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CONTENTS

- 1. NEHRU MAY VISIT UN GENERAL ASSEMBLY (page 3).**
- 2. INDIA INTERESTED IN BILLION-DOLLAR AMERICAN LOAN (page 4).**
- 3. INDONESIAN NATIONAL PARTY SPOKESMAN DISCUSSES PARTY VIEWS (page 5).**
- 4. AFGHAN OFFICIAL FORESEES NEW CRISIS WITH PAKISTAN (page 6).**
- 5. SAUDIS AND SYRIANS MOVE TOWARD TIES WITH SOVIET BLOC (page 7).**
- 6.** [Redacted]

1. NEHRU MAY VISIT UN GENERAL ASSEMBLY

UN secretary general Hammarskjold approached Ambassador Wadsworth on 8 October regarding the possibility of a visit by Prime Minister Nehru to the tenth General Assembly, which he said was "in the wind." Hammarskjold indicated he would issue an invitation only if Nehru expresses a desire to come.

Wadsworth believes, however, that Hammarskjold will actively attempt to stimulate an Indian request for an invitation.

Comment

Nehru may be interested in making such a visit prior to or during the forthcoming Big Four foreign ministers' conference in order to make a dramatic bid to the great powers to refrain from antagonistic actions and to continue to maintain peaceful attitudes. He felt that the UN had been revitalized by President Eisenhower's speech in December 1953 on atomic power for peace, and he may be attempting to emulate the President.

Nehru is probably alarmed over the stepped-up Soviet activity in the Near East and American efforts to counteract it.

2. INDIA INTERESTED IN BILLION-DOLLAR AMERICAN LOAN

[Redacted]

The deputy chairman of India's Planning Commission, V. T. Krishnamachari, "speaking as an individual," told Ambassador Cooper on

9 October that India would like a long-term American loan to cover the expected billion-dollar foreign exchange gap in its second Five-Year Plan. He expressed the hope that the loan could be interest-free for a period of five to ten years.

The deputy chairman added that the government had discussed this matter and that if there were a possibility of securing the loan, an official request would be made.

Krishnamachari stated that India is competing with Communist China's Five-Year Plan and that if New Delhi should fail, impetus would be given in India and Asia to totalitarian methods. He asserted that Prime Minister Nehru had been informed during his visit to the USSR last June that Moscow was committed to support Communist China's Five-Year Plan even to the deprivation of Soviet needs.

3. INDONESIAN NATIONAL PARTY SPOKESMAN DISCUSSES PARTY VIEWS

[Redacted]

Ali Sastroamidjojo, former Indonesian prime minister and spokesman for the National Party, which is leading in the Indonesian election returns, told an American official on 8 October that the National Party council had decided not to co-operate with the Communist Party.

Ali would not commit himself on the composition of the next government. He did not reject the possibility of a coalition of his party and the Masjumi, but indicated he did not consider the Masjumi's co-operation essential. He said the Nahdlatul Ulama had proved itself a strong representative of the "real Moslem element" in Indonesia.

Comment

The National Party is unlikely to define its position any more clearly until official election returns are announced a month or more from now.

During its two years in office from 1953 to July 1955, the Ali cabinet, in which the Nahdlatul Ulama was represented, accepted Communist support and tolerated greatly increased Communist activity. Its attitude on Communism gave rise to serious animosities between the Nationalists and the Masjumi which may stand in the way of their co-operation at this time.

Current election returns indicate that no two-party coalition would have a parliamentary majority.

4. AFGHAN OFFICIAL FORESEES NEW CRISIS WITH PAKISTAN

[Redacted]

Afghan's Foreign Minister Naim on 8 October warned an official of the American embassy in Kabul that Afghanistan would have to establish closer ties with the USSR if relations with Pakistan were broken off.

Naim stated that he had proposed a meeting between the Afghan and Pakistani prime ministers before 14 October in a "last attempt" to save relations between the two countries. Naim asked for American support for the proposal and repeated that Afghanistan is willing to participate in American plans for Middle East defense.

Comment

The merger of all of West Pakistan into a single province is scheduled to be made official on 14 October. Afghanistan objects because the Pushtoon areas for which it demands independence would be swallowed up in the merger. The strong Afghan sentiment on this question may lead to a rupture in Afghanistan-Pakistani relations, which would provide the USSR with an opportunity to enlarge its economic offensive in Afghanistan.

Afghanistan will probably try to profit from both American and Soviet interest. Although Naim expressed approval of American security plans, an Afghan official has reportedly been sent to Cairo to investigate the Czech-Egyptian arms deal. [Redacted]

5. SAUDIS AND SYRIANS MOVE TOWARD TIES WITH SOVIET BLOC

Saudi Arabian prime minister Faisal has agreed to permit Soviet diplomatic representation in his country,

Syrian chief of staff Shuqayr is now negotiating arms purchases with the USSR. The Syrians are interested in tanks and other ground force equipment, but not apparently in aircraft.

Comment

These latest developments indicate that the atmosphere of the Arab foreign ministers' conference, which opened in Cairo on 9 October, is distinctly favorable to doing business with the USSR. Both Faisal and Shuqayr came to Cairo for the meeting.

The Saudis had diplomatic relations with the USSR before World War II, and the USSR began last July to urge resumption of these relations.

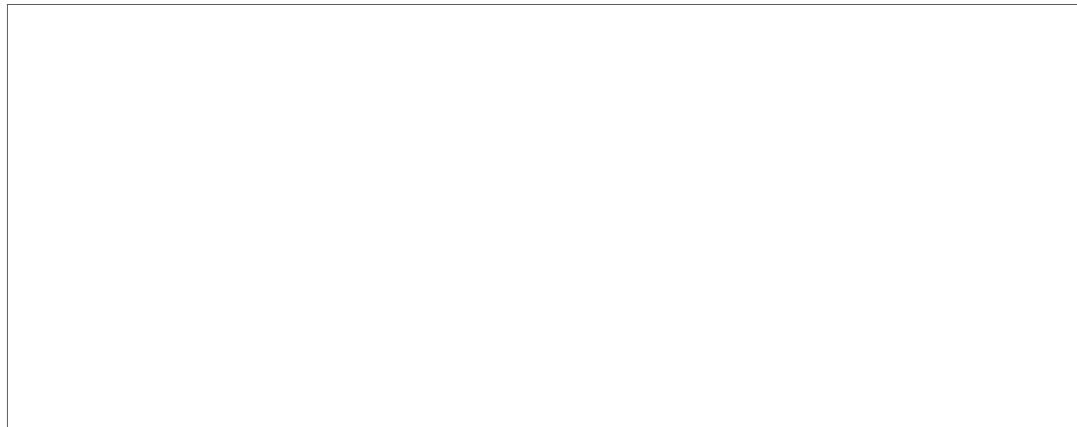


13 Oct 55

Current Intelligence Bulletin

Page 8

~~TOP SECRET~~



13 Oct 55

Current Intelligence Bulletin

Page 9