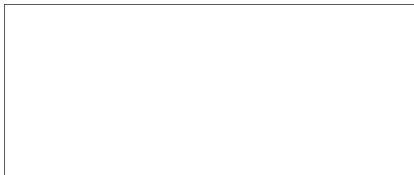


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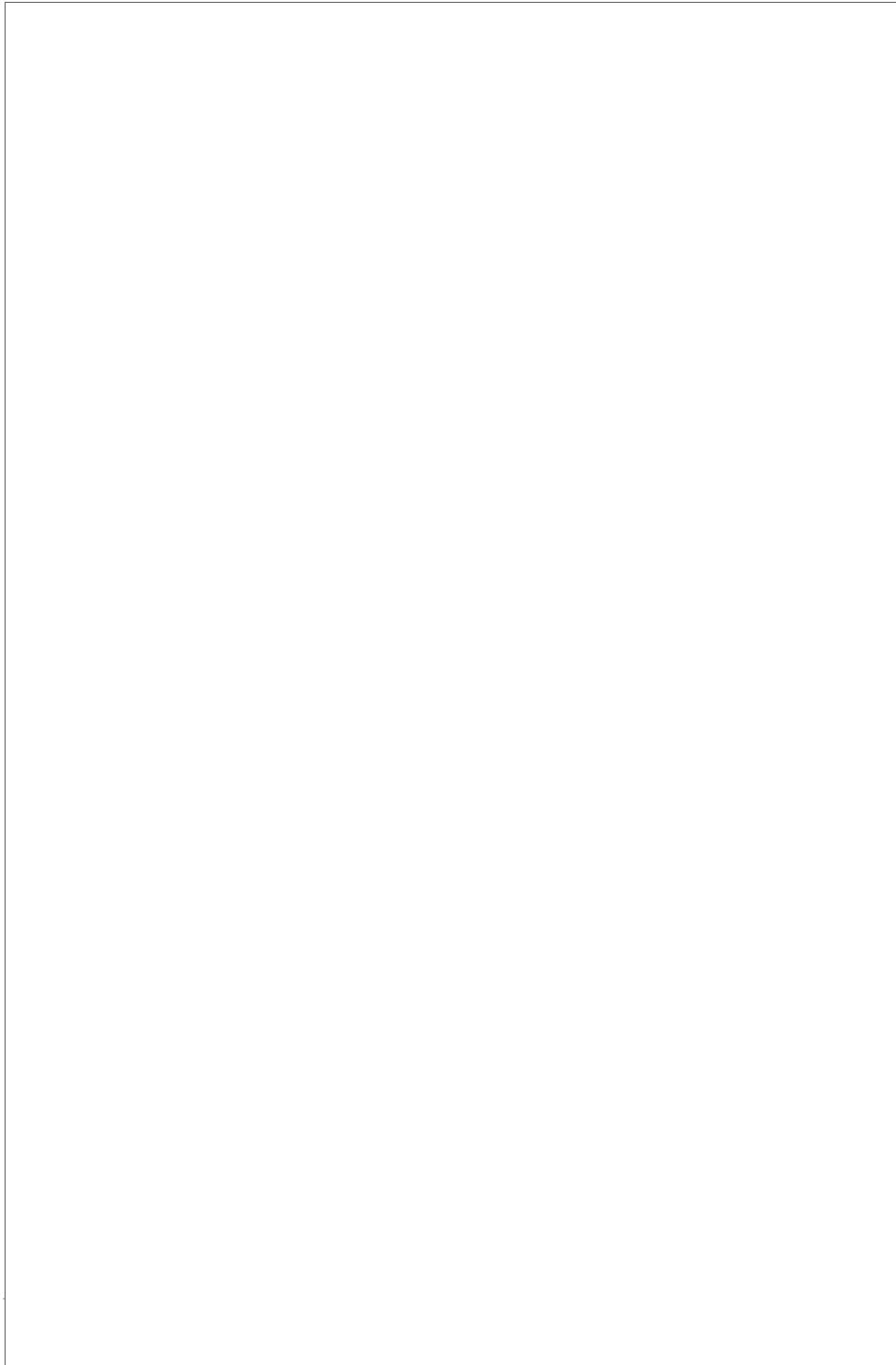
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CENTRAL INTELLIGENCE BULLETIN



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19 JULY 1958

I. THE COMMUNIST BLOC

Moscow and Peiping continue diplomatic and propaganda campaign against Western intervention in Middle East.

