

~~TOP SECRET~~

3.3(h)(2)

11 November 1955 3.5(c)

Copy No. 100

(o)EO

CURRENT INTELLIGENCE BULLETIN

DOCUMENT NO. 61
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2010
AUTH: HR 70-2
DATE: 10 JAN 1980 REVIEWER:

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

~~TOP SECRET~~



CONTENTS

1. THE BRAZILIAN SITUATION (page 3).
2. AFGHANISTAN PREPARING NEW POLICY TOWARD PAKISTAN BASED ON CLOSER TIES WITH USSR (page 4).
3. [REDACTED] MEETING BETWEEN BULGANIN AND THAI PREMIER (page 5).
4. INDONESIA SUGGESTS NEW MEETING OF COLOMBO POWERS TO DECIDE ON SECOND AFRO-ASIAN CONFERENCE (page 6).
5. LAO GOVERNMENT MAY START MILITARY CAMPAIGN AGAINST PATHET LAO IN JANUARY (page 7).
6. JAPANESE CONSERVATIVES AGREE ON FIRM STAND TOWARD USSR AT LONDON TALKS (page 8).
7. RIGHT WING OF BOLIVIAN GOVERNMENT PARTY REPORTEDLY TO ATTEMPT COUP (page 9).

* * * *

THE ARAB-ISRAELI SITUATION (page 10)

~~TOP SECRET~~

1. THE BRAZILIAN SITUATION (Information as of 1700, 11 November)

The coup of 11 November in Brazil which resulted in the ouster of Acting President Carlos Luz and his replacement by Senate vice president Nereu Ramos was launched by General Henrique Teixeira Lott apparently in order to forestall a move by other military leaders to prevent the inauguration of president-elect Juscelino Kubitschek and vice president-elect Joao Goulart. Lott, himself, had been dismissed as war minister by Luz on 10 November for insisting on disciplining one of the anti-Kubitschek officers.

Army troops loyal to Lott took over key positions in Rio de Janeiro early on 11 November, while the navy and air

force declared their loyalty to Luz. Bad weather immobilized the 1,000-plane air force, but navy vessels in Rio harbor were apparently responsible for some shooting. Congress met in special session and after a brief, acrimonious debate approved the appointment of Ramos as acting president by better than a two-to-one majority in both houses.

There were some indications late in the day that the navy and air force might accept congress' decision. The extent of division in the army is still not known.

Ramos, who as vice president of the Senate was constitutionally next in the presidential succession, is generally regarded as personally ambitious. He is reported to be strongly pro-US and anti-Communist.

Lott had previously been adamantly opposed to any military intervention in political affairs. Although conditions in Brazil may be tense for some time, Lott will probably try to use his present position of power to assure the inauguration of Kubitschek and Goulart as scheduled on 31 January 1956.

~~TOP SECRET~~

~~TOP SECRET~~

2. AFGHANISTAN PREPARING NEW POLICY TOWARD PAKISTAN BASED ON CLOSER TIES WITH USSR

Afghanistan will support its demands for independence for the Pushtoon areas of Pakistan with a more vigorous policy, according to Afghan finance minister Malik.

Malik indicated to an American embassy official on 8 November that Prime Minister Daud expects (1) to obtain public support of his Pushtoonistan policy from the Grand Assembly of the Tribes scheduled to convene on 14 November, (2) to eliminate Kabul's dependence on Pakistan by use of Soviet transit routes, and (3) to develop Afghanistan's military strength with Soviet bloc arms. Malik feels that Afghanistan could then press the Pushtoonistan issue from a "position of strength" and that Pakistan would negotiate in a "more reasonable frame of mind."

Comment An increase in border incidents, the recent shipments to and from West Germany through the Soviet Union, and reported deliveries to Afghanistan of arms from the bloc suggest that Kabul is already embarked on this course and is prepared to risk reimposition of the Pakistani blockade.

Recent Egyptian and Saudi Arabian involvement with the Soviet bloc has minimized the possibility of successful Arab opposition to closer Afghan relations with the USSR. While Daud still faces some internal opposition, he appears strong enough to carry out the policy suggested by Malik.

~~TOP SECRET~~

3.

