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CENTRAL

INTELLIGENCE

BULLETIN



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4 AUGUST 1958

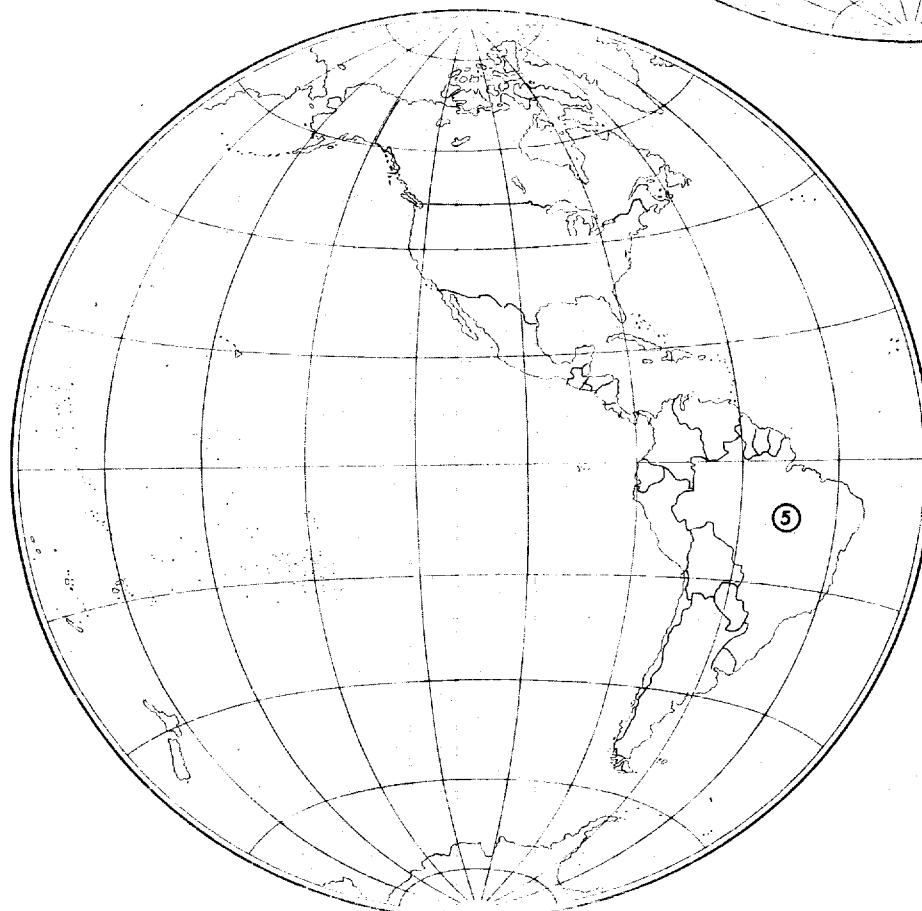
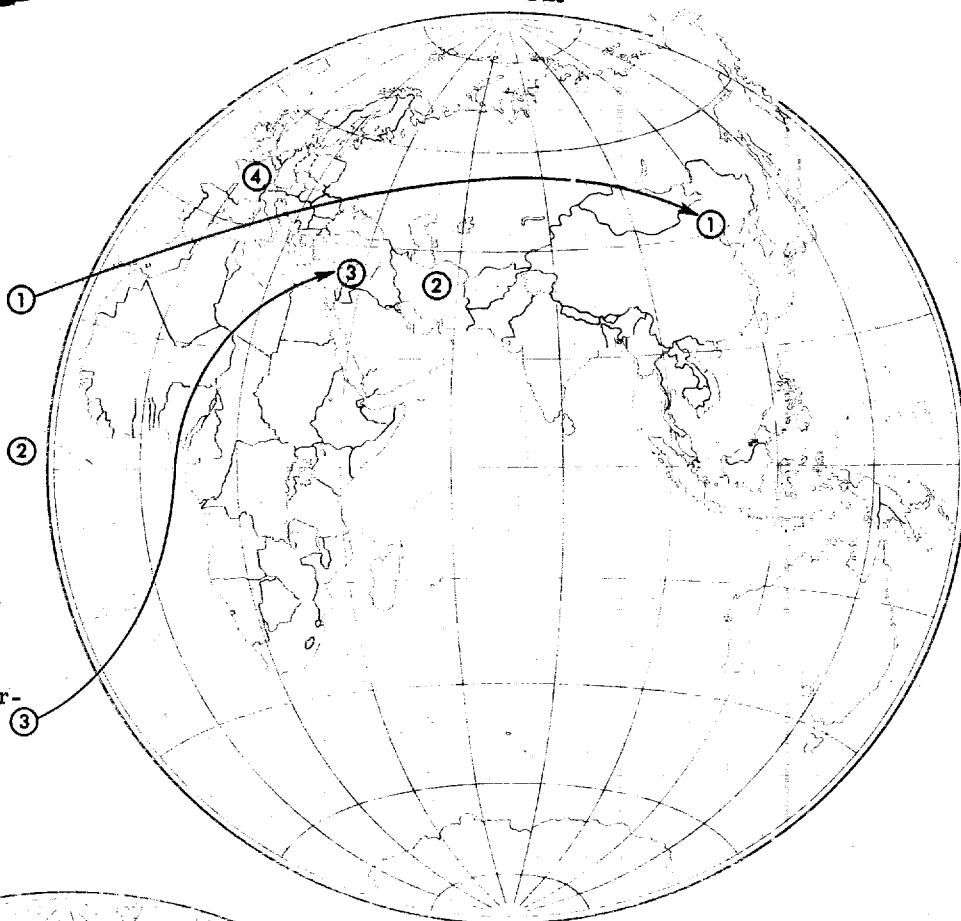
I. THE COMMUNIST BLOC

