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31 January 1956



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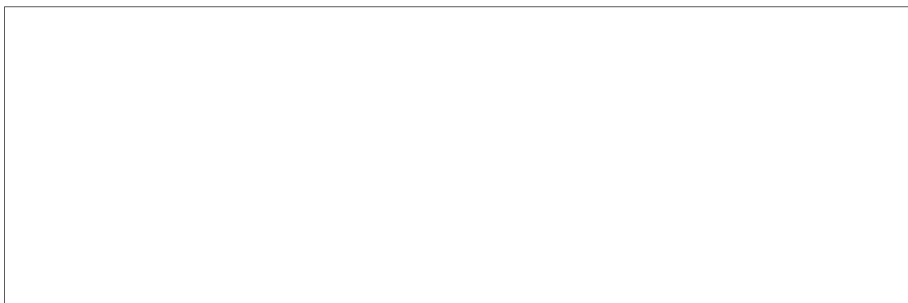
# CURRENT INTELLIGENCE BULLETIN

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## OFFICE OF CURRENT INTELLIGENCE CENTRAL INTELLIGENCE AGENCY



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# 1. PARAGUAYAN EXILES IN ARGENTINA MAY BE PREPARING REVOLT

[redacted] A large number of Paraguayan Liberal Party exiles are [redacted] preparing an armed action against President Stroessner to be initiated from Argentine border areas between 15 February and 15 March [redacted]

[redacted] Paraguayan army officers are in contact [redacted] and arms are already stored in the Paraguayan border town of Encarnacion.

[redacted] Argentina has supplied arms and radios and is willing to provide airplanes for a revolt.

**Comment** This plot appears to be quite separate from that faced by Stroessner in December from within his own Colorado Party, but may be exploited by Colorado elements dissatisfied with his handling of the December crisis.

Paraguay's diplomatic and vital trade relations with the provisional Argentine government continue strained, despite the ouster in December of various Paraguayan officials considered friendly to Peron. Argentina is probably providing [redacted] aid to the exiles.

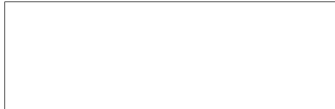
Stroessner [redacted] [redacted] did not expect an armed invasion from Argentine soil despite his "positive information" that Argentina was working for his overthrow.

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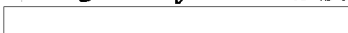
## 2. CHINESE COMMUNIST PREMIER ASKS US TO JOIN COLLECTIVE PEACE PACT

### Comment on:



In voicing support of Bulganin's letter to President Eisenhower, Chinese Communist premier Chou En-lai has called for a Far Eastern conference of Asian countries "to settle" the Korean question, for the reconvening of the Geneva conference on Indochina "to ensure" implementation of the agreements on Vietnam, and for a "collective peace pact" of all Pacific powers, including the United States, to replace "antagonistic military blocs."

Following so closely Bulganin's proposal for a friendship pact with the US, Chou En-lai's appeal is apparently designed to establish a propaganda initiative.

Chou's statement contained no such veiled threat as Peiping's declaration of 24 January that the US "must bear the consequences" if it persists in "dragging out" the ambassadorial talks at Geneva. He declared, however, that the Chinese people had a patriotic duty to prepare for Taiwan's "liberation by means of war if necessary," although they should strive to take it by "peaceful means." 

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### 3. IRANIAN PARLIAMENT SEEKING US AND BRITISH BORDER GUARANTEE



Informal delegations from the Iranian Majlis and Senate have asked Foreign Minister Ardalán to obtain guarantees of Iran's borders from the United States

and Britain,

Ardalan said there is "mounting grumbling" in both houses of parliament because Iran has not received anything concrete from joining the Baghdad pact and because the United States has not adhered.

#### Comment

Iranians generally recognize that Iran's adherence to the pact was the personal decision of the Shah. Those who favored adherence did so on the grounds that it would bring greater economic and military aid from the West and assure the security of Iran's borders. The feeling is also widespread that the pact is ineffective without active American participation.

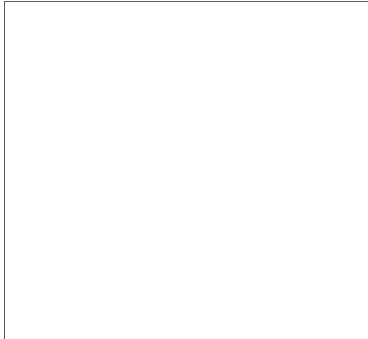
Ardalan instructed the Iranian ambassador in Washington on 24 January to "try by any means possible" to obtain an American statement that "an attack on Iranian soil would be considered the same thing as an attack on American soil; or some similar statement."

Ardalan and the Shah recently displayed agitation over the possible effect on public opinion of a Soviet offer to participate in a four-power guarantee of Iran's neutrality if Iran would leave the Baghdad pact.

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#### 4. PAKISTANI GOVERNMENT FACES STRONG OPPOSITION ON CONSTITUTIONAL ISSUES

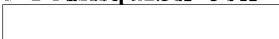
Comment on:



Pakistan's coalition government composed of the Moslem League and the United Front might fall as a result of the reported reunion of the United Front with the opposition Awami League on the issue of increased power for East Pakistan under the new constitution.

The Awami League has been leading the drive against the proposed constitution. The United Front, fearful of losing support in East Pakistan, where the terms of the proposed constitution are unpopular, may now be prepared to join in a common effort against the present draft.

Both parties working together could probably force the Moslem League either to leave the government or to rule by decree.

The Awami League and the front are unlikely, however, to force the issue except as a last resort. They realize that the Moslem League, backed by the civil and military services, would be reluctant to relinquish control to a coalition based on East Pakistan. 

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**5. USSR REPORTEDLY HAS OFFERED LIBYA UNLIMITED  
FREE ARMS**

[REDACTED] The Libyan Council of Ministers has been informed that the USSR has offered economic aid including "unlimited free arms," and between 40, 000 to 50, 000 tons of wheat now ready for shipment, all without strings, according to Minister of Finance Ali Sahli. [REDACTED]

[REDACTED] the Council of Ministers will reject the American wheat offer because it is inadequate and "the United States attaches conditions to the gift." Sahli also declared that the Soviet ambassador had offered him a trip to Moscow which he has not flatly declined.

**Comment**

The USSR has made it a practice, in its dealings with other Arab states, to furnish arms at reasonable prices with long-term credit. [REDACTED]

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**THE ARAB-ISRAELI SITUATION**  
(Information as of 1700, 30 January)

No significant military activity has been reported.

Soviet Communist party secretary Khrushchev told the Swedish ambassador in Moscow on 26 January that although the Soviet government recently had information that Israel might start a preventive war, its latest reports indicated that this is no longer true. [redacted]

Syrian prime minister Ghazzi warned Ambassador Moose on 28 January that if Israel began work on a project to drain Lake Huleh, near the Syrian-Israeli border, it would be "the beginning of war." [redacted]

[redacted] Ghazzi appears to have confused Israel's Lake Huleh project, which has been in progress for some time, with the Banat Yacov project, on which Israel might resume work after 1 March. The warning presumably applies to the Banat Yacov project, as have previous Syrian statements on the water problem. [redacted]

[redacted]

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