MEETING BETWEEN BULGANIN AND THAI PREMIER

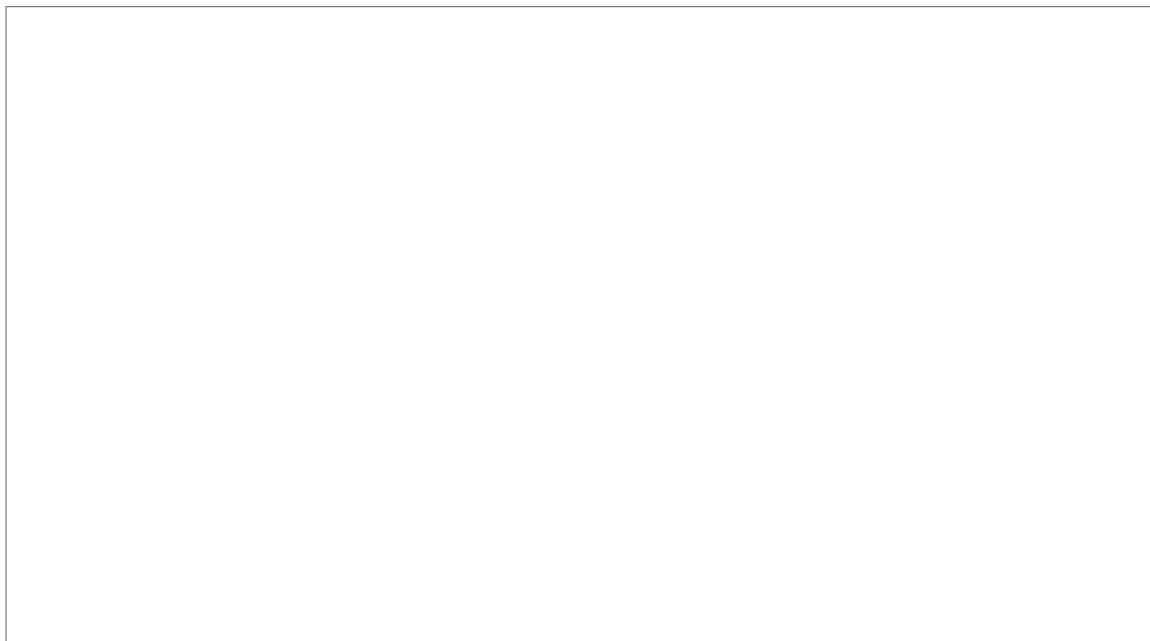
Thai premier

Phibun's forthcoming visit to Rangoon will coincide with that of Bulganin so that the two can have "a good talk." [redacted] an important change in the Thai government's attitude on world affairs after Phibun meets with Burmese premier Nu next month.

Comment

There have been a number of indications that Phibun desires to improve Thailand's relations with Asian neutrals as well as to soften his government's stiff anti-Communist policies. It is not likely, however, that there will be a major modification of Thailand's pro-Western orientation.

**4. INDONESIA SUGGESTS NEW MEETING OF COLOMBO
POWERS TO DECIDE ON SECOND AFRO-ASIAN CON-
FERENCE**



Comment

Although India and Pakistan are not now eager for another meeting of the Colombo powers or a second Afro-Asian conference, the prospects now are that both will be held.

5. LAO GOVERNMENT MAY START MILITARY CAMPAIGN AGAINST PATHET LAO IN JANUARY

The Laotian government intends to retake the northern provinces from the Pathet Lao by force of arms if diplomatic methods are not successful by January, according to the defense minister. He stated this in considerably more definite terms than Laotian leaders have used heretofore and asserted that royal forces could reoccupy the main portions of the two provinces within 15 to 30 days, provided the Viet Minh did not intervene in force.

The American ambassador comments that he believes this also represents the view and intention of Crown Prince Savang. The premier and foreign minister are less certain, but are tending in this direction as diplomatic efforts to reach agreement with Pathet leaders continue to prove futile.

Comment

Similar plans in the past have not been implemented, owing to disagreements within the government. Recently, however, there seems to be a growing trend toward agreement that forceful action is necessary.

The royal government has approximately 5,000 troops in isolated outposts in the provinces and would have difficulty in rapidly reinforcing them. The Viet Minh has 18,000 troops capable of quickly augmenting the 6,300-man Pathet Lao force.

6. JAPANESE CONSERVATIVES AGREE ON FIRM STAND TOWARD USSR AT LONDON TALKS

Prime Minister Hatoyama's Japan Democratic Party has swung behind the tough policy advocated by former prime minister Yoshida's Liberals for negotiations with the USSR in London. Leaders of these two conservative parties, who are negotiating a party merger, have agreed to demand repatriation of Japanese war prisoners prior to the signing of a peace treaty. Among the terms of the peace treaty would be the return of the southern Kurils and the calling of an international conference of the former Allied powers to dispose of the northern Kurils and South Sakhalin.

This policy decision represents a defeat for Hatoyama and his advisers who, along with the Socialists, have favored a quick resumption of diplomatic relations with the Soviet Union, with settlement of most outstanding questions deferred to a later date.

A merger of the conservative parties will be necessary if the Japanese are to maintain a firm position in the London talks when they are eventually resumed. Should the conservatives fail to merge, there is a good possibility that Hatoyama would move for a quick agreement with Moscow to bolster his political position in Japan, a possibility that might include his going to Moscow to conclude the settlement.

7. RIGHT WING OF BOLIVIAN GOVERNMENT PARTY
REPORTEDLY TO ATTEMPT COUP

[redacted] The right wing of the governing Nationalist Revolutionary Movement (MNR) in Bolivia, aided by the army and national police, plans to seize control of the government. [redacted] Possible dates for the coup were given as 10 and 15 November.

