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15 July 1958

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CENTRAL INTELLIGENCE BULLETIN



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15 JULY 1958

HEADLINE ITEM

New Iraqi regime remains unopposed internally as pro-Western neighbors consider countermeasures.
 Lebanese army officers may try coup to forestall Western intervention.

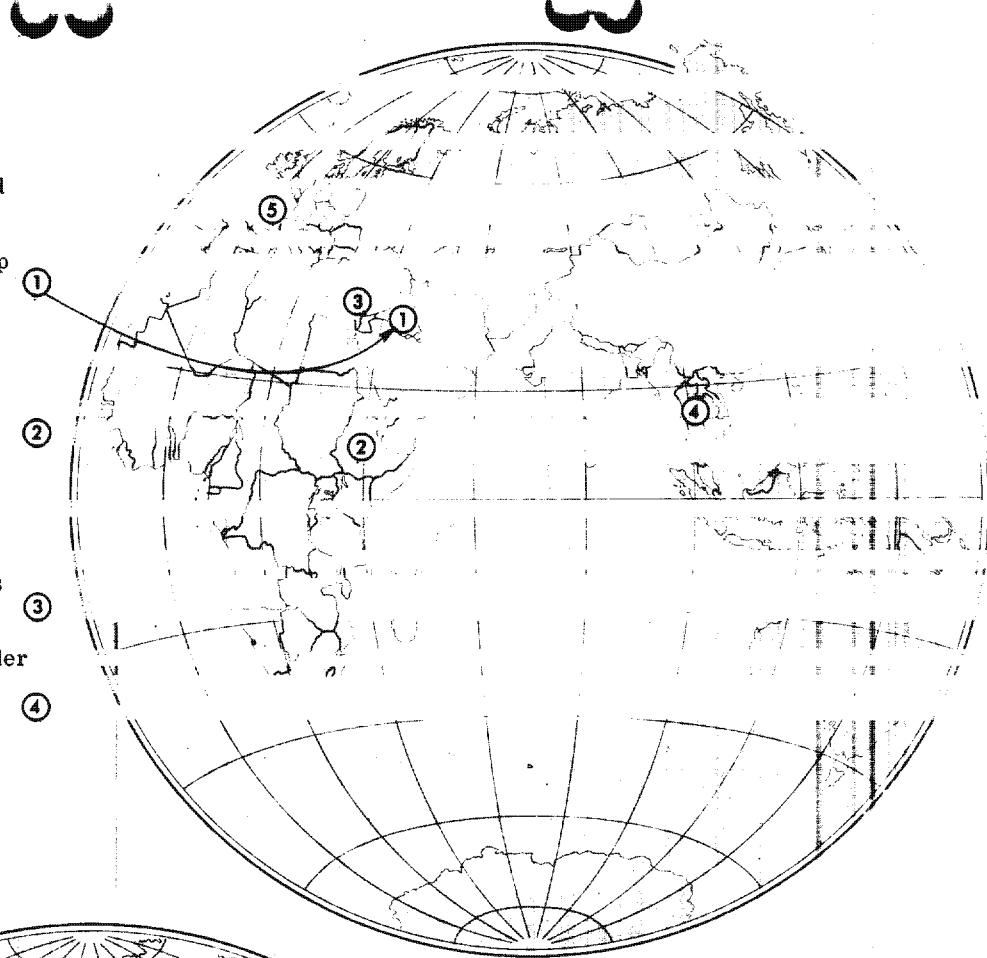
THE COMMUNIST BLOC

USSR offers MIG-17's and MIG-19's to Ethiopia.

