

25X1

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

NSC BRIEFING [REDACTED] 15 NOVEMBER 1955
Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

PHILIPPINES

- I. Last week's elections were a definite victory for Magsaysay and for his forthright pro-American policies.
 - A. Recto, only candidate elected on opposition slate, came in sixth out of eight instead of first as some had feared; his chances for successful presidential bid in '57 severely dimmed.
 - B. Nacionalistas also won all but a handful of 52 provincial governorships.
- II. While president's popularity reestablished, his reform program still faces rough going.
 - A. Veteran Nacionalist Senator Jose Laurel, who is close to Recto, has announced he will lead senate opposition.
 - B. Prospect is for some party realignments and reforms owing to ultra-conservatism of most Filipino politicians.

State Department review completed

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

25X1

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

Next 1 Page(s) In Document Exempt

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

NSC BRIEFING [REDACTED] 15 NOVEMBER 1955
Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

FRENCH ELECTION SITUATION

- I. Further complications expected today;
 - A. Upper house will probably reject govt proposal for electoral system.
 - B. This will rule out elections this year:
 1. February then likely, although January date possible.
 2. Further delay favors Mendes-France who needs time to consolidate support.
 - C. Faure govt in untenable position if it cannot force early dissolution of Assembly:
 1. Anticipating early elections, it depended on Communist votes on election bill.
 2. Govt so intent on immediate elections, it backed voting system most favorable to Communists when non-Communist parties could not reach

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

NSC BRIEFING [redacted] 15 NOVEMBER 1955
Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

ARGENTINE SOLVENCY AND STABILITY

- I. Provisional Argentine president Gen. Lonardi
deposed 13 Nov in bloodless coup by armed
forces leaders

25X1

- A. New president, Gen. Pedro Aramburu, Army
Chief of Staff under Lonardi, reported
to have democratic and moderate leanings;
well-disposed toward US.
- B. Vice-president, army, navy, air mini-
and constitute "Junta"
sters to remain on job, but extensive
cabinet changes being made.
- C. Removal of ultranationalists from such
key posts as foreign ministry may
improve Argentine cooperation with US;
even though Lonardi himself was pro-US.

Maybe More Changes

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

- D. Lonardi highly respected despite his controversial appointments. Abrupt ouster likely handicap new regime's efforts to maintain a peaceful atmosphere in face pressing labor and economic problems. *Also Lonardi probably more realistic in recognizing impossibility of turning back the clock.*
- II. Peron left legacy of crippled productive capacity and financial stress.
- A. Peron reportedly filched substantial sums from treasury. No evidence that his thefts large enough to upset country's balance sheet.
1. Much of it came from private sources, such as "friends" who gave Evita such gifts as villa in Biarritz and jewels; also royalties from Evita's book, which was required reading.

2. Rumors of Peron accounts in Switzerland revived last week with Pick's report (Franz Pick, publisher of World Currency Report) that \$2,700,000 of gold coins arrived in Switzerland in October for Peron.
 - a. Pick estimates Peron's holdings abroad less than \$5,000,000.
- B. Peron's postwar policy of trying to promote rapid industrialization at expense of agriculture which earns 93% of foreign exchange.
- C. Under Peron farm earnings dropped to about one-third of prewar purchasing power.
 1. When world prices for agricultural products high, Peron paid farmers only part of the high export price.

2. By system of multiple rates, farmers were taxed further; they received 5 pesos per dollar for exports but had to pay from 7.5 to 14 pesos for necessary imports--if govt would give an exchange permit.

D. Decline in farm production reduced Argentina's ability to buy essential imports for economic recovery.

III. 1955 trade deficit may reach \$250,000,000. government survey in October lists total outstanding foreign debts at \$757,000,000.

A. In Jan 55 govt claimed holdings of \$371,000,000 in gold and about \$120,000,000 in dollars and sterling. latter represents minimum necessary to finance essential trade with US and UK.

B. Sterling credits expected to be drawn down by end of year. Net trade deficits expected on various bilateral trade agreement accounts--except with Soviet

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

C. Argentina obligated to pay this year

about \$28,700,000 in dollars and \$31,100,000 in other currencies to service various overseas debts, including payments on Export-Import Bank credit of 1950.