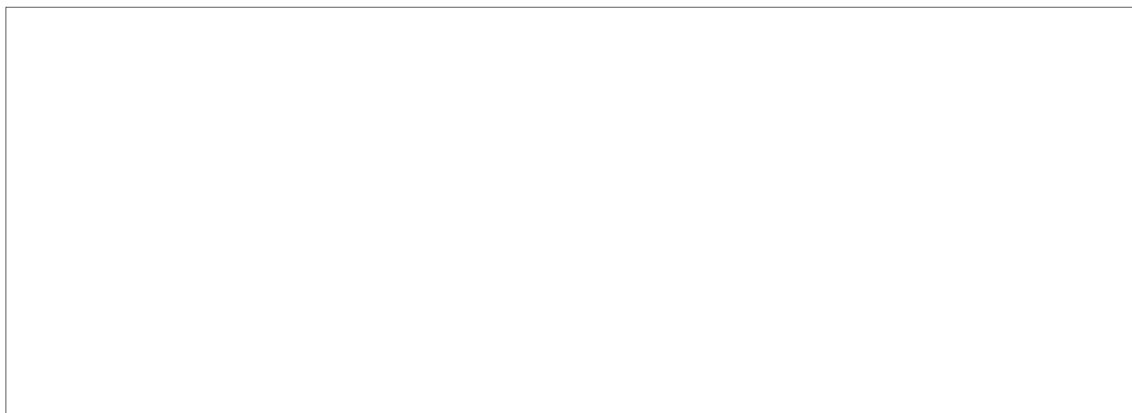
The rightists' aim is reported as an attempt to forestall a possible coup by MNR leftists who have lost ground in recent party elections.

Comment

Since President Paz Estenssoro has invariably been associated with the MNR's right wing, it is unlikely that the reported coup is aimed at removing him from power. It may possibly be planned with his connivance as a preventive move. Paz' popularity with the rank and file of all party factions is such that any attempt to force him from office would probably precipitate civil war.

THE ARAB-ISRAELI SITUATION
(Information as of 1700, 11 November)

The Arab-Israeli military fronts generally have been quiet since 8 November. Egypt's notification to all airlines that planes flying over the straits of Tiran (at the mouth of the Egyptian-blockaded Gulf of Aqaba) will be shot down without warning will provide Israel with a new basis to protest the Egyptian blockade of the Gulf of Aqaba. As the Israeli airline to South Africa has been using this route weekly, it must now adopt a circuitous route, cancel its flights, or risk an attack.



According to a 10 November report from the American army attaché in Tel Aviv, Israeli demobilization of personnel and transportation equipment apparently assembled for the 2 November action in the El Auja area is continuing. Meanwhile, the Egyptians assert that they have reoccupied the positions at Sabha in the El Auja area. If true, this may provoke a new Israeli thrust.

The Egyptians are reportedly taking Palestine refugees from Jordan for military training in Gaza with the aim of returning them for sabotage operations along the Jordan-Israel border. The commander of the Arab Legion believes his force has the border under good but not complete control.

The week-long moderation in the Egyptian press attitude toward the US has in the past several days given way to increasingly vigorous attacks on US "sponsorship" and backing of Israel.

Egyptian foreign minister Fawzi told Ambassador Byroade on 9 November that he had had satisfactory talks with Secretary General Hammarskjold and General Burns, but his statements indicate no essential change on the Egyptian position that both sides must withdraw entirely from the El Auja demilitarized zone, and that the entire zone, rather than only the Egyptian side, must be demarcated.

Israeli foreign minister Sharett, arriving in the US to press for defensive arms, indicated to the press that he would undertake a two-week speaking tour to raise funds here for Israeli arms purchases. Sharett told the press that he had no favorable reaction from Molotov to his request that the USSR intervene in the Czech arms shipments to Egypt. Sharett said in reference to British foreign minister Eden's offer of British mediation in the Arab-Israeli dispute, that he was disconcerted by Eden's reference to a territorial compromise. Sharett said that those who believed that Israel would compromise any of its territory would be disappointed. (Press)

22 planes, Mysteres or Ouragans, have passed through Rome during October on their way to Israel. The French authorities have claimed that Mysteres have not yet been shipped.

As for press reports of a bilateral military pact between Lebanon and Syria, a high Lebanese Foreign Ministry source told the American chargé in Beirut that the draft agreement under consideration by Lebanon would merely formalize already existing arrangements. This confirms previous information regarding Lebanon's intention, and indicates that Lebanon is probably going through the motions of signing an innocuous agreement only to keep the Syrians happy.

Egypt has signed a long-term trade agreement with East Germany which calls for exchange during the first year ranging from three million to six million Egyptian pounds (about \$8,000,000-\$17,000,000). The new agreement appears to amount merely to a renewal of the earlier trade pact. (Press)

[Redacted]

It is not clear how far the bloc would permit Egypt to get into the production of Soviet-type aircraft. Czechoslovakia and Poland are the only countries outside the USSR which presently manufacture MIG's. [Redacted]

Neither is it clear whether Egypt is, at this time, seeking construction of an assembly plant, a major maintenance facility to service the aircraft already contracted for, or a complete airframe factory. In any case, Egypt would probably remain dependent on the bloc for jet engines. [Redacted]