II. ASIA-AFRICA

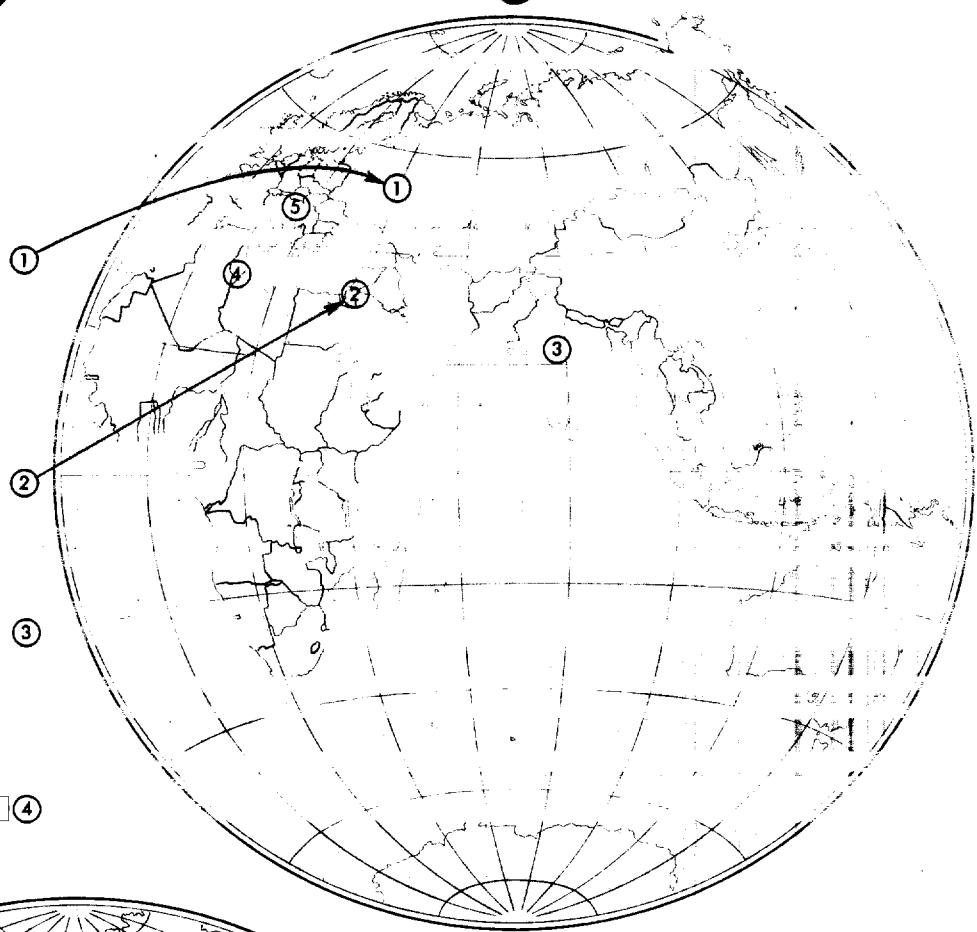
^A Attitude of Lebanese army toward US forces remains equivocal. Heavy security precautions in effect in Jordan. UAR continues to prepare for possible hostilities.

Special IAC Watch Committee Report on the Middle East situation.

Nehru may offer to mediate in Middle East.

Free world reactions to Middle East events.

Algerian FLN protests to Tunisia over oil pipeline agreement with French company. (4)

**III. THE WEST**

(5) Austrian chancellor accedes to Soviet demand not to attend US Embassy functions while in Moscow.