D. Prospects for immediate future uncertain in view of unfavorable trend in terms of trade for grain and declining grain markets.

1. Marketing difficulties led Argentina to turn to Soviet Bloc as important outlet for agricultural surplus.
2. Payments deficit by end of 1955 may severe enough to force politically unpalatable policy of sharp economic retrenchment.

IV. Provisional government's approach to these problems was to order analysis of economic and financial position. It has commenced steps along lines recommended.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

- A. Peso devalued on 27 Oct to 18 pesos to dollar (had varied from 5 to 14 pesos).
- B. State trading institute abolished, and govt. stressing encouragement of private initiative.
- B. Farmers benefitted by these steps and by higher domestic prices fixed by govt.
- D. Officials stressing need for foreign investment, even mentioning desirability of private and public capital in expanding oil production.

25X1

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

V. Strong Argentine interest in US aid suggestion by:

- A. Special economic counselor for embassy in Washington.
- B. Argentine officials have indicated they would like to discuss economic problems informally with US Embassy.
- C. "Informed sources" in Buenos Aires report Argentina wants \$100,000,000 credit to shore up foreign exchange position.
- D. Officials believed interested in receiving Eximbank loan of \$60,000,000 for steel plant--signature delayed pending review by new govt.
- E. US Ambassador believes US economic help needed if Argentina to recover from present upheaval within reasonable time.

F. In sum Gov't economic program will be tailored -7- to the US aid available

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

NSC BRIEFING [redacted] 15 NOVEMBER 1955
Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

NOTES ON OUTER MONGOLIA

25X1

I. Political: [redacted]

Population: 850,000 - 1,000,000.

Area: 650,000 sq. miles.

Government completely controlled by USSR
personnel in all offices.

Mongolian Peoples Republic established
(10 June 1921)

18 Aimaks (provinces) - Subdivided into
Somons (pastoral
communities).

Great Peoples Hural - Principal repre-
sentative body.

Little Peoples Hural - Elected by Great
Hural - member/
10,000 people

Presidium of Little Hural- Highest organ of
state authority.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

II. Economic:

90% of population gains livelihood from animal husbandry which is principal asset to USSR. Economy controlled by USSR through joint-stock enterprises operated by Soviet nationals; First country in which joint stock companies operated (1929). As of 1 Jan 1955, companies still there and only ones left in bloc.

Almost all foreign trade with USSR - only insignificant exchange with China. Principal exports: wool, pelts, livestock, meat, butter, animal products.

1955 Budget:

Currency:

US \$126,750,000

Tugrik, equals US.25

Industry: Petroleum- Sayn Shanda and Choi Balsan (reserves potentially ten times that of China's largest field, Yumen)

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

Transport: Trans-Mongol Railroad - 2,700,000 tons each way per annum - doubles China's rail connection capacity with Bloc; 750 miles shorter than Manchurian route. Opens up Sayn Shanda which is now in commercial production.

III. Sociological:

Apalling standards of hygiene results in lowest recorded life expectancy in world - 20 years, comparable to worst 19th-century Indian conditions. Epidemics wispread. Enormous problem of venereal disease resulting in tendency for population to decline. Path^{ological} hatred of Chinese - continuing conflict with Chinese in the Chinese Communist "Inner-Mongolian Autonomous Region". Primarily due to past role of Chinese as users and political administrators. Dislike communism for repression of buddhist-

shamanistic way of life which still
Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

causing government to emphasize need for anti-religion campaign during past year. Opposition to communists resulted in disaster to economy during 1930's when millions of cattle were privately slaughtered as protest to collectivization.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

25X1

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

Next 1 Page(s) In Document Exempt

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

NSC BRIEFING [redacted] 14 NOVEMBER 1955
Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

COMMUNIST CAMPAIGN AGAINST UNDERDEVELOPED AREAS

I. Communists have launched major economic effort in support of their political objective to intervene openly in world affairs.