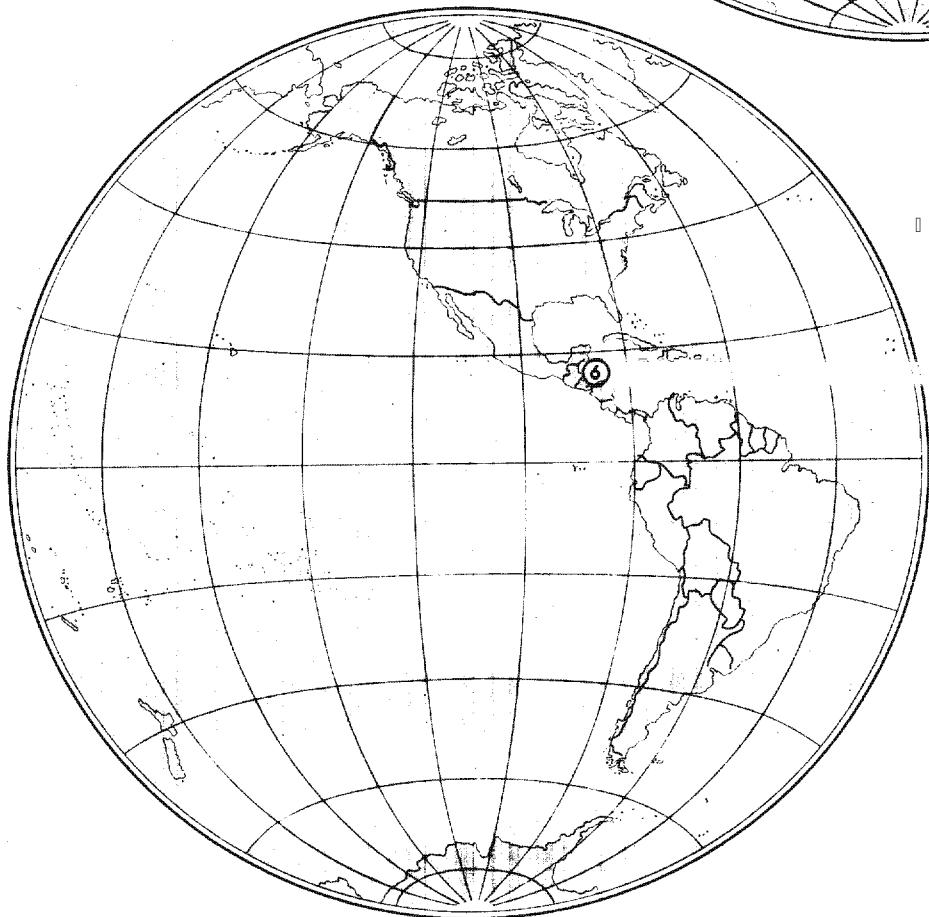
II. ASIA-AFRICA

Cyprus - Strict curfew imposed in major towns; British security forces on stand-by alert.

Thailand - Cabinet reshuffle now under way may strengthen position of Premier Thanom.

**III. THE WEST**

- ⑤ French Communists disturbed over De Gaulle's popularity; may call party conference to reconsider tactics.
- ⑥ Honduras - Dr. Milton Eisenhower's visit on 16 July may coincide with unrest and strike by United Fruit Company workers.

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CENTRAL INTELLIGENCE BULLETIN

15 July 1958

DAILY BRIEF

HEADLINE ITEM

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*Iraqi Coup: The new regime in Baghdad remains unopposed internally, while Iraq's pro-Western neighbors are considering countermeasures. King Husayn of Jordan is talking of military action to suppress the Baghdad regime if he can find loyal Iraqi units with which to make contact. Cairo, apprehensive over Western intervention in the area, has put its forces on emergency status. The impact of the coup, meanwhile, is spreading to the periphery of the Arab states. King Saud is demanding that the Baghdad Pact powers intervene, and Sudanese Prime Minister Khalil is seeking assurances of help from Britain and the United States in the event his country is attacked by Egypt.

(Page 1a) (Map)

*Lebanon: Lebanese army officers, seeking to avoid further civil war or Western intervention, were on 14 July again considering a coup to install an interim military government. Army commander Shihab had refused to agree to accept the presidency.

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I. THE COMMUNIST BLOC

USSR-Ethiopia:

the USSR was prepared to furnish without any conditions MIG-17's and MIG-19's. In an attempt to counter the 30 June US-Ethiopian agreement which provides eventually for 12 F-86 jets, Moscow could have 1,000 aircraft and a mission in Ethiopia in one week. In view of the US-Ethiopian agreement and the general trend of Ethiopian foreign policy, the Soviet overture is unlikely to get a favorable reception.

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II. ASIA-AFRICA

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Cyprus: A strict curfew has been imposed on major towns on Cyprus. British security forces are on a stand-by alert, and the British police force is being doubled in an attempt to prevent the wave of violence sweeping the island from developing into full-scale communal warfare. Leaders of both the Greek and Turkish communities have formally joined Governor Foot in an appeal for an end of violence.

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Thailand: A cabinet reshuffle probably will be completed within the next few days. Instigated by Field Marshal Sarit, the action is intended to shore up the position of Premier Thanom by removing elements most vulnerable to charges of corruption and leftist inclinations.

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DAILY BRIEF

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masses" and deflating party efforts to play up the fascist threat. An emergency party conference to reconsider tactics against De Gaulle can be expected.