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CENTRAL INTELLIGENCE BULLETIN

19 July 1958

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

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*USSR - Middle East: The USSR is concentrating on its campaign to make the maximum possible political capital from Western actions in the Middle East. Using unofficial diplomatic hints and plants in foreign capitals, Moscow has begun suggesting such possible counteractions as the injection of bloc volunteers into the Middle East in the event Western intervention is extended to Iraq or even if the American and British actions in Lebanon and Jordan continue. At the same time the USSR apparently intends to keep up demonstrations against American and British diplomatic installations and military missions in bloc countries. At present, these seem to be increasing in size and boldness. In addition Moscow has issued another cautiously worded government statement declaring that "the Soviet Union will not rest indifferent . . . and will be compelled to take the necessary steps dictated by the interests of the Soviet Union's security." Closer Soviet collaboration with Egypt will probably result from the Khrushchev-Nasir talks in Moscow on 18 July. The Soviet Union has already recognized the new Iraqi regime, which in turn has emphasized a desire for "the further development" of close relations.

N^a Communist China: The Chinese Communist foreign minister has implied to Asian diplomats that the bloc will not intervene directly in the Middle East as long as Western intervention is confined to Lebanon and Jordan. He states, however, that a Western move against Iraq might very well start a conflagration "which could extend to China." Similar pronouncements on the possibility of a world war have been issued

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to the press. Peiping, like Moscow, seems confident that the Western action in Lebanon and Jordan is vulnerable to diplomatic and propaganda counterattack. The immediate Sino-Soviet objective appears to be to keep Western intervention limited and contained. [redacted] (Page 1)

II. ASIA-AFRICA

*Middle East: The attitude of the Lebanese Army toward the American forces remains equivocal. The rebels may launch terrorist attacks on the Americans in the near future. The UAR has stepped up preparations for a possible outbreak of hostilities, and Nasir has reiterated promises of military assistance to the new Iraqi regime. Heavy security precautions remain in force in Jordan; there have been no hostile manifestations against the British troops landing there, but government circles hope Americans will join them so as not to give the intervention the stigma of a return to British control. Individual reservists have been called up in Israel, probably for mobilization planning. Security problems in Saudi Arabia, Kuwait, Libya, and the Sudan appear to be increasing. [redacted] (Page 2)

Special Watch Report 415-A of the Intelligence Advisory Committee (Issued at 1830 EDT, 18 July 1958):

Based on an examination of circumstances relating to the Middle East situation, the Watch Committee of 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.

NOTE: It is not believed that the USSR would intentionally resort to general war to expand or preserve its recent gains in the Middle East. It cannot be assumed, however, that the Kremlin will avoid all risk of war, and a Soviet miscalculation of the risks remains a possibility.

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B. No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the Orbit in the immediate future.

NOTE: There are indications of measures to increase the readiness of Soviet forces adjacent to the Middle East.

Announced maneuvers in Bulgaria, the Black Sea, and in the Transcaucasus and Turkestan Military Districts will have the effect of improving the combat readiness of Soviet forces in the area.

The maneuvers are also certainly intended to intimidate the West and its allies, particularly Turkey, to back up vigorous Soviet bloc diplomatic, propaganda, and "popular" demands for the withdrawal of US and UK forces from Lebanon and Jordan and to support strong Soviet declarations to restrain Western and Turkish interference with the new Iraqi regime.

C. Although critical tensions exist at a number of points in the Middle East, a deliberate initiation of open hostilities is unlikely in the immediate future.

NOTE: The arrival of UK troops in Jordan has, at least temporarily, restored some stability to the Jordanian regime and has put off the prospect of an Israeli occupation of the West Bank.

US forces in Lebanon are confronted with an increasing likelihood of clashes with Lebanese forces, rebel and Lebanese Army, and possibly also Syrian fedayeen.

Turkey has demonstrated an increasing eagerness to intervene in Iraq and has vigorously sought US support for such a move. While a unilateral Turkish move

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against Iraq is unlikely, the possibility cannot be dismissed.

The Soviet Union, for its part, has re-established relations with Iraq and has acted to protect the new regime by strong and explicit warnings against Turkish or Western interference.

Collaboration between the UAR and the USSR has been intensified with Nassir's visit to Moscow and military consultations between Air Marshal Rudenko and Egyptian Commander in Chief Amer.

Nehru - Middle East: Indian Prime Minister Nehru

No

may be prompted to advance plans for international negotiations on the Middle East in an effort to play a mediatory role similar to the one he played in the Suez and Korean crises. New Delhi on 18 July stated officially that US troops should be withdrawn from Lebanon and suggested the possibility of strengthening the UN observation team.

