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29 July 1958

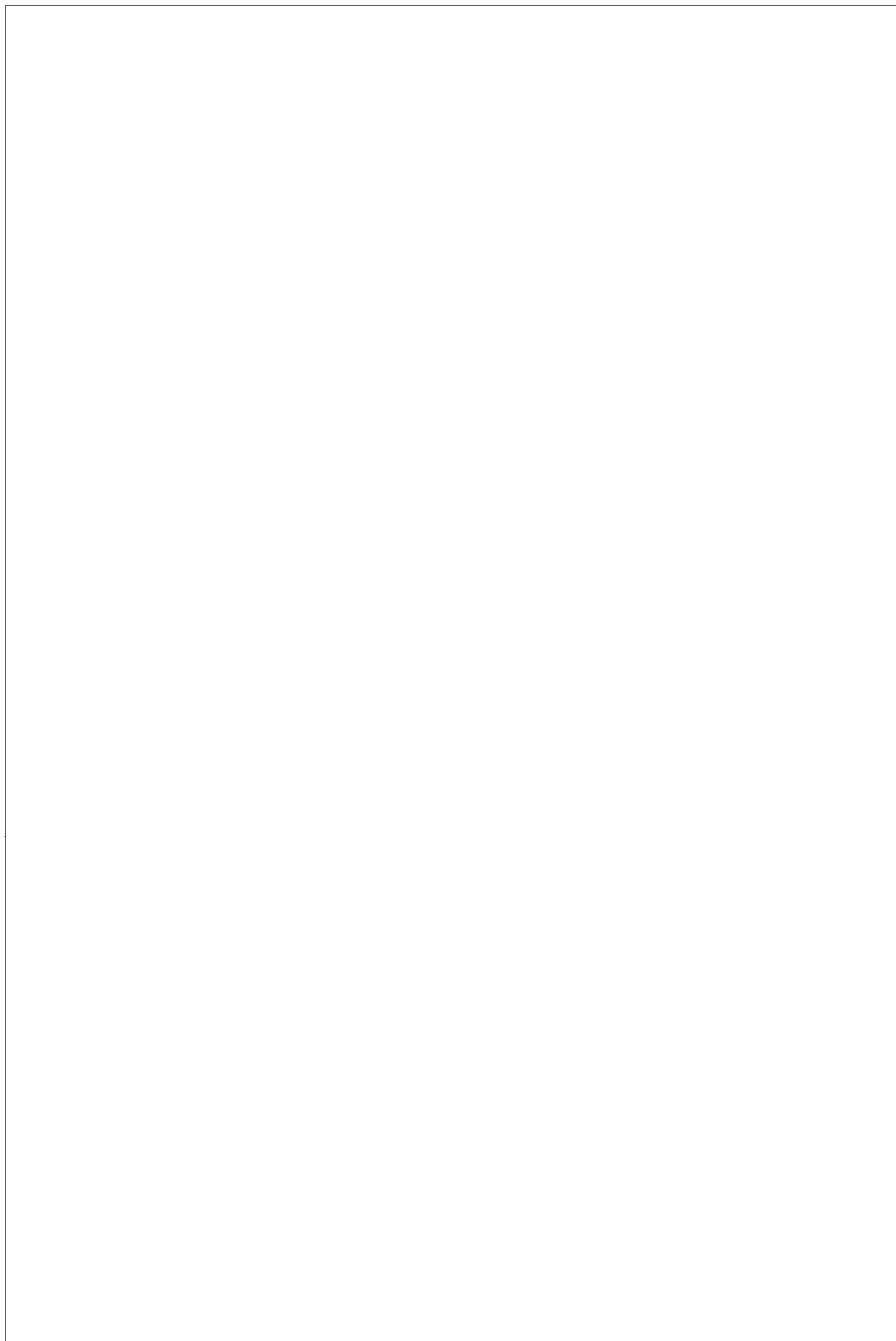
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CENTRAL INTELLIGENCE BULLETIN



