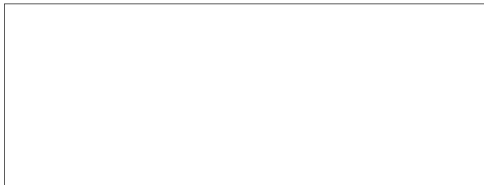


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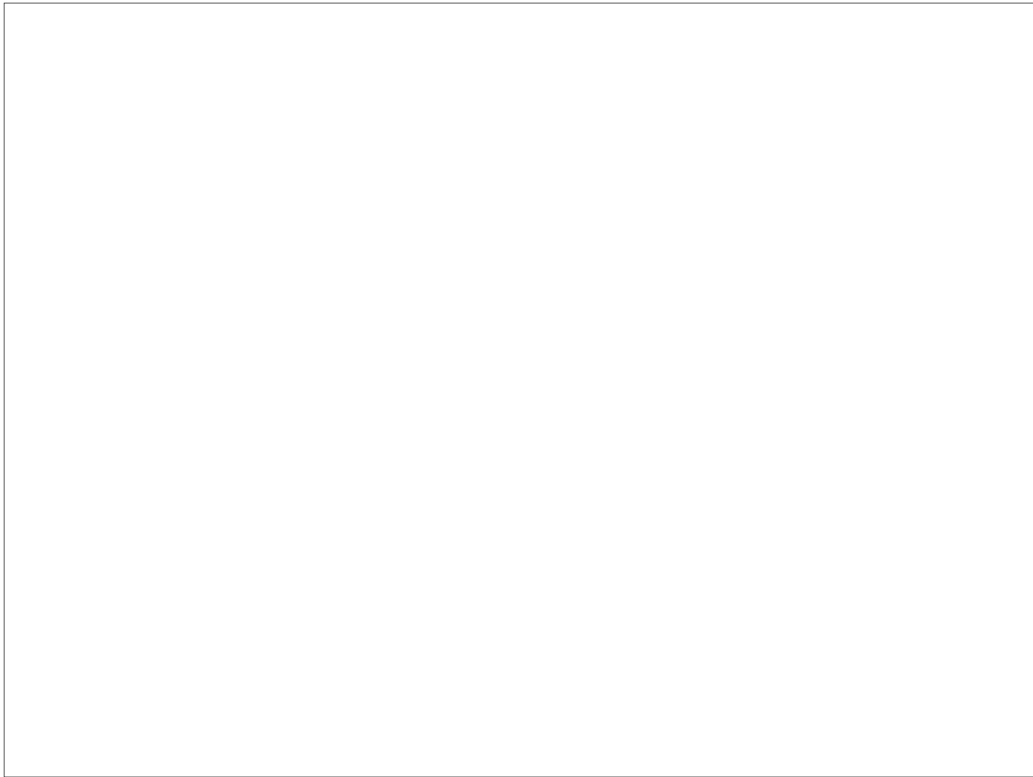
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**CURRENT  
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DOCUMENT NO.           
NO CHANGE IN CLASS.   
 DECLASSIFIED  
CLASS. CHANGED TO: TS           
NEXT REVIEW DATE: 2009  
AUTH: HR 70-2  
DATE: 12/20/09 REVIEWER:         

**OFFICE OF CURRENT INTELLIGENCE  
CENTRAL INTELLIGENCE AGENCY**



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## 1. NATIONAL ELECTIONS IN CEYLON

At the end of the final day of Ceylon's national elections, the final score on 95 elected seats to the lower house of parliament was: united front, 51; Trotskyite Nava Lanka Sama Samaja, 14; Tamil parties 13; United National Party, 8; independents, 6; and Communists, 3.

Prime Minister Kotelawala's resignation on 11 April paved the way for S. W. R. D. Bandaranaike, leader of the united front, to assume the premiership almost immediately. The loose united front coalition holds an absolute majority of one seat in the 101-man lower house and will presumably be strengthened by 6 more votes when Bandaranaike appoints 6 additional members as he is entitled to do. Thus, the front will continue to hold a majority even after the house has been raised to its full new strength of 105 (special elections are still to be held for four seats allocated to registered Ceylonese citizens of Indian and Pakistani descent).

Bandaranaike's own Sri Lanka Freedom Party, which holds 40 of the 51 united front seats, remains a minority and will have to depend on outside support to rule. Bandaranaike's control of parliament is probably assured except for the two-thirds majority required for amending the constitution. Under pressure from the Sinhalese-speaking Buddhist population which elevated him to power, Bandaranaike will probably soon have to seek a constitutional amendment making Sinhalese the sole national language. It seems unlikely that he can muster a two-thirds majority on this issue.

Considering his weakness on this point, Bandaranaike may move slowly until he has tested sentiment in parliament, and he may not immediately press for measures to nationalize foreign holdings and to oust British forces from the island.