Khrushchev-Mao meeting in Peiping apparently was to assure identity of views in anticipation of a summit meeting.

Soviet Union continues pressure on Iran in effort to disrupt Western defense arrangements in Middle East. Shah, still shaken by Iraqi coup, attempts to tighten internal controls.

II. ASIA-AFRICA

Middle East - Lebanese leaders continue negotiations to establish interim government. Nasir sees rivalry between military and civilian elements of Iraqi regime. Ruler of Kuwait approves entry of British troops in emergency.

**III. THE WEST**

- ④ France - Soubstelle and French Army in Algeria intensify pressure on De Gaulle for integration of Algeria.
- ⑤ Brazil - Communists plan to participate in demonstrations during Secretary Dulles' visit.

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CENTRAL INTELLIGENCE BULLETIN

4 August 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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Khrushchev-Mao meeting: The brief visit of Premier Khrushchev to Communist China was apparently motivated in part by a desire to assure, prior to a summit meeting, an identity of views between Moscow and Peiping on foreign policy toward the West. However, the trip may have been planned prior to the Iraqi coup. The composition of the two delegations indicates that intrabloc problems and Sino-Soviet military relations were also discussed. The question of Chinese Communist military activity in the Far East may have been covered, but the tone of the communique does not suggest early action in this area. The communique makes no explicit reference to Chinese Communist participation at a summit meeting. [redacted] (Page 1)

[redacted]

USSR-Iran: Soviet Ambassador Pegov's almost four-hour conversation with the Shah on 1 August falls into the pattern of continuing Soviet diplomatic and propaganda efforts to disrupt Western defense arrangements in the Middle East and to alarm world opinion by alleging plans for a Western-inspired attack on Iraq. The Shah, still shaken up by the Iraqi coup, is taking measures to uncover subversive elements within the armed forces and to tighten his control. Widespread measures to suppress potential sources of trouble would, however, increase dissatisfaction with the Shah. [redacted]

[redacted] (Pages 3 and 8)

II. ASIA-AFRICA

Middle East: Lebanese leaders are continuing negotiations to establish an interim regime pending General Shihab's formal assumption of the presidency. Saeb Salam, the leader

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of the rebels in Beirut's Basta quarter, has professed to be "very satisfied" over his meeting with Shihab.

Nasir believes rivalry is developing within the new Iraqi regime between the military and civilian elements. The military elements are said to want to join the UAR but the civilians are opposed. Nasir's sensitivity to possible internal problems in Iraq may be due in part to his reported depression over economic and political problems in the Syrian region of the UAR.