A. Most dramatic move is swift shift of attention to Middle East and the sale of arms.

1. Even as Moscow was smiling at West last spring, it was making arms offers to the Arabs.

25X1

[redacted]

B. A coordinated Bloc effort has also been launched against the belt of needy nations stretching across southern Asia--an area with more than 700 million people, about 30 percent of the world's population.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

1. The major target is India, which is being offered the lion's share of Communist largess.

2. The most immediate objective may be Afghanistan, which, because of its troubles with Pakistan, is in the throes of a basic policy re-appraisal.

C. Communists enjoying success in other areas which have resisted them before.

1. 1954 Latin American trade with bloc increased by 400 percent over 1953. Bloc pressing to expand this trade.

25X1

India
II. Proposed Bhilai steel mill for India with one million ton capacity is most ambitious

Bloc project in free world to date.

A. This deal seems virtually certain.

1. Both sides have large propaganda stake.
2. Both sides using top personnel and plans.

C. Moscow is to submit detailed plans to New Delhi for approval next month.

1. Krishnamachari, Indian minister of commerce and industry, says Soviet steel plant will be built.

D. On 10 November, high-level Czech delegation in India offered to build a separate steel works.

III. The Bloc is already actively engaged in other projects in India.

A. USSR is building diamond mining plant for Panna Diamond Syndicate.

USSR short

Mon

- B. Substantial and genuine Soviet offers began in spring 1954.
1. USSR offered to supply a cement plant, help build a soda ash plant and a coal-washing plant.
 2. In May 1955, Moscow agreed to give technical aid, including tools and materials, for Tranvancore-Cochin tunnel (railway or hydro-electric).
 3. In July, the USSR offered to supply generators for Bahkra-Nangal hydro-electric project.
 - a. Cost estimated between \$16 and

25X1

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

to gain economic foothold in India.

A. On 6 November, Czech delegation headed by Foreign trade minister Dvorak arrived in India with proposals for India's second five-year plan. (Begins 1 April 1956).

1. Dvorak said Prague considered capital investment tantamount to economic interference. He suggested Czechs would rather offer aid and equipment and retain no hold over parts of Indian economy.
2. Czechs have given Nehru a twin-engined sports plan (Aero 45).

25X1

B. Hungary is building copper wire plant at Patiala with a capacity of 170,000 pounds.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

2. Budapest ~~may~~ also ~~be~~ offering to build a cement plant, caustic soda plant, and soda ash plant.
3. All these above activities are in addition to regular trade pact.

1. In response Indian request, USSR sent team of high-level economists and mathematicians, including one former GOSPLAN member, to Indian Statistical Institute in November 1954.
2. Poland sent Oscar Lange, a top economic planner *to the Institute*
3. (US sent one junior statistician.)

4. Latest Soviet offers include the arrival, expected soon, of 7 experts to advise on exploration and development of Indian oil industry.

- a. USSR has offered technical aid and equipment in mineral development program.
- b. Has offered to build plant to make oil-prospecting equipment.

D. (In context foregoing, any change in Congress-approved loan of \$50 million ~~would evoke sharp reaction.~~)

Afghan
V. Scene now being set for even closer Soviet-Afghan ties. Growing economic links with Bloc and Prime Minister Daud's anti-Pakistan policy make Afghanistan most immediately susceptible to Soviet blandishments.

A. During 1954 Czechs extended \$5 million credit and USSR \$6.2 million credit.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

I. Under Czech credit, cement plant

is being built.

a. Following are being negotiated:

cannery, glass factory, and
briquette plant.

b. Czechs have reportedly given
another credit of \$10 million;
may offer a further \$5 million.

B. Under Soviet credit, gasoline and grain
storage facilities, flour mill and
bakery, and road building projects all
completed.

1. Gasoline pipeline from Soviet
border still under discussion.

C. Czech interest rate 3 percent. Soviet
rate unknown.

1. (US Export-Import Bank loans for
Helmand Valley project at $3\frac{1}{2}$ and
 $4\frac{1}{2}$ percent.)

