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21 June 1957

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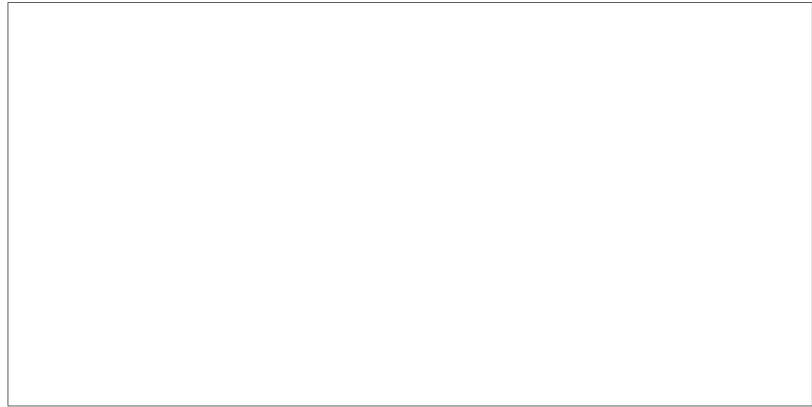
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1. KATAY DEFEATED IN BID FOR LAOTIAN PRIME MINERSHIP

Comment on:

Premier-designate Katay was defeated by one vote in his bid for investiture on 20 June. His proposed government was based on an alliance of the two leading Laotian parties--the Nationalist and

Independent--and was committed to a firm policy toward the Pathet Lao. His defeat signals the opening of a period of political uncertainty.

Independent Party leader Phoui Sananikone will probably be designated by the crown prince as the next cabinet formateur. His prospects for attracting the necessary additional support to the Independent-Nationalist alliance are not bright. In the event Phoui fails, there is a good possibility that Souvanna Phouma will succeed himself as prime minister.

Katay's defeat is a victory for the Pathet Lao who had launched an intimidation and propaganda campaign to block his efforts. The Pathets can now be expected to press for the return of Souvanna, probably by holding out the promise of a quick and easy settlement of the unification issue if he again assumes the prime ministership.

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2. DEVELOPMENTS IN JORDAN

Comment on:

Jordan's King Hussain desires to [redacted] develop an effective alliance with Iraq, Saudi Arabia, and Lebanon in order to isolate Egypt and Syria, [redacted]

[redacted] This grouping would be expanded later to co-operate with Libya, the Sudan and Morocco.

Hussain is pleased by Egypt's recent criticism of King Saud and considers that Nasr has made a serious error in launching an all-out propaganda campaign against the other Arab countries.

Because of the need for additional time to consolidate its internal control, the Jordanian government has extended the suspension of the legislature until 25 July. The government reportedly plans to use the time thus gained to try to remove 12 members of the 40-man legislature who have engaged in antigovernment activities. The government would then be able to fill the vacancies with progovernment appointees. It is not certain, however, that even this maneuver would give the government sufficient strength to permit the legislature to convene on 25 July to approve the present cabinet. Should the government still not feel confident of its strength, it would be forced to consider dissolving the legislature and ruling by decree.

Now that a new Iraqi cabinet has been formed, King Hussain plans to visit Baghdad for two days commencing 22 June to discuss badly needed financial aid. Former Iraqi premier Nuri had blocked any more than token aid to Jordan, although it had been favored by King Faisal. [redacted]

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3. SYRIAN DEVELOPMENTS

Comment on:

The departure of President Quwatli for Switzerland for medical treatment on or before 25 June will aggravate the crisis in Syria. The ailing president is reported to be tired of the power struggle in the country and may be absent for a prolonged period. According to the American ambassador, Premier Asali has been quoted as saying that he is the prisoner of the army and that he hopes he will be forced to resign. Minister of Defense Khalid al-Azm would probably be one of those in the forefront of any new contest for power. He has co-operated with pro-Egyptian elements in an effort to better his chances for higher office. He has recently denounced King Saud as a tool of American imperialism.

Reports of recent arrests of a "foreign spy ring" and plans to arrest members of the opposition create additional tension which may promote sudden action by leftist and ultranationalist army elements or by the smaller conservative faction in the army with possible backing from sympathetic Arab neighbors.

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4. ISRAELI APPREHENSION OVER KING SAUD'S EMERGENCE AS ARAB LEADER

Comment on:

Israeli officials and press have shown increasing concern over the enhanced prestige of King Saud. Foreign Minister Meir has expressed the government's "serious concern" over the emphasis Saud is placing on the "Moslem nature" of his leadership which is "contributing to a heightening of Arab-Israeli tensions." Mrs. Meir fears that if this continues Saud could prove more dangerous to Israel in the long run than Nasr.

Concurrently, the Israeli press and radio have observed that while Egypt's growing strength presents a military threat, the recent independent action of the relatively pro-Western Arabs, particularly King Saud, "foretells a difficult political struggle for Israel," and might be at the expense of Western support of Israel. The inter-Arab rivalry is viewed in Israel as a menace, since each bloc in the divided Arab world "will attempt to prove itself as the leading protagonist of hatred and war against Israel." Israeli fears over Saudi-American friendship were recently voiced by a Jerusalem commentator who, in discussing the Aqaba Gulf problem, noted that "the influence of the Saudis on the rulers of the United States is not at all negligible." [redacted]

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5. NEW INTERNATIONAL COMMUNIST JOURNAL MAY BE ANNOUNCED SOON

Reference:

The American embassy in Prague believes that the founding of a new international Communist ideological journal may be announced when Khrushchev visits

Prague, reportedly on 2 July. Moscow has reportedly long been considering resuming publication of such a journal--perhaps to be printed in Prague, but a number of other Communist Parties, including the Italian, Polish and Chinese, are believed to fear such action might facilitate an attempt by the USSR to impose doctrinal conformity.

The embassy notes that the 15 June ideological resolution of the Czech Communist Party central committee proposed the establishment of a new theoretical and political journal of the Cominform type; this may indicate a firm Soviet intention to launch such a journal. The resolution did not specify what organization might sponsor it. The Czechs have, however, advocated a revival of international Communist party conferences, indicating that they may contemplate sponsorship by such meetings, rather than by a formal organization of the Cominform type.

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ANNEX

Watch Report 359, 20 June 1957
of the
Intelligence Advisory Committee

Conclusions on Indications of Hostilities

On the basis of findings by its Watch Committee, the Intelligence Advisory Committee concludes that:

- A. No Sino-Soviet bloc country intends to initiate hostilities against the continental US or its possessions in the immediate future.
- B. No Sino-Soviet bloc country intends to initiate hostilities against US forces abroad, US allies or areas peripheral to the Orbit in the immediate future.
- C. Early deliberate initiation of hostilities by Israel or the Arab states is not probable. Although tensions continue between the Arab states and Israel and among certain Arab states themselves, these are not likely to lead to serious conflict in the immediate future.



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