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## 2. INDONESIA RECEPTIVE TO SOVIET OVERTURES

President Sukarno has officially accepted an invitation to visit the Soviet Union and may go there in August, according to an Indonesian broadcast of 11 April. Sukarno had told the American ambassador in Djakarta on 6 April that if he should visit Communist China and the Soviet Union, he would take with him the same group which will accompany him on his forthcoming visit to the United States. In addition he might take a representative of the Indonesian Communist Party. Indonesia has also accepted a Soviet invitation to send a parliamentary mission to Moscow. About 15 members of parliament are expected to visit the USSR in September.

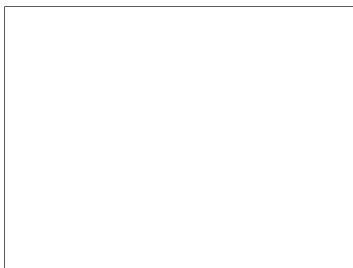
In line with its strict neutralism, the Indonesian government will probably accept an offer of economic aid announced by Soviet ambassador Zhukov on 10 April. Early this year Indonesia accepted \$97,000,000 worth of US agricultural commodities. Prime Minister Ali told parliament on 9 April that Indonesia was "ready to make use of the capacity and readiness of Communist countries."

The Soviet proposals apparently were timed to counter the effect of Sukarno's forthcoming visit to the United States.

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### 3. RAIL LINE FROM CANTON TO SWATOW REPORTED UNDER CONSTRUCTION

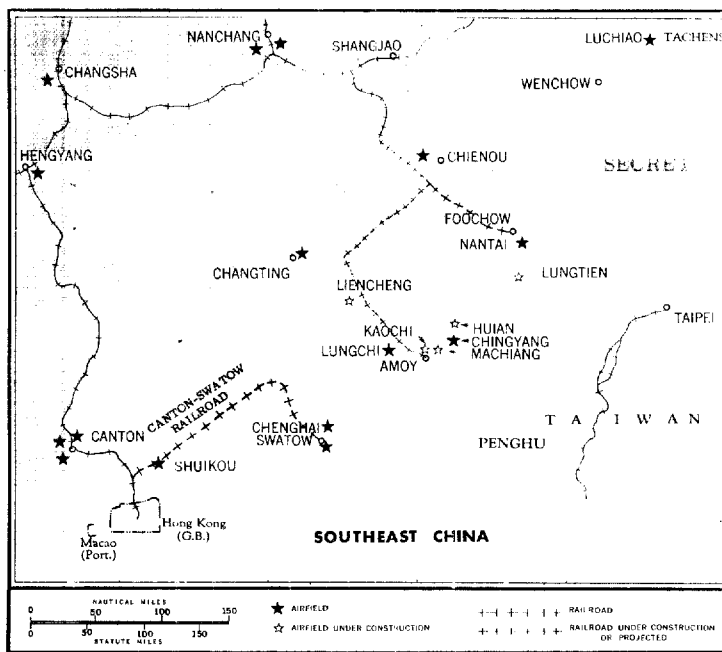


the Chinese Communists have begun building the long-projected strategic rail link between Canton and Swatow.

**Comment**

This rail line would serve the Shuikou and Swatow airfield complex across from the southern tip of Taiwan. All other new fields opposite Taiwan are located near the new lines now being built to Amoy and Foochow.

The completion of these railroads in the Fukien Strait area, probably within the next 12 months, will greatly increase the Chinese Communist capability to delivery military supplies to the three important invasion ports opposite Taiwan and the offshore islands-- Foochow, Amoy and Swatow. (Prepared jointly with ORR)



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#### 4. COMMUNIST BLOC PREPARES TO RECOGNIZE CAMBODIA

Following preparations for the exchange of diplomatic representatives between Cambodia and the Soviet Union, the American embassy has been informed by the Indian chargé, who has close Communist connections, that a decision has been reached in Moscow that all Communist countries except Communist China will recognize Cambodia. The first step in

in this direction is apparently the proposal, made on 11 April by the Polish truce commissioner in Phnom Penh, that Poland and Cambodia recognize each other and exchange consuls.

These overtures seem timed to take advantage of Prince Sihanouk's anti-American campaign, which has recently been intensified. The prince is charging that the United States is not only threatening to cut off aid to Cambodia because of its neutral foreign policy, but is behind Thai and South Vietnamese economic "pressures." He is also promoting demonstrations calling for closer relations with the Communist bloc if the West continues to treat Cambodia "unfairly."

Communist China is not pressing the matter of recognition, according to the Indian chargé, because Sihanouk is reluctant to open formal relations with Peiping at this time. The chargé stated, however, that he had heard that the Cambodian economic mission now in Peiping would negotiate a treaty of commerce and friendship with the Chinese and that Chou En-lai would probably visit Phnom Penh in June.

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### 5. LEADER OF LAOTIAN OPPOSITION SUSPECTED OF PLOTTING COUP

[ ] [ ] [ ]  
Laotian security forces have had under close surveillance a clandestine group formed in February by opposition member of parliament Bong Souvannouvong, who is said to be plotting to overthrow the government with Pathet Lao assistance, [ ]

[ ] Arrangements reportedly have been made by this group for weapons to be delivered from Thailand in mid-April, when a coup will be attempted in which government leaders will be arrested and Bong made premier. Some elements of the Bong group reportedly favor assassination of top government leaders.