*Discussion
Kandahar*

D. 127 Soviet technicians reported in
Afghanistan in August.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

1. Reports persist of more Soviet

offers.

- a. These include hospital, university teachers and equipment, and water systems.

25X6

USSR has offered

take over this large irrigation and power project, finish construction, and pay off US loan.

1. Morrison-Knudsen (US contractor) has been asked bring all equipment in through USSR.
2. This may be beginning harassing campaign and American companies and personnel.
3. However, since Afghans themselves deeply committed in Helmand Valley project, they may not turn it over to anyone.

25X1

25X1

1. Improvement of roads leading to USSR being rushed.
2. Oxus river entry port being developed.
3. West German-Afghan trade passing. both ways transiting USSR.
 - a. Cost same or less than old route through Pakistan.

4. Afghans have asked International Harvester to send trucks through USSR.

5. Bloc arms--probably under \$3 million cash deal with Czechs--reportedly being delivered.

G. Major policy decision now pending in Afghan government.

1. Grand Assembly of Tribes (Loe Jirga)--first since 1941--meeting to endorse Daud's Pushtoonistan policy.
2. King Zahir Shah's recent letters to President Eisenhower, Turkish president, and Queen Elizabeth point up effort to elicit Western intentions.
3. Even formal approval Daud's policy entails need more military strength and less dependence on Pakistan trade routes.

Pakistani than other Afghan elements,
but he is in control.

1. Moslem pressures against ties with USSR vitiated by Arab deals with Bloc.
2. Bulganin-Khrushchev stop-over end of November in Kabul now scheduled to be three-four day visit.

VI. Size and technique of Communist campaign suggest high-level coordination as well as skill and speed in countering Western influence.

A. Czechs evidently chosen--possibly at April meeting in Prague--to spearhead campaign in Arab world.

1. Immediate aims are to:
 - a. Nullify Western-sponsored mutual defense planning.

b. Encourage mergence of neutral-
ist bloc which would give Bloc,
as well as West, voice in area
affairs.

B. Penetration of India--and to lesser extent of Indonesia and Burma--appears to be Sino-Soviet-bloc-wide effort. Some competition at lower levels evidently ordered among Satellites.

1. Receptivity by underdeveloped nations has grown as a result of recent series of tours of bloc.
2. Experts as well as diplomats are impressed by "sincerity" of Bloc technicians to help with local development plans.
3. Major General Sokehy, Indian scientist recently returned from three-month tour of Czechoslovakia and USSR with plan to make India self-sufficient--with Soviet

25X1

[redacted]
a. He said: "It has taken the

advanced and developed
countries 300 years to reach
their present state under the
capitalist system. Russia,
through a different pattern of
society, has come up to their
level in 36 years. Under a
similar pattern, China is mak-
ing very rapid progress."

C. Soviet leader [redacted]

25X1

[redacted] it would not be long before

Soviet industry was strong enough to
contribute to development of Asian
nations.

1. Confirmed by Khrushchev [redacted]

25X1

[redacted] in July 1955.

2. Scope of effort forecast by Soviet
ambassador to Cairo in October 1955.

25X1

25X1

a. He said: "We will send economic missions, scientific missions, agricultural missions...and any other kind of mission you can imagine to help these countries."

D. Soviet offers are attractive because of their easy terms, because recipients can see no visible strings, and because other sources of aid seem to be drying up or less suited to local conditions.

1. Most Bloc offers are at nominal interest rates (2-2½ percent) with easy payments in local currencies or traditional exports.
2. Governments are not asked for political or military commitments.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

3. Countries burdened with ambitious development programs and unsalable surpluses see a ready market in the Bloc to get capital equipment and arms.

4. Western offers for labor-saving machinery in hard currencies are not as attractive to nations with great numbers of unemployed and little cash.

E. While underdeveloped nations save foreign exchange, the USSR builds up credits in soft currencies,

1. This war chest may be used as the Communists see fit within the country.

VII. Besides arms deals with Arabs and strong push against India and Afghanistan, Communist effort can be seen throughout Middle East, Asia, and Latin America.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

A. Egypt. USSR is known to have made

offers of goods and services on credit
to help with Aswan high dam.