(Page 8)

No

Free-World Reactions: The dispatch of British troops to Jordan has brought reactions generally similar to those following the US action in Lebanon. India and Japan oppose any intervention in the Middle East. Several NATO members, led by West Germany, have expressed their concern over developments which may result from the interventions. Many Latin American governments have supported the US move.

(SECRET) (Page 9)

No

North Africa: The Algerian National Liberation Front (FLN) has protested to President Bourguiba the agreement recently concluded with a French company to transport Saharan oil by pipeline through Tunisia. The FLN fears France

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will succeed in disrupting North African solidarity by such economic arrangements. [redacted] (Page 11)

III. THE WEST

^{Nb} Austria: Chancellor Raab's decision to accede to Soviet demands to attend no US Embassy functions during his 21-27 July visit to Moscow probably reflects Austrian desires not to jeopardize the prospects of obtaining economic concessions from the USSR. Vienna's complaints that American overflights to the Middle East had violated Austrian air space further emphasized Austria's position of formal neutrality.

[redacted] (Page 13)

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I. THE COMMUNIST BLOC

Peiping's View of Middle East Situation

Peiping has joined Moscow in efforts to limit the scope of Western intervention in the Middle East while working hard to mobilize world opinion against the Western action. Communist China's Foreign Minister Chen Yi, prior to a parallel public statement of Peiping's position, on 17 July called in heads of missions from Afghanistan, Burma, Ceylon, Indonesia, India, Cambodia, and the UAR to urge that their governments grant immediate recognition to the new republic of Iraq and "unite to stop the conflict from spreading." (The UAR had already recognized the new regime.)

Chen implied that the bloc will not intervene directly against American and British forces in Lebanon and Jordan, but he warned that a Western move against Iraq would cause a conflagration that "might very well extend to China." Chen's statement is similar to private warnings made recently by some Soviet officials who have said that the USSR would contest any intervention against Iraq.

Peiping's public statements, like Moscow's, reflect growing confidence that the Western action in the Middle East is vulnerable to diplomatic and propaganda counter-attack.

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II. ASIA-AFRICA

The Middle East (information as of 0100 EDT 19 July)

The attitude of the Lebanese Army toward the American forces remains equivocal. All the points previously occupied by the Lebanese Army facing the American position at Khalde airport had been vacated by 18 July, but the units withdrawn may have taken up other, less prominent positions. The army is also reported to have withdrawn its garrison from a strategic town in the Shuf region southeast of Beirut, whereupon the town was occupied by Kamil Jumblatt's rebel Druze forces. General Shihab has reiterated his fear that he cannot hold his army together, and has stated there is an undercurrent of defection in the army which could break out at any time.

On the rebel side, [redacted] the morale of opposition fighters in the Moslem Basta quarter of Beirut is high and that a number of soldiers have joined their ranks. The rebels in the capital are said to be planning to take the "offensive" in some places and to shift their emphasis to the use of terrorist methods. Actually, a tactical shift of this kind in rebel operations was apparent before the American landings. As the rebels reassess their position, an increasing number of incidents involving American troops can be expected. [redacted]

[redacted] rebel leaders Saeb Salam had not yet "ordered" the "people's resistance" to engage the American troops "because up till now these have been stationed near the people's resistance areas."

UAR President Nasir's surprise flight from Moscow to Damascus was made in a TU-104 via Baghdad, according to communications intelligence. Nasir's stop in Baghdad was very brief and it is doubtful he had much if any contact with the new Iraqi leaders. His speech after his arrival in Damascus did not allude to his visit to the Soviet capital, but played emotionally on the standard themes of radical Arab nationalism. Nasir underlined, however, his government's

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previous statements that it would come militarily to the aid of the revolutionary regime in Iraq.

UAR preparations against the possibility of hostilities are continuing. The port of Alexandria will be closed from sundown to 0800 hours until further notice, and 100 contact mines were sent there.

[redacted] plans are again being made to use sabotage to deny use of the Suez Canal to the West, and a ship loaded with cement is already in position.