Israel will ask the United States, Britain, and other "friendly powers" for new arms, including more modern tanks, "two or three" submarines, and advanced antiaircraft weapons.

The Ruler of Kuwait has reluctantly approved the entry of British troops in an emergency; he refused, however, to allow the British to move in a small contingent now to protect a local airstrip. [redacted]

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III. THE WEST

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France-Algeria: Elements in Algeria which take their cue from Information Minister Jacques Soustelle are interpreting De Gaulle's draft constitution as implicitly endorsing full integration of Algeria with France. The French Army in Algeria also is sympathetic to efforts in this direction and is continuing to urge integration on the premier. Soustelle, who is increasing his control over information media, will undoubtedly press within the cabinet for the integration formula. In view of his connections with the Algerian military leaders and Committees of Public Safety, he is in a position to exercise influence on De Gaulle. [redacted]?

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Brazil: The Communists are planning to exploit demonstrations scheduled by the National Students Union against Secretary Dulles during his present visit to Rio de Janeiro. The Rio police expect student demonstrators to number only between 200 and 300. The police are believed capable of keeping the demonstrations under control. [redacted]

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I. THE COMMUNIST BLOC

Khrushchev Visits Communist China

The visit of Soviet Premier Khrushchev to Communist China was apparently related, in part at least, to the urgency of assuring an identity of views between Moscow and Peiping on current international issues before a possible meeting between Khrushchev and Western leaders. However, the trip may have been planned prior to the Iraqi coup. The joint communique issued at the conclusion of the four-day visit reflects Soviet recognition of Chinese interests on such issues as a summit conference, the Middle East crisis, disarmament, and intrabloc relations. Khrushchev may allude to Far Eastern questions, such as Taiwan, at a summit meeting and may possibly suggest a second conference with Chinese Communist representation.

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The composition of the two delegations, which included both Chinese and Soviet defense ministers and high officials responsible for foreign policy and party affairs, indicates the talks covered three subjects: foreign policy toward the West, intrabloc problems, and Sino-Soviet military relations. The joint communique condemns the United States and Britain for "aggression" in the Middle East and belabors the West for obstructing a summit meeting. It states that the principal tasks for the moment are the reduction of armaments, discontinuance of nuclear weapons use, elimination of military blocs and foreign military bases, and the conclusion of collective security pacts.

The Chinese seem particularly sensitive to the matter of foreign military bases and have linked their propaganda on the Middle East to a renewed emphasis on the "liberate Taiwan" theme. The conversations on military matters may have covered the question of Chinese Communist activity in the Taiwan Strait, but the communique itself gave no indication of an imminent threat in that area. On the contrary, the communique pledged that both sides would do their utmost to ease international tensions and prevent war, although it insisted that the

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actions of the West will be an important factor in determining whether or not war can be avoided.

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Communist sources have been dropping the word recently of Chinese interest and activity in the development of nuclear and missile techniques, and Peiping may well have urged greater Soviet assistance to China in advanced weapons.

On the matter of intrabloc relations, the communique indicated no disposition to seek an early rapprochement with Belgrade. The Russians and Chinese pledged themselves to an "uncompromising struggle" against Yugoslav "revisionism."

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Soviet Ambassador Warns Shah of Iran

Soviet Ambassador N. M. Pegov, in a long conversation with the Shah of Iran on 1 August, apparently tried to impress him with the seriousness with which the Soviet Government views Western military moves in the Middle East in order to inhibit Iranian participation in Western-backed Middle East defense measures. Pegov told the Shah he believed we are at the "very brink of a major war" because, he said, the United States was "urging" Turkey to invade Iraq, had landed American planes in Turkey, and had moved the Sixth Fleet off the Turkish coast.

(1) Pegov urged the Shah to protest to the United States the overflight of Iran on 26 July of an American bomber which allegedly also overflew Soviet air space and prompted Soviet protests of "deliberate" violation to the American and Iranian Governments on 30 July. Pegov is reported to have told the Shah on 19 July that if American or British troops used Iranian territory as a base of operations against Iraq, Soviet forces immediately would invade Iran. The Soviet note of 30 July reminded the Shah that he had pledged that "no foreign troops would be stationed in Iran" and that "Iran would never be used against the Soviet Union."