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*Honduras: Dr. Milton Eisenhower's two-day visit in Honduras, which is to begin on 16 July, may coincide with a strike which has been threatened by the 13,000 employees of the United Fruit Company. The company's labor contract expires on 15 July and neither side appears willing to compromise. A number of army officers favor using any strike to justify an attempt to overthrow the Villeda Morales regime, which they regard as corrupt and incompetent.

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DAILY BRIEF

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HEADLINE ITEM

The Iraqi Coup (Information as of 0400 EDT)

The new regime in Baghdad is not yet well organized. Although government employees were ordered to return to work on 15 July, no responsible civilian had, as of the night of 14 July, addressed the public. Several persons named to the cabinet were still outside the country.

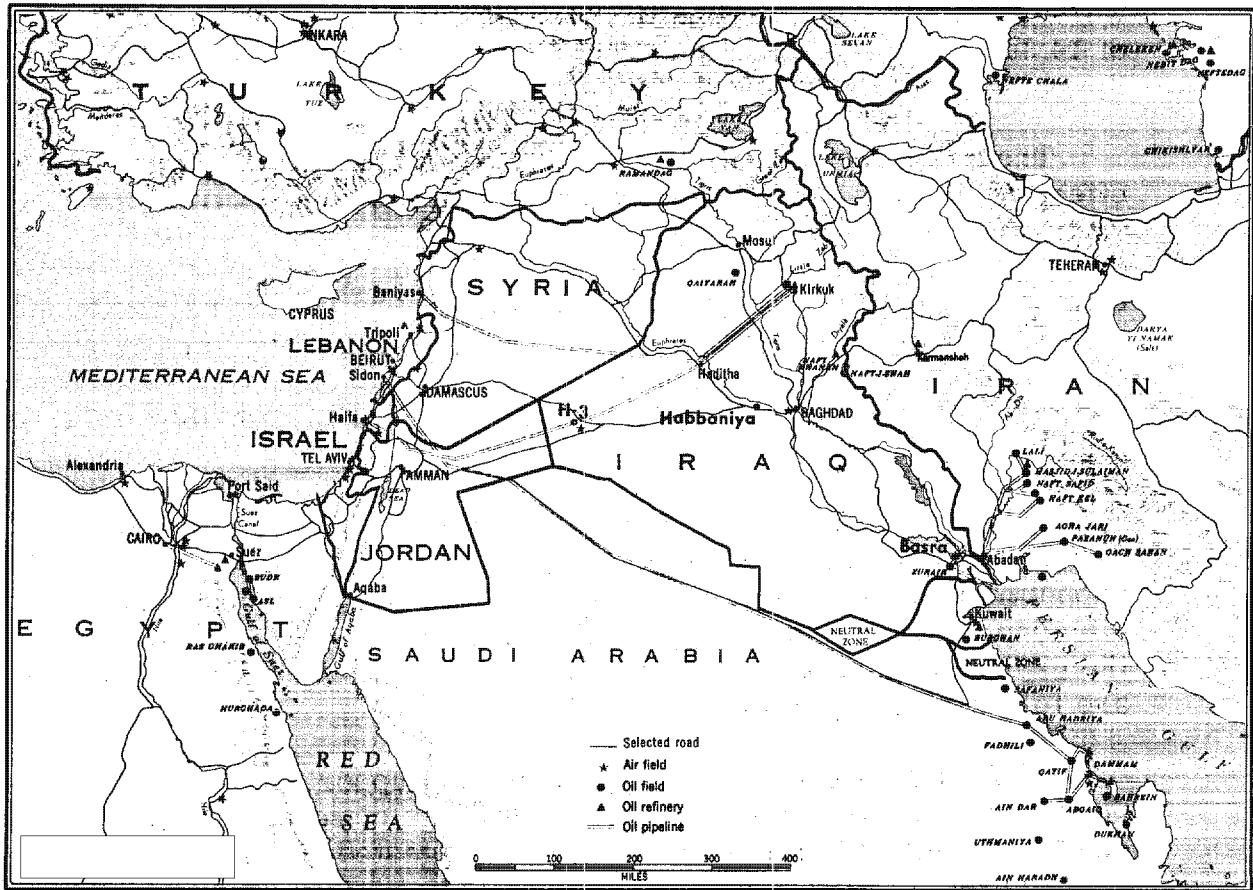
The regime's control over mob action has not been wholly effective; the British Embassy and information office were sacked on 14 July, and some foreign nationals, possibly including two Americans, were killed. Reports agree that Crown Prince Abd al-Illah was killed, but there is still no confirmation of reports that King Faysal is dead. Former Prime Minister Nuri Said apparently has eluded capture, and the revolutionary junta has offered a reward of \$28,000 for his apprehension.