A similar state of alert, possibly of mobilization, is being maintained in the Syrian region of the UAR. Troops have been restricted to barracks in Aleppo, an undetermined number of reserves mobilized, weapons issued to the Popular Resistance Organization (PRO), and civil defense is being organized. In Damascus, the PRO was called to arms on 17 July by sound truck, and the civil defense office has called for volunteers, particularly requesting medical students to report by 19 July. No leaves will be granted civil servants until further notice.

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The American Embassy in Amman reports that few Jordanians outside the cabinet were happy over the landing of British troops there, but there were no signs of outward hostility. Approximately 2,000 troops of the 16th Independent Parachute Brigade Group have been airlifted from Cyprus to Amman. The 1st Guards Brigade (2,500) on Cyprus is on "immediate alert" to reinforce the paratroopers or to be airlifted to Kuwait or other Persian Gulf areas if needed. A squadron of 16 Royal Air Force Hunter jet fighters from Cyprus has been ordered to Beirut and another one is alerted to move. Two replacement squadrons are due in Cyprus from Britain.

Prime Minister Rifai continues to believe it extremely important that American troops join the British in Jordan, since a unilateral British effort will appear to be merely turning the clock back to the period of British control. The demonstration of American jet aircraft over Jordan was mistaken by many, including Rifai, as a flight of Syrian MIG's. Rifai has asked that the jets return and fly lower.

Tight security is being maintained both in Amman and in West Jordan, but several sources emphasize the possibility of trouble in the West Jordan town of Nablus, a hotbed of nationalist agitation. Members of the Jordan Baath party at another town in this area have been instructed to remain on the alert to join in a possible revolt.

King Husayn meanwhile is still talking of an invasion of Iraq, although his army has been unable to contact any Iraqi units which would join. Husayn nevertheless apparently believes a coordinated movement by Turkey, Iran, and Jordan could be militarily successful, and he is reported to have said he would like to move as soon as possible.

There has been little change in the situation in Iraq. Persons arriving in Baghdad from the northern oil regions

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around Kirkuk and Mosul report that the rebel take-over there proceeded smoothly. The regime has issued an official statement declaring its "anxiety" to see the production and flow of oil continued and stating that it has taken "all necessary steps to protect the oil wells, pumping stations, pipelines, and all other installations." The statement asserts that the regime "respects its commitments with the parties concerned." It will at the same time "work for the preservation of its sublime national interest, and hopes that those concerned will respond. . .!"

The American Embassy has been informed that the regime has agreed to allow one commercial aircraft per day to arrive and depart from the Baghdad civil airport between 0500 and 0800 to evacuate American citizens, provided the [redacted] regime receives 24 hours' notice of the arrival.

[redacted] the hills overlooking Habbaniya airfield, Iraq's major military field, have been occupied by the First Brigade of the Iraqi Army First Division, which apparently has positioned guns on the summits.

[redacted] some members of the former Iraqi government may be trying to escape from the country to eastern Jordan through the good offices of Shammar tribal leaders. Syrian police have been instructed to arrest them if they should be found.

Israeli military authorities remain on the alert, and individual reservists have been recalled to active duty, probably to assist planning and preparation for general mobilization

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if such a measure should be required. No significant increase in Israeli military ground strength has been reported. An unusually large number of cargo ships has gathered at the port of Haifa. While these vessels are believed to be seeking haven as a result of military activity in the eastern Mediterranean, their arrival may also be indicative of an influx of military equipment to Israel, probably from France.

Israel now has on hand 20

French Vautour jet fighter-bombers, an increment of five over the previously accepted figure. Press sources state that Israeli requests for additional armaments are en route to Western European capitals and to the United States.

Continuing Saudi Arabian concern for internal security is indicated by a report that all army and royal guard training has been suspended by Crown Prince Faysal's order, and the arms have been secured under guard of trusted officers. There is no confirmation of reports that the Saudi Government has refused permission for American tanker planes to overfly its territory from Bahrein to Jordan. Radio Mecca has, however, denied officially a report that Saudi Arabia had given such permission. Faysal in talks with American officials has emphasized that his government is pursuing a policy of complete neutrality in relation to events in the area. This policy statement is in marked contrast to those of King Saud, who has frantically urged that pro-Western forces take action against the regime in Iraq.