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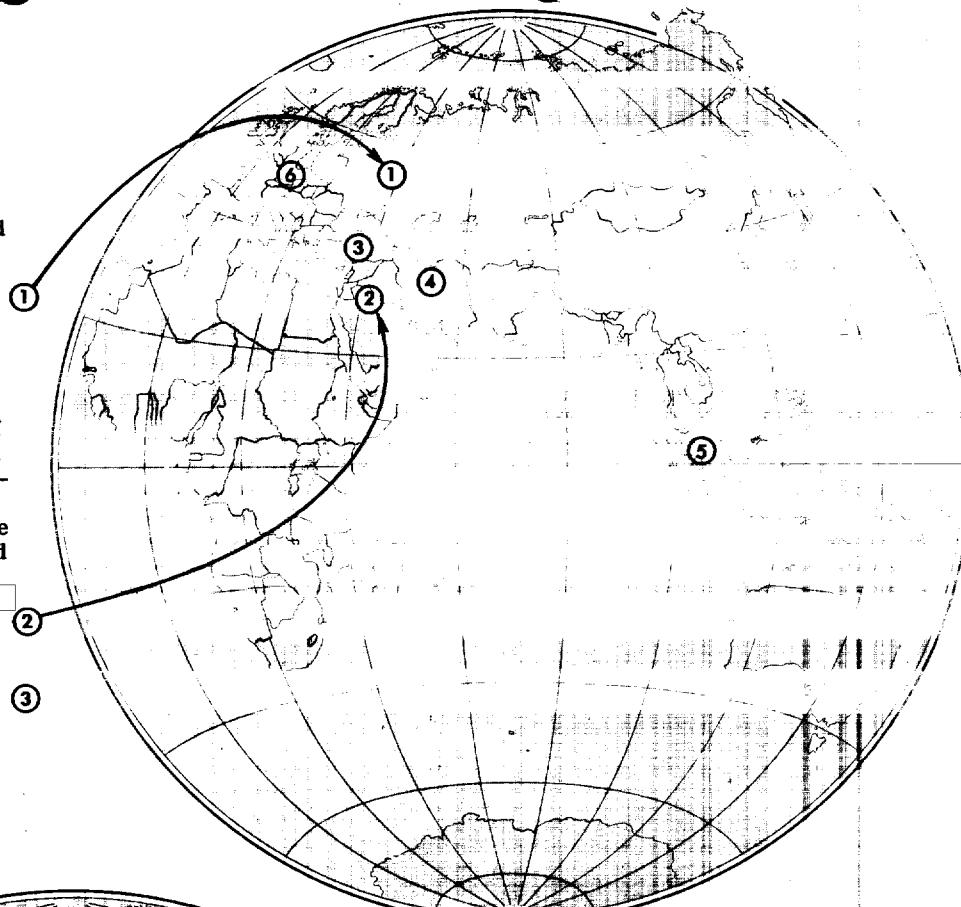
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29 JULY 1958