In addition to its warnings to Iran, Moscow has protested to the governments of Turkey, Greece, West Germany, Austria, Italy, and Israel for allowing use of their territory or air space for facilitating the movement of troops and military supplies to Western forces in Lebanon and Jordan.

Moscow now appears to believe there is little danger of an attack on Iraq, but is confident it can safely exploit public apprehension over recent Western military moves and alarm over alleged plans for a Western-inspired attack on Iraq to build popular pressures for an immediate summit conference. Khrushchev's 28 July notes to the United States, Britain, and France said that the "preparations for armed interference in Iraq which are proceeding at full speed" made an early meeting mandatory. Moscow kept the allegation alive with a TASS statement on 30 July regarding the Baghdad Pact meeting in London, labeling it "a gathering of conspirators who were planning new acts of aggression against the Arab countries." [redacted]

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II. ASIA-AFRICA

Middle East Situation

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Lebanon: Intensive postelection political maneuvering continues, with President Chamoun and his "loyalist" followers seeking to preserve some semblance of influence which might enable them to make a comeback in the future, although Chamoun personally has disavowed any wish to try to run again for president six years hence, when he would again be constitutionally qualified to do so. Radical opposition leader Saib Salam's interview with General Shihab was "very satisfactory" to Salam, and the stamp of approval is being placed on the general by the Cairo press and even by the new Iraqi regime, which has sent greetings to Beirut.

Salam emerged from his meeting with Shihab still insisting, however, on the fundamental rebel contention that Chamoun must resign at once, and that American troops must depart before the rebels will lay down arms. Salam also stated that when Shihab becomes president, the rebels will demand that an opposition leader, not a neutral figure, form the cabinet. Salam may not be able to force these demands at this time, however, since reports from the area of his stronghold in Beirut's Basta quarter indicate that most of the rebels there wish to resume normal civil life and that Salam has had to press men into continuing guard duty on the rebel barricades.

Iraq: UAR President Nasir is reported to believe, on the basis of his contacts in Damascus with Iraqi leaders, that rivalry is developing between Prime Minister Qasim and his deputy, Colonel Arif, as well as between the military and civilian elements in the Iraqi regime. While reports of the composition of the new regime and the background of the leaders indicate that heterogeneous elements are represented and that conflicts of interest are likely to occur, serious splits seem unlikely until the regime attempts to clarify more specifically its domestic and foreign policies.

The city of Baghdad has returned to a more normal atmosphere after the oil-tank fires gradually subsided on 2 August.

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Two American marines, who had been held for investigation in connection with the fire, have been released. Formation of a volunteer "popular resistance force" modeled on those of Syria and Egypt was announced in a decree of 2 August. Foreign volunteers, Arab and non-Arab, are permitted to join, thus legally opening the way for "volunteers" from the UAR or even from the Soviet bloc to be brought in in case of need.

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UAR: Nasir's sensitivity to possible internal divisions in the new Iraqi regime may rest in part on awareness of similar problems in the Syrian region of the UAR. On 1 August, a Damascus paper associated with the Moslem Brotherhood attacked a Damascus radio broadcast which referred to Michel Aflaq as the founder of the Baath party, asking whether the station was seeking to remind people of the existence of this party despite the fact that all parties have been officially dissolved.

another large group of Syrian army officers has been marked for retirement, and rumors are circulating that Baathi officers are to be retired. This continuing political squabbling, combined with economic problems to which Nasir himself referred in a recent speech, may lie behind the suggestion that the UAR be reorganized into a looser federation which might include Iraq. In fact, relatively little change other than name would be required to bring about such a shift, and if Iraq were added in the process, it could easily be made to appear as another victory for Nasir rather than a retreat from the ideal of Arab unity.

