

CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF

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1 OCTOBER 1965

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1. Indonesia

The power play against anti-Communist army leaders this morning has been followed by a countercoup attempt. The situation is thoroughly confused and the outcome is very much in doubt.

Sukarno's role if any in today's activities is still one of the major unanswered questions. Both sides claim that they are loyal to the President and both say they are protecting him.

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Six generals, including army commander Yani, were apparently kidnapped by the original plotters. At least two of these officers are said to have been killed and others, including Yani and Defense Minister Nasution, were wounded.

Major General Suharto led the countercoup a few hours later. He took over the Djakarta radio

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It is not clear how the Indonesian Communists will react. One report says that the party is preparing for a clash with the army in the next few days. The army may also seek to reduce Communist power while it has the chance.

Much depends on Sukarno's condition. If he is dead or seriously disabled, a bloody civil war could result. Another possibility is a renewed effort by the outer islands, particularly Sumatra, to break loose from Javanese domination.

2. South Vietnam

US military authorities have increased their estimate of total enemy strength in South Vietnam by 5,500.

This brings total estimated enemy main force strength in South Vietnam to 76,100.

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3. Dominican Republic

There may be trouble at the University of Santo Domingo tomorrow.

The university's governing body is scheduled to meet, and a fight for control of the school could result. A Communistbacked insurgent group still has possession of the campus and continues to make staff appointments.

Both sides claim to have Garcia Godoy's support. The President, however, will probably not take sides tomorrow but merely stand aside and accept the outcome.

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5. Brazil

Sunday's gubernatorial elections are likely to be very close in the two states where the results will have an important effect on future national political developments.

These two contests will affect the fortunes of two aspirants for the presidency in next year's elections. are also likely to influence the stratby which President Castello Branco hopes to assure the continuity of his democratic revolution. At Annex is a more detailed assessment of the situation.

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7. Egypt

Nasir has changed prime ministers and has shaken up the cabinet.

The new prime minister, former vice president Zakariya Muhieddin, is more of a moderate than his left-leaning predecessor, Ali Sabri. In addition, the cabinet now seems better equipped to cope with Egypt's mounting internal problems.

Nasir may have made these moves in hopes of improving his chances for US aid.

8. Greece

Stephanopoulos has no illusions about the weakness of his newly formed government.

The premier complained to the US chargé recently that he finds himself in the middle with Papandreou's 'gangsters" on one side and the "blackmailers"members of his government jockeying for position--on the other. Stephanopoulos also said that, unless his majority in parliament increases from two to about ten, he will not present himself before parliament when it reconvenes next month.

9. India-Pakistan

The Pakistanis are complaining of "heavy" Indian attacks in the Chhamb area _____ There is as yet no confirmation of the charge from UN observers, although the UN has reported scattered shooting elsewhere in Kashmir.

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the Pakistani general staff feels that a cease-fire no longer exists. The general staff sees a United Nations occupation of Kashmir as the alternative to renewed warfare.

In New Delhi, Prime Minister Shastri has also referred to the possibility of fighting breaking out again "because of the way Pakistan is behaving."

A Pakistani "friendship delegation" is in Peking to attend Communist China's anniversary celebrations today. The delegation, headed by Minister of Commerce Ghulan Faraque, who is also a defense adviser to Ayub, will very likely sound the Chinese out on prospects for help in rebuilding Pakistan's armed forces.

10. USSR

The Soviets announced today that the party's Twenty-Third Congress will take place in late March 1966. Brezhnev and Kosygin are scheduled to be the main speakers. This is the best indication to date that, despite numerous rumors to the contrary, neither is slated for early removal.

11. Congo

The political crisis may be coming to a head. Former security chief Nendaka has announced the formation of a new political alliance which will call for Tshombé's resignation. There is little doubt that President Kasavubu is behind these maneuvers, or that Tshombé will take his removal sitting down.

ANNEX

The 3 October Elections in Brazil

The first direct gubernatorial elections to be held since President Castello Branco assumed power after Goulart's ouster in April 1964 are to take place 3 October in half of Brazil's 22 states. The contests in the states of Guanabara (the city of Rio de Janeiro) and Minas Gerais are the only ones with important national political implications.

In Guanabara, outgoing Governor Carlos Lacerda's hand-picked man Flexa Ribeiro, is strongly challenged by Francisco Negrao de Lima, joint candidate of the two leading opposition forces. Negrao de Lima has also received the endorsement of the Brazilian Communist Party.

A victory for Ribeiro would boost Lacerda's overriding ambition to become Brazil's next president. The volatile Lacerda has bitterly opposed many of the government's policies and Castello Branco has deep misgivings over Lacerda's presidential aspirations. A victory by Negrao de Lima, on the other hand, would to some extent be a popular rejection of the revolution that brought Castello Branco to power.

The race in Minas Gerais is also important. Another outgoing governor, Magalhaes Pinto, is pinning his hopes for the presidency on the victory of his candidate in this election. The governor's candidate, his nephew Roberto Resende, is running a close race with Israel Pinheiro. The latter is associated with the political machine of ex-President Kubitschek and represents the free and easy style of politics which Brazil's present leaders are determined to eradicate.

Indications at the close of formal campaigning last night were that the races are so close in both Guanabara and Minas Gerais that no candidate may receive a majority. If this happens the contests will be thrown to the state legislatures for decision.

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Castello Branco will be under pressure from his hard-line colleagues in the military to find a way to prevent the installation of the Communist-supported Negrao de Lima if he should win in Guanabara. The President is expected, however, to abide by his earlier public statement that the winners will be permitted to take office.

The election outcome may well lead Castello Branco toward the formulation of a strategy aimed at assuring the continuation of his democratic and revolutionary policies beyond his own presidential term, which ends in March 1967. Determined to prevent national leadership from again falling into the hands of political extremists or corrupt politicians, he has been giving some thought to a constitutional change that would have the next president elected indirectly.

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