Yemeni reaction to the Iraqi coup is mixed. Crown Prince Badr persuaded the Imam to send a telegram of congratulation to Baghdad, but conservatives in the palace are said to be disconsolate in the belief that a chain reaction will sooner or later hit Yemen. The Imam has postponed his proposed trip to Italy.

Concern continues to be expressed about a possible upheaval in Kuwait, the Middle East's largest oil producer. The ineptitude of the present regime and the presence of nationalist agitators with energy and intelligence, make Kuwait vulnerable to subversion. The American Consulate has obtained

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security protection for all American-occupied buildings, and the British acting political agent has been authorized by London to call for British troops in the event of disturbances beyond the competence of the local security forces.

A hand grenade was thrown over the wall of the American ambassador's residence in Tripoli, Libya, on 18 July, without injuring anyone. This attack may be symptomatic of trouble coming up in Libya, where Egyptian agents have been reported planning a coup against King Idriss' government. [redacted] the developments in Iraq and the subsequent impact may have thrown the plans of dissident elements off schedule; one report has asserted these plans envisaged action in September. [redacted]

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Nehru Considers Mediation Attempt in Middle East

The Indian leader may propose negotiations as he did during the Suez crisis.

The Indian Government officially stated on 18 July that US troops should be withdrawn from Lebanon. Its reiteration of New Delhi's established position "against intervention by foreign forces in any country" suggests the statement applies to British troops in Jordan as well. Contending that the presence of Indian UN observers in Lebanon would safeguard the Beirut government against infiltration across the frontiers, the statement added that the presence of US troops "is therefore not necessary." New Delhi suggested the UN observation group might be strengthened.

Since Nehru was met in New Delhi on his return from a provincial tour by both the Soviet and UAR envoys, who reportedly delivered messages from their leaders, the appeal to Nehru may have been coordinated during Nasir's visit to Moscow on 17 July.

In contrast to the vehement reaction by the Indian press to American intervention in Lebanon, Nehru has so far refrained from strongly denouncing the action. In 1956 he immediately attacked the Anglo-French intervention in Suez. He can be expected, however, to support Nasir's position as far as it is consistent with the general position of the Asian-African bloc.

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Free World Reactions to Events in the Middle East

The dispatch of British troops to Jordan has brought reactions generally similar to those following the American intervention in Lebanon. Several NATO members, led by West Germany, have expressed concern over developments which may result from these steps. Latin American governments generally support the US landings in Lebanon. India and Japan, following the British move into Jordan, continue their opposition to any outside intervention. North African nations are still more concerned with domestic problems than with the Middle East.

Western Europe: In the North Atlantic Council on 17 July, several members expressed concern about Britain's action in Jordan, just as they had the previous day regarding the US landing in Lebanon. While the British step was endorsed by Turkey, Canada, Belgium, the Netherlands, and Luxembourg, the West German representative criticized the lack of prior consultation. Along with the Norwegian, Greek, Italian, and Belgian representatives, he expressed uneasiness over the future implications of the American and British actions for NATO members.

Latin America: Many Latin American governments have expressed approval of the US action. Chile has voiced its full support publicly, and private statements of support have come from Brazil, Uruguay, Nicaragua, and the Dominican Republic. Argentina, Bolivia, and Peru have privately expressed their sympathetic understanding. In Buenos Aires, however, on the night on 16 July, a mob of some 200-300 persons, tentatively identified as Communists and sympathizers, attacked the US chancery and inflicted small property damage.

The Brazilian Foreign Ministry instructed its UN delegation to conform to the US position, but advised it could not agree to a transfer of the Brazilian battalion at Suez to another area until authorized by Congress, which is in recess during July.

South and Southeast Asia: Some elements of the Indian press, possibly taking their cue from Nehru's continuing cautious

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reaction to events, have played a more moderate line than had appeared in the first comments. Most of the press can be expected to support Nehru's call on 18 July for the withdrawal of US troops from Lebanon and the strengthening of UN forces if necessary. The populace throughout South Asia has reacted much less violently to recent events than to the British and French invasion of the Suez area in 1956.