25X1



2. Cairo press report of 17 October
names figure of \$300 million, which
is about what Egypt would need in
foreign exchange or goods.

25X1



25X1

2. More than 10 percent of Turkish
trade now with USSR--an increase of
85 percent in first half 1955 over



25X1

C. Iran. Budapest stated in May it would

be interested in building a bridge.

1. Czech press said in June Czechs had "established" sugar refinery in Iran. No other reports.

25X1

D. Syria. [redacted] Prague's plans for economic activity projected recently to 1960. Czechs want to build railroads, cardboard mill, textile plant, possibly dam on Euphrates river.

FBIS reports today Soviet Syrian trade agreement will be signed in next few days

1. In May Czechs ordered market survey of such projects as airports, Lattakia seaport, government buildings, gasoline storage tanks, oil refinery, railways, port installations.
2. Poland wants to aid in railroad building under new trade agreement.
3. Hungarians reportedly now building roads.

4. Bulgaria offered to supply water turbine and generator in August.

E. Lebanon. Czechs now negotiating to supply 7 factories--procelain, crystal, glass, sugar, and electrical materials.

- 1. Payments in kind over 7 years.
- 2. Hungary negotiating for cement factory.

Radio
 report
 (FBIS)
 That
 Polish
 trade
 delegation
 arrived
 in
 BEIRUT

F. Burma. Under three-year trade agreement with USSR signed July, Soviet technicians are to study industrial development in Burma. USSR offered machinery, rice mill equipment, textile factories, hydro-electric plants, and agricultural aid.

- 1. Bloc is committed this year to buy one-half Burmese export rice surplus. Only new market available to Burma.

2. Rumanian mission to visit Burma

this month. Rumanians have offered sympathetic consideration any Burmese request petroleum and mining exports.

3. Burmese purchasing mission touring USSR.

4. Peiping has offered large loan and/or aid.

a. Chinese Communists to offer Burmese agricultural training in China.

b. Peiping has offered textile mill equipment. Chinese technicians now in Burma on survey.

G. Indonesia. East Germans have contracted to build sugar mill. Estimated cost between \$3.5 and \$4.5 million.

1. Payment in kind over six years.

2. 60 German technicians on the job.
 3. Rumanians to build cement plant, drill for oil and exploit minerals.
 4. Czechs to build radio factory, pharmaceutical plant, agricultural machinery factory, and establish food research lab in Djakarta. Czechs to give technical aid and equip canvas plant.
 5. Hungary to build hydro-electric and diesel plants.
 6. Rumanians and East Germans now drilling for oil at Atjeh. *[Sumatra]*
- H. Latin America. Bloc meeting considerable success expanding both diplomatic and commercial relations.
1. Latin American trade with bloc in 1954 increased by 400 percent over 1953.
 2. Hungary seeking to open network commercial agencies.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

3. Poland wants to expand trade with Brazil to \$25 million each way.
 4. Poland reported making favorable offers to Ecuador.
 5. Soviet export drive aimed at Argentina to reduce Moscow's large deficit.
- I. Czech Technical Directorate representatives have been touring Near East and Southeast Asia. This organization handles exports military equipment.
1. This outfit behind Guatemalan deal and in Egyptian arms deal.
 2. To date, arms merchants have visited India, Iraq, Burma, Egypt, and Afghanistan.
- VIII. Since 1946 to date the USSR has extended almost \$1.7 billion in economic (non-military) credits to other Sino-Soviet bloc countries.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

- A. European satellites have received about \$1.3 billion.
- B. Communist China has received about \$430 million.
- C. Interest rate averages about 2 percent, ranging from 1 percent in case of China to 3 percent in the case of Rumania.
- D. USSR is still owed about \$600 million on these credits which could be paid in full by 1965.
- E. These credits are in addition to Soviet gift of \$100 million and Chinese gift of \$340 million to North Korea.
- F. None of the above includes further military and economic aid from USSR to Communist China estimated at between \$500 million and \$1 billion.

