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GENERAL

1.

FAR EAST**2. Thirty-three Japanese Diet members bolt Liberal Party:**

Thirty-three lower house Liberals, headed by Ichiro Hatoyama and including State Minister Masazumi Ando, resigned from the Liberal Party on 22 November, according to the American embassy in Tokyo. The embassy comments that while the defection of Ando and his pro-Hatoyama colleagues had been anticipated for some time, it is nevertheless a serious blow to the Yoshida cabinet's prestige.

Liberal Party leaders have scheduled a meeting for 23 November at Yoshida's request to advise the prime minister on how to cope with the present political situation.

Comment: Ando's resignation probably means he is now convinced Yoshida's fortunes are definitely on the downgrade. Previously, although outspokenly critical of the prime minister, Ando stayed within the Liberal fold and was instrumental in bringing Hatoyama back into the Liberal Party in November 1953.

The anti-Yoshida "new party" organization, including the 33 Liberals who have just resigned, is believed now to have about 120 of the approximately 310 lower house conservative members. There are approximately 145 pro-Yoshida conservatives and 45 neutrals and independents. There are 466 seats in the lower house.

According to late press reports, Yoshida in the 23 November meeting will leave to Liberal Party executives the decision as to whether he should resign. This, however, may be merely a call for a vote of confidence from his cabinet.

3. Comment on new South Korean bid to oust Communist members of UN commission:

South Korean provost marshal Won addressed a letter on 22 November to the heads of the Communist delegations on the neutral truce supervisory teams asking that they reply favorably within one week to a request to withdraw from Korea. This demand reflects Rhee's desire to get rid of Communist members of the teams, which he fears the United Nations may call on to supervise Korea-wide elections.

Won threatened that if a favorable response were not forthcoming, South Korea would take "positive measures for self-defense."

South Korea wanted to eject Communist members of the neutral inspection commission last July, but held back in deference to assurances that the United States would strive to terminate the teams' operations through peaceful negotiations.

Because he has set a deadline, Won will probably feel compelled to take at least token action against the Communist members of the teams. General Hull's reiteration on 22 November that he would protect the neutral teams may induce Won to employ civilian groups in organized demonstrations.

SOUTH ASIA

4. Comment on probable talks between India and Pakistan:

[Redacted]

Indian-Pakistani talks, to which Prime Minister Nehru agreed on 21 November, are not likely to make much headway toward a settlement of outstanding political differences between the two countries, for example the Kashmir dispute, although there may be some progress toward better economic relations, especially in trade matters. India has not been willing to make any major concessions in previous bilateral negotiations. Pakistan, which proposed the new talks, has been prepared to go further in the past in seeking agreement with India.

NEAR EAST - AFRICA

5. Diplomatic impasse between Libya and France threatened:

[Redacted]

French minister Dumarcay in Tripoli has received what he has described as "inflexible instructions," purportedly

cleared by Premier Mendes-France, on how to reply to Libya's request of 13 November that France evacuate its military forces from the Fezzan--southern province of Libya--by 31 December 1954.

According to the instructions, Dumarcay is to inform the Libyan foreign minister that (a) present negotiations on technical, economic and cultural conventions are terminated, (b) French forces will remain in the Fezzan pending the receipt of new Libyan proposals, and (c) all agreements reached thus far are canceled.

Dumarcay admitted to British ambassador Kirkbride that this reply would result in a Franco-Libyan impasse and might have "even more serious consequences." He appealed to Kirkbride to intervene with Libyan prime minister Ben Halim to induce the Libyans to retract their letter of 13 November.

Kirkbride decided, following an interview with Ben Halim, that in view of the premier's insistence on the 31 December deadline and the current political instability in Libya, it would be futile to attempt to persuade either Ben Halim or King Idriss to "backtrack at this time."

Comment: France's unyielding attitude in its efforts to negotiate an agreement with Libya to retain French military forces in the Fezzan can be expected to accentuate Arab opposition to French policy elsewhere in North Africa. It may encourage Libya to condone illegal frontier crossings into adjacent Tunisia by "nationalists," which France has frequently accused Libya of doing in the past.

LATIN AMERICA

6. Overthrow of Costa Rican president predicted before Christmas:

[redacted] predicted to the American army attaché there on 19 November that Costa Rican president Figueres

would be overthrown before Christmas.

[redacted] added that the plotters' main difficulty is disagreement between the group in Honduras, led by the brother of former Costa Rican president Calderon Guardia, and the followers in Nicaragua of ousted president Picardo of Costa Rica.

Comment: The American embassy expressed the belief on 18 November that any attempted revolution would begin within 30 days.

The Costa Rican government is alert to the danger. Its defense plans are reported to be based on the assumption that prompt American assistance will be forthcoming if necessary.