President Diem of South Vietnam strongly endorses American and British actions. The government of Malaya has issued a statement implying criticism of the United States and Britain but not naming either. Malayan Government leaders are apparently under some pressure to criticize Western intervention because of the feeling of religious identity the Malayan Moslems have for the Lebanese rebels.

Far East: Chinese Nationalist military forces have been placed on a special alert and daylight air patrols are being made along the mainland coast. Such action presumably is intended to detect any possible Communist action in the Taiwan Strait designed to take advantage of the Middle East crisis. Government officials continue to declare full support for American action in Lebanon.

South Korea on 17 July called on all free world nations to support the United States both diplomatically and militarily in its action to defend Lebanon.

Japanese Foreign Minister Fujiyama states that the landing of British forces in Jordan, like the American troop arrivals in Lebanon, will only aggravate the tense situation in the Middle East. Government officials are unanimously agreed that the US decision to land troops in Lebanon was a mistake and that Japan must avoid endorsing it outright. The Japanese press continues its strong criticism of foreign involvement in the Middle East, expressing fear that the US and UK actions, by inflaming Arab nationalism, may jeopardize Japan's achieving a place of leadership in the Afro-Asian group.

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Algerian Rebels Oppose Tunisian Pipeline Concession

Opposition of the Algerian National Liberation Front (FLN) to the concession recently granted to a French company for the construction of a trans-Tunisian pipeline may create new difficulties for Tunisian President Bourguiba. The Algerian rebels insist they will oppose the exploitation of Algerian petroleum until independence is achieved.

The FLN's executive committee--presently in Cairo--on 13 July addressed a protest against the concession to Bourguiba, with copies of the communication to Morocco and Libya. The following day the committee instructed the FLN representative in Tunis to take up again the question of oil and the pipeline in an editorial in the FLN's weekly newspaper El Moujahid, "especially in the Arabic edition." [redacted] That paper on 4 July condemned negotiations for a pipeline concession, charging that to negotiate for transportation of the petroleum is to recognize French claims to the Sahara and to compromise the fight of the Algerian people. FLN leaders have feared that with an improvement in France's North African relations, France might succeed in driving a wedge between Morocco and Tunisia and the Algerian nationalists, thereby disrupting North African solidarity. France's policy, [redacted] is to split the FLN from Tunisia and Morocco, and the hard-line Algerian rebel military leaders from political leaders.

Bourguiba and the Tunisian Government have for some time feared the subversive capabilities in Tunisia of the several thousand Algerian rebels, who may outnumber Tunisian security forces and are believed far better equipped than the Tunisians. Nevertheless, they have sought the concession, which they hope will materially improve depressed economic conditions in the south. The Tunisian foreign secretary said on 16 July that his government had attempted in vain to explain to FLN leaders the reasons--including national

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self-interest--for granting the concession. The independent French-language weekly L'Action published in Tunis--a paper strongly influenced by the FLN--has backed the government's decision and expressed astonishment that anyone should oppose the concession.



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III. THE WEST

Austria Concerned for Neutrality in Present Crisis

Austria's Chancellor Raab has decided to conform to officially stated Soviet wishes and avoid any functions at the US Embassy during his 21-27 July visit to Moscow. Foreign Minister Figl had previously assured Ambassador Matthews in Vienna of Austria's indignation at the "presumption" of the Soviet Government in making such a request, and the Austrian delegation had accepted a luncheon invitation for 27 July from Ambassador Thompson in Moscow. In view of the present Middle East crisis and American overflights of Austrian territory, which have occasioned public excitement but no formal protest from the Austrian Government, Raab is apparently eager to appease the USSR and avoid jeopardizing his prospects for obtaining economic concessions during his visit. According to Figl, however, there could hardly have been a worse time for the Moscow trip, and Ambassador Matthews has expressed considerable doubt whether Raab can withstand Soviet threats or blandishments.

Vice Chancellor Pittermann, a member of the Austrian Socialist party, which dislikes and distrusts Raab, has expressed a desire for an informal meeting with Ambassador Thompson, who was previously stationed in Vienna, before the Austrian delegation leaves Moscow. He has suggested meeting the ambassador at a Protestant church service in Moscow so as not to give the Russians any overt indication of a difference of views in the delegation.

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