I. THE COMMUNIST BLOC

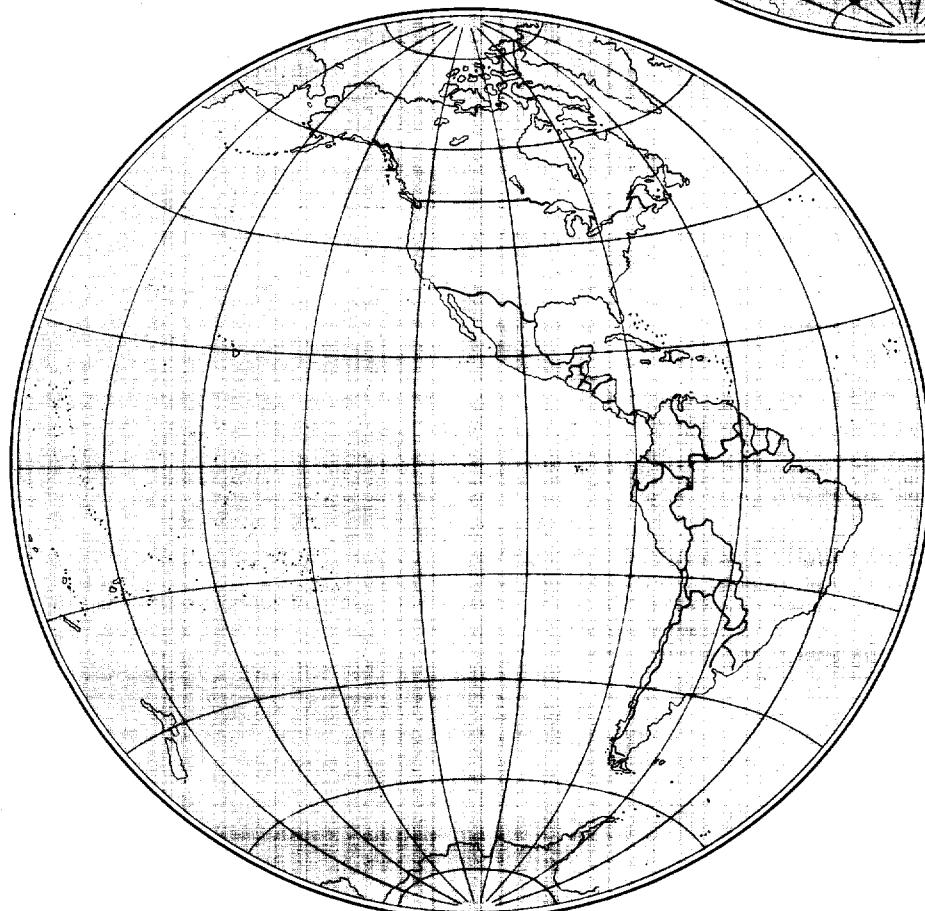
Latest Khrushchev note endorses De Gaulle's views on summit meeting and seeks acceptance of original Soviet terms for five-power summit conference in Europe.

**II. ASIA-AFRICA**

Middle East - Lebanese Chief of Staff General Shihab now is candidate in 31 July presidential election. Syria continues laying groundwork for revolt in Jordan. UAR and new Iraqi regime intensify collaboration in military and economic matters.

Saudi Army cancels leaves. [redacted]

Turkey cancels moves of several military units.



④ Iran - Military elements regard posting of troops around Shah's palace as sign of ruler's weakness.

⑤ Communist-influenced political party wins by-election victory over moderate Singapore parties.

III. THE WEST

⑥ West German Foreign Ministry states Bonn intends to recognize new Iraqi regime soon. [redacted]

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CENTRAL INTELLIGENCE BULLETIN

29 July 1958

DAILY BRIEF

*SIRAB**OK*

I. THE COMMUNIST BLOC

*USSR--Summit talks on Middle East: Khrushchev's 28 July letters to the three Western heads of government, by endorsing Premier de Gaulle's views on a summit meeting, seek to force American and British acceptance of the original Soviet terms for a five-power summit conference. Bluntly accusing Washington and London of trying to frustrate any heads-of-government meeting, Khrushchev notes that De Gaulle's suggestion for a conference in Europe of the "chiefs of government of the principal interested powers" outside the United Nations' framework "does not differ from the proposal of the Soviet Government on this question." (Page 1)

No

II. ASIA-AFRICA

*Middle East: The official nomination of Lebanese Army Chief of Staff General Shihab as a candidate in the presidential elections scheduled for 31 July greatly increases the prospects that the elections will be held on a basis acceptable to most pro-government and opposition forces. Nasir's statement in June that General Shihab was an acceptable compromise candidate suggests that most extremists will accept the general. An encounter in North Jordan on 27 July between security forces and about 50 well-armed infiltrators from Syria suggests that Syria continues to lay the groundwork for an uprising against King Husayn's pro-Western regime.

A UAR military planning committee has gone secretly to Baghdad. Egypt is also sending a steady flow of other experts

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to Iraq. All military leaves were canceled in Saudi Arabia on 27 July in a move reflecting King Saud's acute concern over the kingdom's internal and external security. [redacted]
 Saud wishes to buy American arms on his personal account for distribution to loyal tribes. [redacted] (Page 2)

*N*o Turkey: Several planned redeployments of Turkish military units and all national military maneuvers and exercises for the remainder of the calendar year have been canceled. Turkish officials state that they intend to participate in scheduled NATO exercises. [redacted] (Page 6)

OK Iran: Military circles reportedly view the posting of troops, tanks, and artillery around the palace as a sign of the Shah's fear and weakness, which may have an adverse effect in the army. [redacted] (Page 7)