From Fawzi's description, it would appear that Nasir would like to attend such a meeting, preferably elsewhere than New York, but wants it to deal with general world problems rather than concentrate on the Middle East. Nasir hopes the conference would bring about the withdrawal of American and British forces from Lebanon and Jordan. On other matters, however, the UAR believes the conference should come to no final conclusions and should be but a prelude to other such meetings.

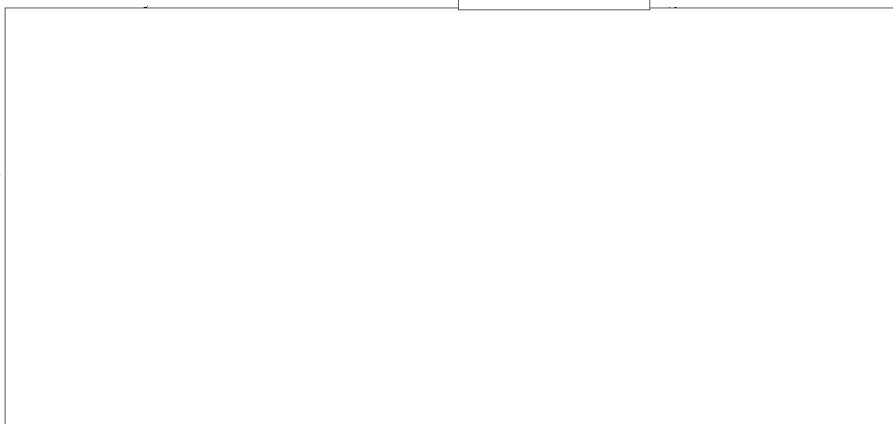
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Jordan: King Husayn has formally admitted that the Arab Union is dead by urging quick changes in those parts of the Jordanian constitution which had been altered to provide for the union. Husayn has also dismissed Minister of Court Mulki, who is believed to have been a possible channel of UAR influence. In his talk with Under Secretary Murphy, Husayn still appeared affected by the assassination of his cousin King Fay-sal, but Prime Minister Rifai stated that Husayn is still determined to defend his throne and would "never" abdicate.

Israel: Israeli Ambassador Eban in Washington has stated that his government will ask the United States and other "friendly powers" for substantial financing assistance and arms, including M-47 or M-48 tanks, antitank recoilless rifles, half-tracks, two or three 500- to 600-ton submarines, helicopters and transport aircraft, signal equipment, several hundred "6 x 6" trucks, and access to new antiaircraft weapons such as "Nike" missiles. The submarines are also being requested from the UK, and combat aircraft are being sought "in the pattern of the past"--i.e., from France.

Kuwait: The Ruler of Kuwait has refused a British request for his approval of the dispatch of a small contingent of British troops to secure a local airstrip for possible future use. The Ruler reluctantly gave what the local British political resident has construed as approval for the entry of British troops to protect foreign lives in the event of a serious local disturbance or in the event of a wider external threat, but the Ruler indicated he feels neither eventuality is likely. The Ruler's previously reported interest in joining the moribund Arab League--which he claims to believe might be revitalized by Kuwait's and Bahrein's participation--is clearly based on his feeling that the move might serve to deflect more drastic action against him by the UAR.

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Iranian Shah Taking Measures to Tighten Internal Controls

The Shah of Iran, still shaken by recent events in Iraq, is taking measures designed to uncover subversive elements within the armed forces and to tighten his control. The investigation of Iranian officers by Savak, the Iranian national intelligence organ, at the Shah's direction, is aimed at uncovering any "Qasim-type" officers or other potentially dangerous elements. Widespread measures to suppress potential sources of trouble will only increase dissatisfaction with the Shah.

The Shah's decision to promote only 10 percent of the eligible officers to the rank of general will add to discontent within the armed forces heretofore only associated with elements among the junior officers. He also apparently intends to retire several of his generals, especially those associated with General Gharani, who was recently convicted of conspiracy against the Shah. The Shah's concern, amid continuing reports of hostile Kurdish intentions and an unconfirmed report of a Soviet-sponsored plot to kidnap him and organize a new government, is further demonstrated by the early recall of Prime Minister Eqbal and the chief of the Armed Forces General Staff from London, where they had been attending the Baghdad Pact meetings.

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