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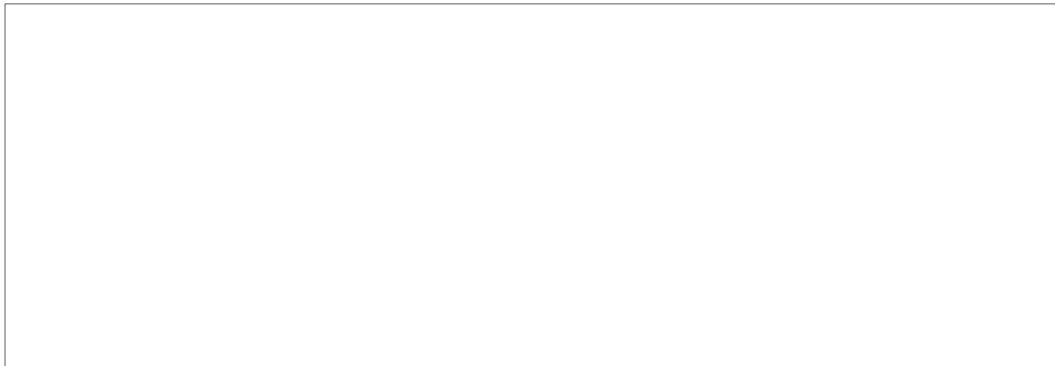
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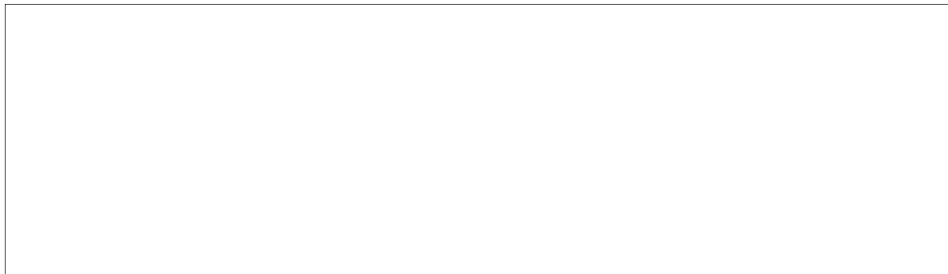


Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY



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CONTENTS

1. CHANGES IN ARGENTINE GOVERNMENT LEADERSHIP RUMORED (page 3).

2. RUMORED REPLACEMENT OF BRAZILIAN WAR MINISTER (page 4).

3. FRENCH OFFICIAL SUGGESTS NEED FOR TALKS WITH WASHINGTON AND LONDON ON MOROCCO (page 5).

4. TITO STATES VIEWS ON SINO-SOVIET BLOC (page 6).

5. SOVIET BLOC ARMS REPORTED ARRIVING IN AFGHANISTAN (page 7).

6. VIET MINH PROPAGANDA POINTS TO CLOSER TIES WITH USSR (page 8).

7. COMMENT ON PHILIPPINE ELECTION (page 9).

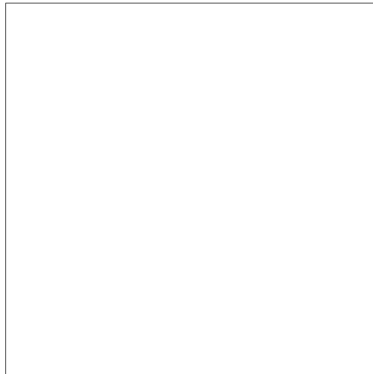
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THE ARAB-ISRAELI SITUATION
(page 10)

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1. CHANGES IN ARGENTINE GOVERNMENT LEADERSHIP RUMORED



Replacement of Argentine provisional president Lonardi by a "stronger" government is persistently rumored. Names most frequently mentioned as possible successors, either singly or as a junta, are Rear Admiral Isaac Rojas, who is the vice president, Minister of the Army Gen. Leon Bengoa, and Gen. Felix Videla

Balaguer, who is in charge of Cordoba Province. All three were key figures in the ousting of Peron, and all are considered friendly to the United States.

The announced resignation of General Bengoa late on 9 November may be the forerunner of additional cabinet changes in the next few days. There are press reports that the foreign minister, the education minister, and possibly others, may also be replaced.

These rumors probably reflect the tension and severe strain on unity arising from the attempt of a predominantly military regime to make a thoroughgoing reorganization of the administration. Lacking organized political support, the Lonardi cabinet has had to formulate policy out of diverse opinions and ambitions. Although denying Uruguayan radio reports of Lonardi's resignation, the government has admitted that he and top military officials are holding a series of meetings which are said to stress the need for greater cohesion within the regime.