OK Singapore: Prospects for a moderate government following Singapore's achievement of internal self-government next year were dealt a severe blow by the left-wing victory on 26 July in a city council by-election. The Communist-influenced People's Action party won over the combined opposition of Singapore's two largest moderate parties. [redacted]

[redacted] (Page 8)

III. THE WEST

*N*o West Germany: The Foreign Ministry informed the Iraqi ambassador on 27 July that Bonn has decided to recognize the revolutionary government within a few days. [redacted]

[redacted] Recognition by West Germany will probably lead to similar action by other European countries. [redacted]

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I. THE COMMUNIST BLOC

Khrushchev Exploits De Gaulle's Position on Summit Talks

Khrushchev's latest round of notes, calling for an immediate conference of the heads of government of the Big Four plus India and UN Secretary General Hammarskjold, reflects Moscow's confidence that it can exploit Premier de Gaulle's views on a summit conference to force the United States and Britain to accept a meeting substantially on Soviet terms. The Soviet leader now endorses De Gaulle's proposals for a conference in Europe of the principal powers, to be held outside the United Nations' framework, and thus backs away from his 23 July position which ostensibly accepted American and British suggestions for a meeting within the context of the Security Council. Khrushchev, however, accuses the United States and Britain of abandoning their earlier proposals for a special session of the Security Council at the heads-of-government level. He charges that they now believe the matter should again be turned over to an "ordinary session" of the Security Council which, according to Khrushchev, "has long been occupied with a discussion of the situation in Lebanon and Jordan and so far has not decided anything!"

Khrushchev continues his effort to create a sense of extreme urgency by again referring to the "extraordinarily serious situation" which has developed in the Middle East and alleges that Western tactics are to bog down negotiations in a "labyrinth of endless discussion about the form and procedure of the meeting" so as to give time for extension of Western intervention to Iraq.

The sharply worded charges of Western procrastination and duplicity in negotiating and the pose of Soviet unconcern for procedural details once an immediate conference is agreed upon are designed to place the West on the defensive regarding time, place, and composition of the projected conference and, in case a conference fails to materialize, to place the onus on the West. Unlike the 23 July notes, the latest Soviet communication does not mention the "natural" participation of the Arab states. [redacted]

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II. ASIA-AFRICA

Middle East Developments

Lebanon: The official nomination of Lebanese Army Chief of Staff General Shihab as a candidate in the presidential elections scheduled for 31 July greatly increases the prospects that the elections will be held on a basis acceptable to most progovernment and opposition forces. Official nomination of the general indicates that he has the support of President Chamoun and most progovernment groups, and that the general has presumably relented on his earlier refusal to run. While the moderate opposition leaders apparently support him, the attitude of extremist opposition leaders in Beirut and Tripoli is not yet clear.

A two-thirds majority of the 66-member Chamber of Deputies is necessary to elect a president on the first ballot, but only an absolute majority of 34 is needed on subsequent ballots. Shihab therefore appears to have a good chance of election. Should extremist opposition leaders refuse to accept the election results, the new government would face the task of subduing rebellious factions and possibly be confronted with secession of rebel-controlled areas adjacent to the Syrian border. Nasir's statement in June, however, that General Shihab was an acceptable "compromise" candidate suggests that most extremists may now accept the general.

Jordan: The encounter near Irbid on 27 July between government security forces and about 50 well-armed Jordanian infiltrators from Syria suggests that at least portions of the Syrian plan for the uprising in Jordan, which,

[redacted] was to have occurred on 17 July, are being carried out. The original Syrian scheme, approved by Cairo, called for an uprising in antigovernment centers in West Jordan. This would have been supported by a revolt of antigovernment army units, assisted by armed Jordanians and Palestinians from Syria. All of these forces would have been supplied from bases in Syria. [redacted] a stockpile of 5,000 rifles and machine guns suggest that the infiltrating force was to have been substantial. Although the Syrian operation was canceled on Cairo's instructions after the British landing

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in Jordan, the large-scale infiltrations in the Irbid area suggest that the ground is being prepared for the time when a revolt may be undertaken.