There has been no sign of any countermovement by forces outside the capital, and the Iraqi Air Force appears to be supporting the coup group. The American Embassy believes the coup will be no less popular in the provinces than it is in the capital, and there are some indications that outlying areas are following instructions from Baghdad.

Cairo has moved to give psychological support to the new regime; Nasir has dispatched a message of recognition, and UAR authorities in Damascus have suggested sending a "delegation" to Baghdad, apparently to assist in developing propaganda. The UAR Government appears apprehensive, however, that pro-Western governments may intervene in the situation.

On 14 July, Cairo asked Damascus for information on the attitude of Iraqi forces at Habbaniya, where there is a British RAF training mission, and in Jordan, where an Iraqi

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brigade has been stationed. UAR forces have been put in a state of "emergency" with all leaves canceled.

Publication of news items on the UAR armed forces has been forbidden.

King Husayn of Jordan is seeking means of warding off the impact of the coup on his country and is even thinking of trying to reverse the situation in Iraq. Husayn has proclaimed himself head of the Arab Union, has named a new AU chief of staff, and is trying to recruit members of the former Iraqi government to serve in a reconstituted AU cabinet. He says he intends to have the Jordanian Army contact loyal Iraqi units, if such can be found, and then intervene in force to crush the coup. However, Jordan's supply of petroleum products is very short, and the army is reported to have enough for only six days. Since further supplies from Iraq presumably will be cut off, the King has requested emergency measures to provide a flow of petroleum from the port of Aqaba.

Iraq's erstwhile Baghdad Pact partners are showing growing concern. The American Embassy in Ankara reports that recent events point to the possibility that Turkey may be preparing to take some positive action along its southeastern border. Security precautions have been tightened around Iskenderun, and all Turkish forward military positions along the Syrian and Iraqi frontiers are reported being brought up to full strength. Iranian government and military circles are displaying considerable nervousness; military units have been instructed to move from the countryside, where they are training, to the nearest urban center. There is specific concern in Tehran over the repercussions on the Kurds in northwestern Iran. Pakistan's President Mirza has taken a relatively optimistic attitude, asserting that the remaining members of the pact must now really draw close together.

News of the Iraqi coup has been received jubilantly in Saudi Arabia by all levels of opinion except King Saud's

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entourage. The King appears to have panicked; he demands that the Baghdad Pact intervene in Iraq and believes Western troops should be sent to Jordan at once. If Jordan and Iraq are not saved, Saud believes he will have no choice but to "go along" with the UAR.

The farther periphery of the Arab states has also been alarmed. Sudanese Prime Minister Khalil has postponed indefinitely a visit to Britain which had been scheduled for 15 July. He has inquired as to British and American help in the event of an Egyptian attack. In Libya, the Tripolitanian provincial police is highly concerned over the implications of developments in Iraq and has asked for additional weapons from the United States. Further requests of this kind can be expected from pro-Western elements throughout the area.

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Situation in Lebanon

Lebanese army officers may attempt to forestall Western intervention and end the civil war in Lebanon by staging a military coup.

The officers apparently believe their move has been made necessary by the repercussions in Lebanon of developments in Iraq. These repercussions include President Chamoun's request, made on the morning of 14 July, for American, British, and French military support "within forty-eight hours," and what appears to be a definite refusal by army commander Shihab to become a compromise presidential candidate.

Chamoun, who had previously indicated he would be willing to support Shihab in a bid for the presidency, apparently was stirred by news of the Iraqi coup to assert that he would "go down fighting." A similar hardening of attitudes has probably taken place on the rebel side since the downfall of Nuri Said's government, which had provided moral and material support for Chamoun, but significant new rebel military movements have not been noted thus far. Speakers in the mosques are urging rebel sympathizers to new exertions, and new efforts may well be made as the impact of the Iraqi coup spreads.

General Shihab's refusal to become a presidential candidate is reported to have been made to a group of officers and civilian members of the so-called "third force" moderates who met with him on 14 July in an attempt to persuade him to serve. Shihab is said to have replied: "Do not waste your time on me; find somebody else." The civilians are believed to be disenchanted with the general, and the officers have declared that the general is demonstrating great weakness. Since other military or civilian figures seem unlikely to offer themselves at this time as candidates in a regular constitutional sense, the probability of a military coup appears considerably enhanced.