BRITAIN AND CYPRUS

I. British expect resume talks with Archbishop Makarios soon, but they are still not able to offer major concessions.

A. Governor Harding continuing anti-terrorist measures. Plans shortly make some announcement about economic development.

B. British want ad hoc arrangement to quiet nationalists without breaking down British control.

1. Foreign Office says "dominion status" out of the question, not being considered.

a. Cyprus unready for Commonwealth membership.

b. Commonwealth members would object.

c. Neither Greeks or Cypriots would take it as permanent

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

II. Britain still standing on its last offer

of steps toward internal self-government and indefinite postponement of self-determination.

A. British see little room to maneuver.

They cite belligerent Turkish attitude.

B. London sceptical view that prospects some agreement have improved.

1. British believe Makarios will insist on time limit.

2. Greeks have become a little easier on Cyprus issue.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

NSC BRIEFING [redacted] 15 NOVEMBER 1955
Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

[redacted]

25X1

I.

[redacted] the

USSR had 235,000 agricultural experts, both men and women with five years of agricultural college.

A. They are swarming over Soviet Union, not completely occupied.

25X1

B. [redacted] they may be standby reserve for Soviet Point Four program in Asia.

C. USSR is swarming with construction workers, many of them soldiers in uniform.

1. A means of reducing armed forces could be to transfer soldiers to civilian contracts.

25X1

II.

[redacted] Trans-Siberian railroad at Petropavlovsk was crowded with Chinese.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

[redacted]

25X1

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

A. Crowd at Bolshoi theater was 75 per-

cent Chinese.

B. (In this connection, for period 1953-1957, almost 11,000 Chinese students are to study abroad, mostly in USSR.)

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

JAPANESE CONSERVATIVE MERGER

I. Merger [redacted]
(Japan Democratic and Liberal) ^{took place} ~~set for~~
^{today} ~~15 November.~~

- A. 10 November compromise providing for collective leadership paved way.
1. Liberal president Ogata has accepted formula leaving Hatoyama as prime minister.
 2. Election new party chief put off until next spring.
 3. In meantime, committee of Hatoyama, Ogata, and maybe two others will run new party.
- B. Yoshida's faction will go along, but Yoshida, himself, is holding out.

II. Hatoyama has decided on following program:

A. Cabinet resignation 21 November.

Special Diet session tentatively set

for 22 November.

25X6

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

B. Re-election Hatoyama as premier for
22 November.

C. Formation his third cabinet.

III. New cabinet expected retain Shigemitsu as
foreign minister to stress friendship for US,
firmness towards USSR.

A. New party expected take tougher Liberal
Party line on negotiations with USSR and
reparations issue with Philippines.

IV. Merger will give government working majority
in parliament.

A. Lower house of 467 requires 234 for
majority.

1. New party will have close to 300
seats.

B. Brawling over party head expected to
continue within new party.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

NSC BRIEFING

15 NOVEMBER 1955

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

NICARAGUA



25X1

- A. Gen. Anastasio ("Tacho") Somoza,
dictator since 1934.
- B. Plans to be "re-elected" next November.
 - 1. General citizenry apathetic and
intimidated.
 - 2. Opposition Conservative Party
frightened and divided.
 - 3. Exiles desperate and have been
plotting for years.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

25X1

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

a. Scattered throughout Central
America.

b. Last attempt to kill Somoza in
April 1954 almost succeeded.

III. Somoza's National Guard is crucial factor.

A. 3,500 well-trained men.

1. Somoza's chief prop

2. Directly controlled by Somoza.

25X1

C. Somoza takes elaborate precautions
against assassination.

IV. New outbreak might again endanger peace in
Central America.

A. Five Central American countries tradi-
tionally involved in each other's
affairs.

Approved For Release 2005/02/17 : CIA-RDP80R01443R000400190002-7

25X1

25X1

B. Somoza would blame unsuccessful attempt
on Costa Rica.

1. Costa Rican president Figueres and
Somoza enemies since 1948.
2. Somoza tried to oust Figueres in
January 1955 "revolt."
3. Somoza convinced that Figueres is
out to get him.

25X1