The pressure of recent events has placed a severe strain on both King Husayn and Prime Minister Rifai.

[redacted] the prime minister may be seeking an opportunity to resign. The recent presence in the King's entourage of former pro-Egyptian Prime Minister Fawzi Mulqi raises the prospect that, as a last resort, a conciliatory gesture toward Nasir may be attempted and Mulqi appointed prime minister. King Husayn [redacted] appears to believe that opposition to Nasir has been a mistake. The King may consider abdicating.

UAR: Egyptian fedayeen terrorists, who were held in Syria for possible employment against American troops in Lebanon, are to be returned to Egypt by air by 30 July,

Syrian government officials have announced plans to open talks with Iraqi authorities on the establishment of a "free port area" in Latakia which would handle exports and imports for Iraq. This move would be another blow at Lebanon since it would eliminate Beirut from much lucrative trade. Syria earlier diverted most of its own trade from Beirut to Latakia, and Beirut is threatened with the loss of most Jordanian trade as well.

Iraq: Baghdad's rapid deployment of a mobile police battalion and other units to the Basra area on 24 July coincided with a report [redacted] that two Tigris Valley tribes revolted and wiped out a police post. While the uprising does not appear to offer a serious threat to the new Baghdad regime, it reflects the misgivings with which largely autonomous tribal groups view the new revolutionary regime. A government decree on 27 July abolishing the system of tribal courts may alienate certain tribal groups, which would fear loss of control over their own people.

Cairo instructed Damascus [redacted] to ensure that the UAR military planning committee which went to

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Ba~~gh~~dad receive no publicity. Egypt is also sending a steady flow of other experts to Iraq, [redacted]. On 27 July, Ba~~gh~~dad asked Cairo to dispatch two petroleum experts as an advance party of a larger petroleum group, an expert for the ammunition and small arms factories, two propagandists, an expert for the "monetary directorate," and one for the central bank. [redacted] the Iraqi command pressed Damascus for reply to a letter concerning extension of new oil pipelines through Syria.

The Kuwaiti Government, which has no foreign diplomatic representation, on 27 July wished the new Ba~~gh~~dad regime "every prosperity and progress" and thus in effect recognized the Iraqi Republic.

Saudi Arabia: An order canceling leaves for all Saudi Arabian military personnel as of 27 July probably reflects Saud's acute concern for his kingdom's internal and external security. The order, [redacted] was issued by the King's son, Defense Minister Prince Fahad, who was hastily recalled from foreign leave a few days ago.

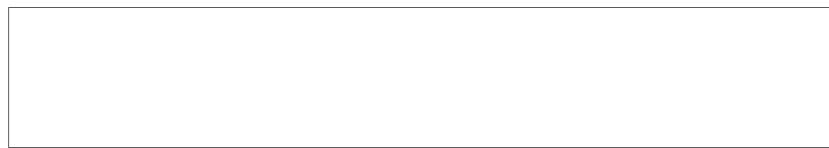
Saud has expressed fear that Egypt might move troops back into the Gulf of Aqaba area, where they would be in a position to threaten Saudi Arabia. [redacted]

[redacted] the prospect of rebellion in Jordan has revived interest in Saudi circles in dispatching troops to protect Saudi territorial interests in South Jordan.

The cancellation of leaves probably is also related to the King's serious concern over internal security. After the Iraqi revolt, arms were withdrawn from some Saudi army units in eastern Saudi Arabia. To counter any disloyalty in the army, the King is placing reliance mainly on loyal tribal forces. He has expressed a desire to purchase machine guns, antitank guns, and mortars from the United States on his private account for distribution to such forces. [redacted]

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Turkey Cancels Part of Planned Mobilization

Turkey appears to be relaxing its military efforts and to be reassessing the general Arab situation following two weeks of extensive military preparations and mobilization in the vicinity of the Syrian border. The scheduled redeployment of several military units has been canceled.

Considerable local Turkish military activity on the Syrian border continues to be reported in intercepted Syrian diplomatic and military traffic, but there is nothing to suggest aggressive intentions. Turkish military movements near the border are being carefully watched by the Syrians.

While Turkey has sufficient military forces and logistical support for a blitz sweep into Syria, it will probably not attempt to intervene unilaterally in the absence of provocative incidents or miscalculations.