The government believes it has the situation well in hand but is deferring arrests. [ ]

#### Comment

[ ]  
During his attempt to form a government last month, ex-premier Katay alerted the army and police to thwart any efforts by Bong or Pathet Lao agents to stir up disorders designed to advance his chances of becoming premier.

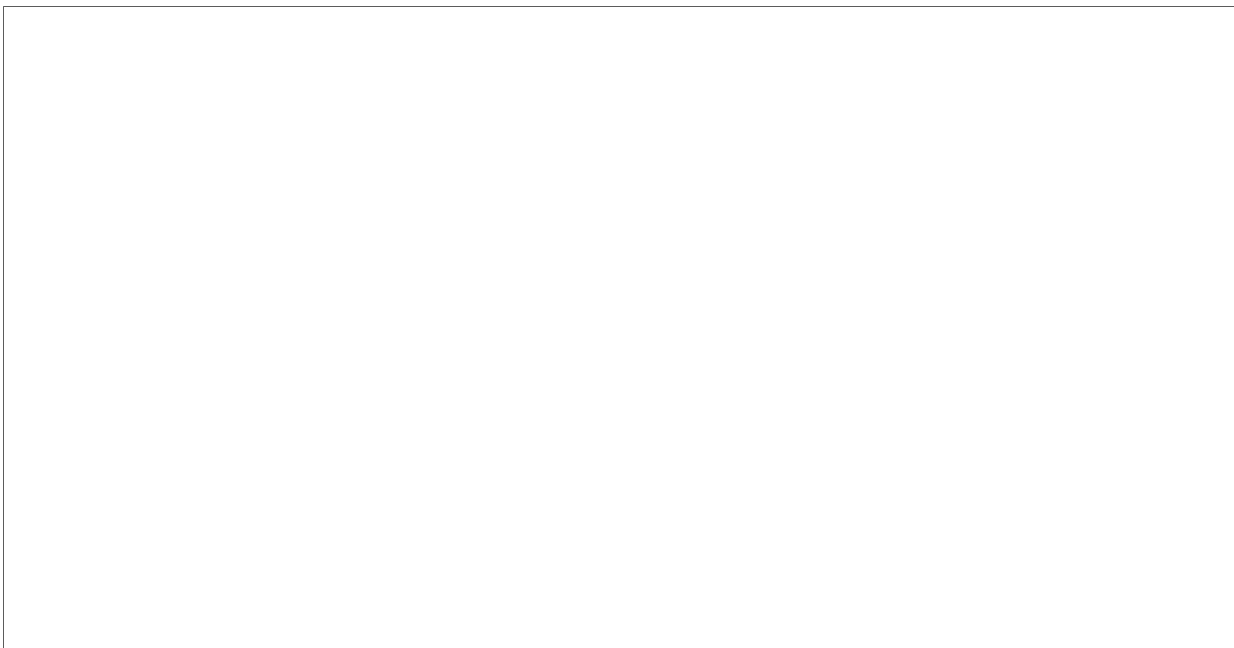
Bong is an effective demagogue who leads a small group of fanatics who favor exclusion of American influence in Laos and coalition with the Pathet Lao. [ ]  
[ ]

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**6. VOROSHILOV DISCUSSES SOVIET RELATIONS WITH IRAN  
AND TURKEY**



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**THE ARAB-ISRAELI SITUATION**  
(Information as of 1700, 11 April)

Egypt announced on 11 April that it was withdrawing its terrorist squads from Israel. (Press)

Ambassador Lawson in Tel Aviv believes that Israeli successes and countermeasures against Arab terrorists have brought a noticeable relaxation in Israel and reduced the danger of precipitate Israeli action. If the trend of successful defense continues, the emotional impact of the raids will ease and the extremists will lose a large potential for incitement. Lawson added, however, that Ben-Gurion's patience and restraint would not continue if Egypt failed to control the terrorists.

American military attachés in Tel Aviv observed Sherman tanks and a 155-mm howitzer battery moving south on 9 April. Twelve tank transports and prime movers also left the motor vehicle park outside Tel Aviv on the 9th.

continuing requisition of civilian motor vehicles on a small scale. The total number of vehicles requisitioned is now very large.

that the distance from the border of certain recent Arab terrorist raids within Israel suggests that these activities may have been assisted by local Arabs, who in any case face increasingly severe control.

In a talk with US State Department officials on 9 April, Israeli ambassador Eban gave the impression that

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Israel would not resume work at Banat Yacov in a precipitate fashion. [REDACTED]

[REDACTED] Egyptian-owned MIG's are largely based in the Suez area and that El Arish is not used as a base of operations but as a refueling point. He said that the MIG's were on constant patrol over the border area and overflights were a daily occurrence. [REDACTED]

The American naval attaché in Cairo reports that the return of Admiral Rashid to Egypt indicates that the initial stages of Egyptian naval training in the Soviet bloc may have been completed. Meanwhile the four Soviet-type mine craft bearing Polish naval pennants, which left the Baltic on 28 March, were last reported in the eastern Mediterranean off the Libyan coast, and may have arrived in Alexandria on 10 April.

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