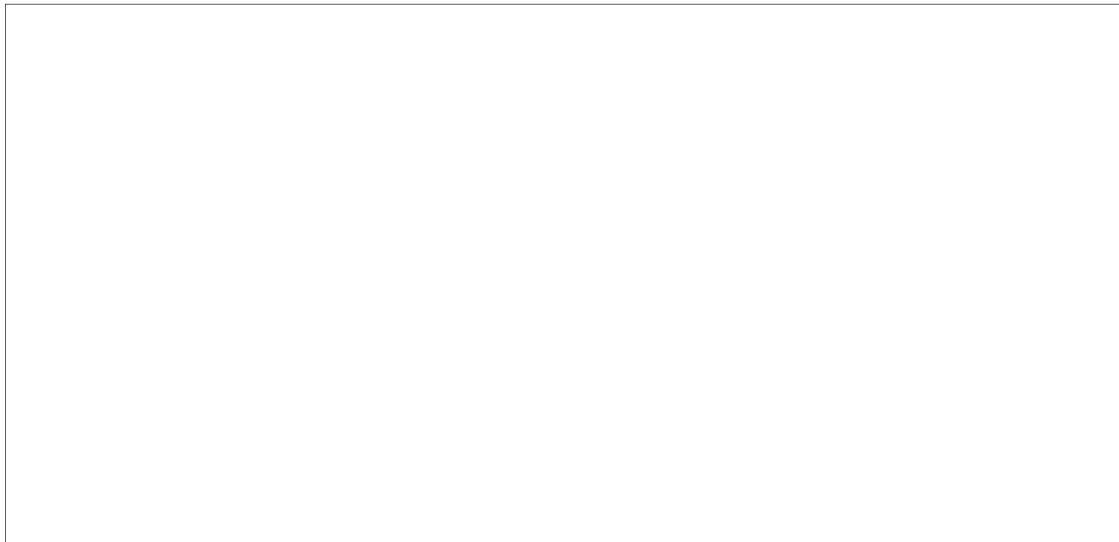
[redacted] This incident suggests that the negotiations may have actually increased tensions between the two countries.

The dispute has remained unresolved even though the 1947 mutual assistance pact between Czechoslovakia and Poland called for a settlement of all territorial questions within two years. Czech authorities have had difficulty controlling the large Polish population in this area, and Czech newspapers have repeatedly denounced bourgeois-nationalistic manifestations in this connection.

## WESTERN EUROPE

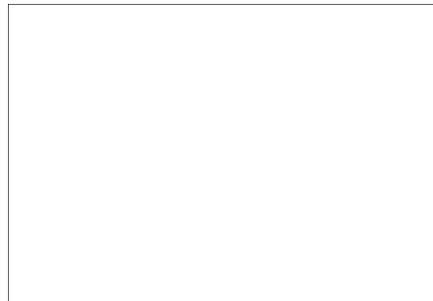
### 6. Prospective resignations may weaken OEEC:

[redacted] Executive Secretary Marjolin of the Organization for European Economic Co-operation plans to resign and will probably receive an important government position in Paris.



Comment: Marjolin has been a key figure since 1948 in the American-sponsored effort to strengthen the economy of Western Europe through the 18-nation OEEC. Unless he were replaced by a man of comparable stature, his resignation along with that of his deputy could have a far-reaching psychological impact. This would be particularly great now when nationalistic tendencies on the Continent are lessening the cohesiveness of the Western alliance.

**7. Comment on Bonn opposition to Saar agreement:**



Deep dissatisfaction with the Saar agreement evidenced in a Bonn cabinet meeting on 5 November has caused Chancellor Adenauer to agree to seek further negotiations with France on this subject, according to press reports. It is unlikely that Adenauer will repudiate the agreement he reached with Premier Mendes-France

on 23 October, but he may ask for several changes to make the agreement more palatable to German opinion--particularly in view of the provincial elections scheduled for 28 November.

Earlier reports from Bonn indicated that there are discrepancies between the French and German texts of

the 23 October accord, and that Adenauer's coalition partners have pressed him for an interpretation of several other clauses.

The coalition Free Democratic and Refugee Parties, which have taken the lead in opposing the Saar agreement, are determined to see that it is clearly provisional, pending a German peace treaty. They are dubious about the present provisions in this regard, and they may suspect--with good reason--that Mendes-France intends to ask the United States and Britain to guarantee the settlement in peace treaty negotiations. Ambassador Conant cautioned on 4 November that such a French request would "greatly increase political difficulties in the Federal Republic."

Unless the present Saar accord can be made clearly provisional, the crisis in Bonn will deepen.

8. French Foreign Ministry spokesman says East-West talks "inevitable" in early 1955:

The chief political spokesman for the French Foreign Ministry, Roland de Margerie, believes that a Big Four meeting early next year is "inevitable."

He told American officials in Paris on 4 November, however, that Premier Mendes-France is strongly opposed to such a meeting unless there is reason to believe progress could be made.

Comment: Mendes-France told the National Assembly's Foreign Affairs Committee on 3 November that Moscow would have to be sounded out before talks were undertaken with the USSR. Although the premier is reported to have broken with some advisers who urged a direct approach to Moscow before the Paris conference, he is obviously anxious to take the initiative in East-West negotiations, and there have been indications he may send a prominent personal representative to Moscow to explore the possibilities.