A partial alert continues in Turkey, with military leaves canceled for personnel in east and southeast Turkey as well as at the General Staff and command levels. All Turkish military maneuvers and exercises, except those scheduled by NATO, have been canceled for the balance of the year. Turkish manpower mobilization procedures will probably continue, but the actual recall of additional manpower is unlikely unless the situation deteriorates seriously.

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~~SECRET~~Shah Fears Effect of Iraqi Regime on Iran

The Shah of Iran, who has always been unusually suspicious of subordinates, is probably extremely concerned that the successful coup in Iraq will encourage ambitious men in his entourage to associate with dissatisfied groups to force either his removal or a serious limitation of his powers. The recent placing of tanks, antitank weapons, artillery, and additional troops around Saadabad Palace is being regarded by Iranian military men as a sign of fear and weakness on the part of the Shah. Indications that he is primarily concerned about his own safety will probably have an adverse effect on the morale of the army, on which he relies heavily to preserve his regime.

Moslem religious leaders have long chafed under the Shah's Westernization program and anticlericalism. Security elements are taking steps to reduce and control the religious activities of the Muharram period, from mid-July to mid-August, during which religious fanaticism is high.

Reports show increasing fear on the part of the Iranian Government that Kurdish nationalist activity promoted by the USSR, Egypt, and Iraq will subvert the 500,000 Iranian Kurds. Iran is counterattacking by using propaganda and agents to convince Kurds in Iran and Iraq that they are an Aryan people having nothing in common with Arabs, who are using them to advance Arab imperialism. [redacted]

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Left-wing Party Wins Singapore By-election

The victory of the Communist-influenced People's Action party (PAP) in the Singapore city council by-election on 26 July is further evidence of a growing left-wing trend in Singapore and may foreshadow leftist control of the government when internal self-rule begins sometime next year. The PAP appears to be in a strong position to sweep the elections to the rural district councils in September and those to the Legislative Assembly which will precede the institution of self-rule.

The PAP candidate won over the candidate supported jointly by the Labor Front and the Liberal Socialists, the two largest anti-Communist parties in Singapore. These parties form the nucleus of the embryonic United Socialist Front with which Chief Minister Lim Yew Hock hopes to stem the pro-Communist trend.

The victory of the PAP is all the more striking because a Malay candidate was able to win in a predominantly Chinese district against a Chinese candidate. The PAP now has 14 of 32 seats on the city council or enough, with the support often given it by smaller parties, to carry council votes on most issues.

Former Chief Minister David Marshall's Workers' party nominee ran a poor third. The loss of this seat by the party which won it only last December tends to confirm reports that the Communists have withdrawn their support from the Workers' party and now are supporting only the PAP. [redacted]

[redacted]

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III. THE WEST

Bonn Presses for Recognizing New Iraqi Government

Bonn continues to take the lead in NATO for early recognition of the new Iraqi Government. According to [redacted] the Iraqi ambassador in Bonn, the West German Foreign Ministry informed him on 27 July that the German Government had decided to recognize the Iraqi republic within a few days. A ministry official also stated that West Germany was in contact with Greece and Italy, and that both countries had expressed a desire to recognize the Iraqi Government after Germany took action. Although the Italian Foreign Ministry has told US officials Italy is in "no rush" to recognize the new regime and feels the West Germans are being somewhat "precipitate," recognition by Italy would be consonant with its interest in economic penetration of the Middle East.

Bonn, which has considerable economic interest in the Middle East, is pressing the matter lest the Baghdad regime accept East Germany's recognition of 18 July. The West Germans are also eager to offset any unfavorable Middle East reaction to their recent public support of American and British troop landings in Lebanon and Jordan. In a conversation at the German Foreign Ministry on 22 July, the Iraqi ambassador had strongly hinted there would be certain "economic advantages" for Bonn if it took the lead in NATO.

In the North Atlantic Council meeting on 25 July, the German representative brought up the question of recognition and stressed Bonn's belief that the new regime should be promptly recognized. The West German press chief, in a radio interview on 27 July, stated that the new Iraqi Government had "qualities of stability" making economic and political cooperation possible. [redacted]

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