Controversy over the need for a stronger executive is reported to include concern over profiteering from the recent revision in exchange rates and the renewed activity of Peronista groups. The arrest of 300 militant Peronistas on 8 November and a government communiqué ordering civilians to turn in all arms suggest new uneasiness within the regime.

Further uncertainty over the chief executive stems from Lonardi's ill-health. His son has stated that he has high blood pressure and stomach ulcers.

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2. RUMORED REPLACEMENT OF BRAZILIAN WAR MINISTER

[REDACTED]

Brazilian war minister Lott may soon be replaced by General Tasso de Oliveira Tinoco, according to rumors reported by the American army attaché in Rio de Janeiro.

The attaché commented that Lott's removal could "tip the scales" in favor of a military coup to annul the recent presidential election.

Comment

General Lott, a lifelong foe of military involvement in politics, has been one of the principal stumbling blocks to those military elements favoring a coup.

[REDACTED]

Although President Café Filho, who took indefinite leave of absence on 8 November, opposed a military coup, the attitude of acting president Carlos Luz toward such action is not known. The American embassy commented on 9 November that Luz favors President-elect Kubitschek's opponents, but there is no indication that he is actively associated with the pro-coup faction.

~~TOP SECRET~~

3. FRENCH OFFICIAL SUGGESTS NEED FOR TALKS WITH WASHINGTON AND LONDON ON MOROCCO



On 8 November a high French Foreign Ministry official raised with American representatives in Paris "on a personal basis" the possibility of French-American or tripartite talks, including Great Britain, on Morocco.

The official envisages talks at the expert level on Morocco's international status if the 1912 French-Moroccan protectorate treaty of Fez and the 1906 Act of Algeciras, to which Russia is a party, are revised. He feared the possibility of "Soviet meddling" and anticipated difficulty in obtaining Spanish agreement to a change in Morocco's status. Like most Frenchmen, the official is convinced that Spanish policy is aimed at maintaining the status quo in Morocco, even to the point of sabotaging French-Moroccan negotiations.

Comment

Once a Moroccan government is formed under the recently restored sultan, Ben Youssef, French-Moroccan negotiations on internal autonomy are expected. Moroccan nationalists have demanded that the treaty basis of the protectorate be changed, a development which Paris is reluctantly coming to accept as necessary.

Madrid has repeatedly stated it would oppose any change in the status of Morocco without Spanish consent and has advocated an international conference. Spain, however, is not a party to the treaty of Fez, and Paris probably hopes to gain American and British support for changes in that treaty to undercut any Spanish claim to be consulted.

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4. TITO STATES VIEWS ON SINO-SOVIET BLOC



President Tito told Secretary Dulles on 6 November that he saw a gain in influence by those Soviet leaders who recognize the need for new policies

to extricate the USSR from the "blind alley" into which it was led by Stalin's policy. In this group he placed Bulganin, Khrushchev, and Mikoyan. He thought, however, that even these leaders would follow the harsh Stalinist line to some extent until they grew stronger. He believed that Stalinism was still strong among a vast number of functionaries, particularly in the MVD.

In Tito's view the Satellites are also abandoning Stalinist policies. Although the masses more than the leaders have recognized the need to do this, it was his belief that new Satellite leaders would eventually emerge as a result of popular pressures and the example of Yugoslavia.

Tito insisted that Communist China was not a satellite of the USSR and that the USSR was not pushing China as its spearhead for penetration of Asia. At this point Vice President Kardelj pointed out that according to Stalin's own words, China had been successful in its revolution against Stalin's wishes.

Tito said, however, that the USSR had exercised great influence over the Chinese Communists, and that it still occasionally acted to restrain the youthful and revolutionary fervor which sometimes caused Peiping to "run a bit wild." Tito advocated wider political and economic contacts for China, including admission to the UN.

Comment

Yugoslav leaders have held such views on a post-Stalin "liberalization" in the Soviet bloc for at least the past year, and on the independence of Communist China for an even longer period.

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5. SOVIET BLOC ARMS [REDACTED] ARRIVING IN
AFGHANISTAN

[REDACTED] One hundred twenty Afghan trucks left Kabul about 25 October to pick up arms at Kelif on the Afghan-Soviet border, [REDACTED]

[REDACTED] in the transport division of the Afghan Defense Ministry. Forty more trucks reportedly left Kabul about 1 November for the same purpose, and another 40 were to leave a few days later. [REDACTED]

Comment

These are probably Czech arms acquired under a \$3,000,000 cash deal negotiated last August. They presumably consist primarily of light weapons and ammunition to remedy shortages revealed during mobilization of the Afghan army in May of this year. This would be the first substantial quantity of arms received by Afghanistan since British shipments early in World War II.

Prime Minister Daud may attempt to use the arrival of the arms in Kabul about the time of the Grand Tribal Assembly on 14 November to demonstrate the success of his policy of closer relations with the Soviet bloc.

