GENERAL

1. Possible tactical shift in Soviet peace offensive -- The US delegation to the UN transmits a remark by UN Assistant Secretary General Zinchenko, the top Soviet secretariat member, that Soviet speeches in support of the current "peace" resolution introduced by the USSR should be discounted as being made merely for debating purposes. Zinchenko added that the Soviet delegation now realized that anything like a peace pact proposal "had to be preceded by diplomatic negotiation"; he expressed the opinion that there is considerable likelihood of discussions "of the problem through regular diplomatic channels" after the General Assembly adiourns.

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2. Potential dangers in Indonesian situation -- US Consul General Beam and the US representative to the UN Commission for Indonesia (UNCI) report from Batavia that UK Consul General Stewart is greatly concerned over the ability of Indonesian forces to prevent serious disorders in Java and Sumatra during the period of Dutch withdrawal and the assumption of control by Indonesian forces. In response to Stewart's statement that he had alerted Singapore and British firms in Indonesia, Beam informed the UK Consul General that he would like to withhold action requesting protection for US citizens until he learns of the progress being made in arrangements to transfer control from the Dutch to the Indonesians. If Beam finds that serious difficulties are being encountered, he proposes to approach UK Consul General Stewart regarding a joint warning to the US and UK Governments that conditions in Indonesia may become dangerous.

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THE AMERICAS

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3. PANAMA: Arias "may be able" to hold on—US Ambas—sador Austin at the UN transmits a report that the Panamanian Ambassador to the UN has expressed the opinion that Arnulfo Arias, in view of the events leading up to his assumption of the presidency, "will be able to hold on and stabilize" the situation. The Panamanian Ambassador also expressed the hope that "friendly overtures towards the US will not meet rebuff."

(CIA Comment: CIA estimates that Arnulfo Arias' chances of retaining his position have been improving during the past several days.)