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I. THE COMMUNIST BLOC

Soviet Official Renews Offer of MIG's to Ethiopia

A Soviet official's offer to Ethiopia of MIG-17's and MIG-19's is the latest Communist effort to capitalize on lingering Ethiopian dissatisfaction with American military air aid and to establish the bloc as the main supplier of the Ethiopian Air Force. The Soviet military attaché in Cairo made the offer to his Ethiopian counterpart on 6 July. In June the USSR offered Ethiopia 34 jet fighters and training facilities for an "unlimited" number of pilots in the USSR. Earlier this year the Czech Legation offered MIG-15's and training facilities.

The present offer was phrased as a reaction to the agreement concluded with the United States on 30 June for the eventual delivery of 12 F-86 jets, which the Soviet military attaché dismissed as "obsolete" aircraft. The attaché was probably indulging in overstatement to emphasize Moscow's eagerness to help when he claimed the USSR could furnish within a week a military mission and 1,000 aircraft, including MIG-19's, which Moscow has yet to export outside the bloc.

The bid was probably also meant to encourage Ethiopian requests for economic and military assistance. It is unlikely, however, that this overture will be favorably received. ~~An Ethiopian trade mission now on its way to Belgrade, Prague, and Moscow has been called by a high palace source a "fishing expedition" to ascertain possibilities of economic aid.~~

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II. ASIA-AFRICA

Thai Cabinet Reshuffle in Progress

A reorganization of Thai Premier Thanom Kittikachorn's cabinet will probably be completed within the next few days as an important step in Field Marshal Sarit's program to stabilize the political situation in Bangkok and to shore up the position of Thanom, who ranks just below Sarit in the hierarchy of the ruling military group.

Sarit's half-brother has already resigned as deputy minister of industry because of his involvement in recent scandals in the government sugar and lottery monopolies. Lt. Gen. Chitti, who ranks high in the ruling clique, is also expected to leave the cabinet because of involvement in excessively corrupt practices. The prospective departure of as many as three other ministers, believed to have strong leftist inclinations, is also widely rumored. One of the three is a close friend of Sarit.

Sarit's willingness to force out individuals who have long been closely associated with him points up his sensitivity to public criticism of corruption in the government and his concern lest the continued presence of leftists in the cabinet embarrass him in his steadily improving relations with the United States.

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III. THE WEST

French Communists Unable to Rally "Masses"
Against De Gaulle

[redacted] Premier de Gaulle is winning over the French masses and that from the party's viewpoint "the political situation has never been so grave as now." [redacted] party efforts to form "committees for defense of the republic" in cooperation with other anti-De Gaulle left and center elements were going badly. Apparently unwilling to risk a police crackdown, the PCF in a politburo declaration on 10 July called for Bastille Day demonstrations only in cities where the police had not already banned them, and urged Communists in Paris to manifest their sympathies by hanging flags and "making a success of street dancing!"

This information confirms numerous other indications that the Communist party's effort to capitalize on the "fascist threat" it attributes to De Gaulle is not attracting other groups. Although De Gaulle's recent appointment of rightist Jacques Soustelle as minister for information appears to have generated uneasiness among left-wing Socialists and other non-Communist groups, it has not yet disposed them to cooperate actively with the PCF.

An emergency PCF national conference may be called soon to examine present methods and seek more effective tactics. Meanwhile, party "mobilization" and preparations for going underground, if necessary, are continuing. [redacted]

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Labor and Political Crises in Honduras May Coincide
With Dr. Eisenhower's Visit

Political tension is mounting in Honduras, and a crippling strike by the 13,000 workers of the United Fruit Company, which may occur on or shortly after 15 July, could touch off a military coup attempt. Dr. Milton Eisenhower is scheduled to arrive in Honduras for a two-day visit on 16 July.

The United Fruit Company, which dominates the economy of the important north coast area, has refused any major concessions to labor in negotiations for a new labor contract to replace the one expiring on 15 July. The anti-Communist leaders of the dominant union, which is the virtual keystone of the entire Honduran labor movement, is fighting a continual battle with a Communist minority for control of the union and feels it cannot afford to back down on its wage and other demands. Although both sides have agreed to continue negotiations beyond the expiration of the contract, an impasse could arise at any time and result in a strike.

The government of President Villeda Morales, which was widely popular when it entered office last December, is fast losing prestige.

The fiscal situation has been poorly managed, and the government has not had the funds in recent weeks to pay salaries to military or civilian officials. A growing number of army officers are becoming increasingly embittered, and an undetermined number would use a fruit company strike to justify a military coup.

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