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6. VIET MINH PROPAGANDA POINTS TO CLOSER TIES WITH USSR

[REDACTED]

The American embassy in Saigon sees in recent Viet Minh propaganda stressing ties with the USSR a possible development of a closer relationship between the Viet Minh and the USSR at the expense of pro-Chinese Communist elements among the Viet Minh. In this connection, the embassy also cites the abrupt transfer from Peiping to Pyongyang of Viet Minh ambassador Hoang Van Hoan.

The embassy believes that the new propaganda may foreshadow a move by the USSR to press the Viet Minh cause more actively in the international arena.

Comment

Recent propaganda broadcasts from Hanoi have omitted Mao Tse-tung's name from the list of those who provided doctrinal guidance for the Viet Minh, but have included Marx, Engels, Lenin and Stalin.

Hoang Van Hoan, who was transferred and apparently demoted on 22 October after nearly five years in Peiping, was a member of a Vietnamese revolutionary group in China as early as 1930 and may have been a member of the Chinese Communist Party.

Vietnamese are traditionally hostile to Chinese. On the other hand, available information indicates Peiping's aid program to the Viet Minh is over three times the size of Moscow's, and there are many Chinese advisers in North Vietnam.

[REDACTED]

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7. COMMENT ON PHILIPPINE ELECTION

Manila
9 Nov 55
Press

Incomplete returns from the 8 November balloting indicate a general victory for President Magsaysay, with the Nacionalista candidates apparently capturing six of the nine Senate seats and most of the 52 provincial governorships. The election will probably not result in any significant change in the Philippine political picture.

Senator Recto, the chief critic of the president's pro-American policies, will undoubtedly cite his re-election in the face of Magsaysay's opposition as proof of popular support of his policies; unless the final count shows him at or near the top of the list of successful senatorial candidates, however, his influence is unlikely to be a serious threat to the president's leadership.

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THE ARAB-ISRAELI SITUATION
(Information as of 1700. 9 November)

Diplomatic activity centering on the new efforts of UN truce chief General Burns to achieve a settlement of the dispute over the El Auja demilitarized zone has taken precedence over military activity along the Arab-Israeli borders. However, aftereffects of the clash near Eilat on 8 November are apparent [redacted] to the South Sinai command, [redacted] that "the enemy is expected to carry out. . . operations as a result of last night's clash." An Israeli Foreign Ministry spokesman indicated Tel Aviv intends to renew its diplomatic campaign against the Egyptian blockade of Eilat and reiterated the threat that if diplomacy fails Israel may resort to direct action. [redacted]

Israeli prime minister Ben-Gurion is also reported to have talked in bellicose tones to General Burns, speaking of "saboteurs and murderers" and insisting that Israel's aim is "peace--not suicide." (Press)

[redacted] an Israeli effort to regularize the temporary restrictions that have been imposed in some areas in the past on the free movement of UN truce observers. The Israelis claim to be particularly anxious that their troop movements and positions near El Auja not be given away by the UN teams.

[redacted]

A French Foreign Ministry official has informed the American embassy in Paris that France considers urgent the delivery to Israel of Mystere jet fighters. The planes have not yet left France, however, since they are not yet in "deliverable" condition. The American air attaché in Paris has learned that the planes are still in French air force units, and that the total the Israelis have ordered from the French may be as high as 27 Mysteres and 12 Ouragans.

[redacted]

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Israel meanwhile has outlined its general conception of the arms it should obtain from the United States. These arms would include fighters and anti-aircraft guns, anti-tank materiel and some types of weapons for defense against submarines. Israel has also made known that it would have no objection if the United States balanced off a security guarantee for it with American adherence to the Baghdad pact. At the same time the Israelis have reiterated that they will make no territorial concessions to reach a settlement with the Arabs.

[redacted] the weapons Egypt has received from the Soviet bloc do not conform with those requested by the Egyptian army, being a mixture of old and new. [redacted] a suspicion of Soviet good faith has been aroused. In the light of the high hopes the Egyptian army has probably placed in the new weapons, a certain amount of disillusionment is probably inevitable. There is no indication that such feeling, if it exists, has had any effect on Egypt's negotiations with the Soviet bloc authorities.

[redacted] five MIG's have been lost in flight operations in Egypt.

Plans for the establishment of joint Egyptian-Syrian planning appear to be moving forward. A meeting of the "supreme defense council" set up under Syria's new pact with Egypt met in Cairo on 8 November and gave the command to Egyptian minister of war Amir. Reports last summer suggested that Syrian chief of staff Shuqayr might be given this job as the price of his support of the project. Shuqayr's absence from the scene suggests that his influence may be declining. (Press)

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