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28 July 1958

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CENTRAL

INTELLIGENCE

BULLETIN



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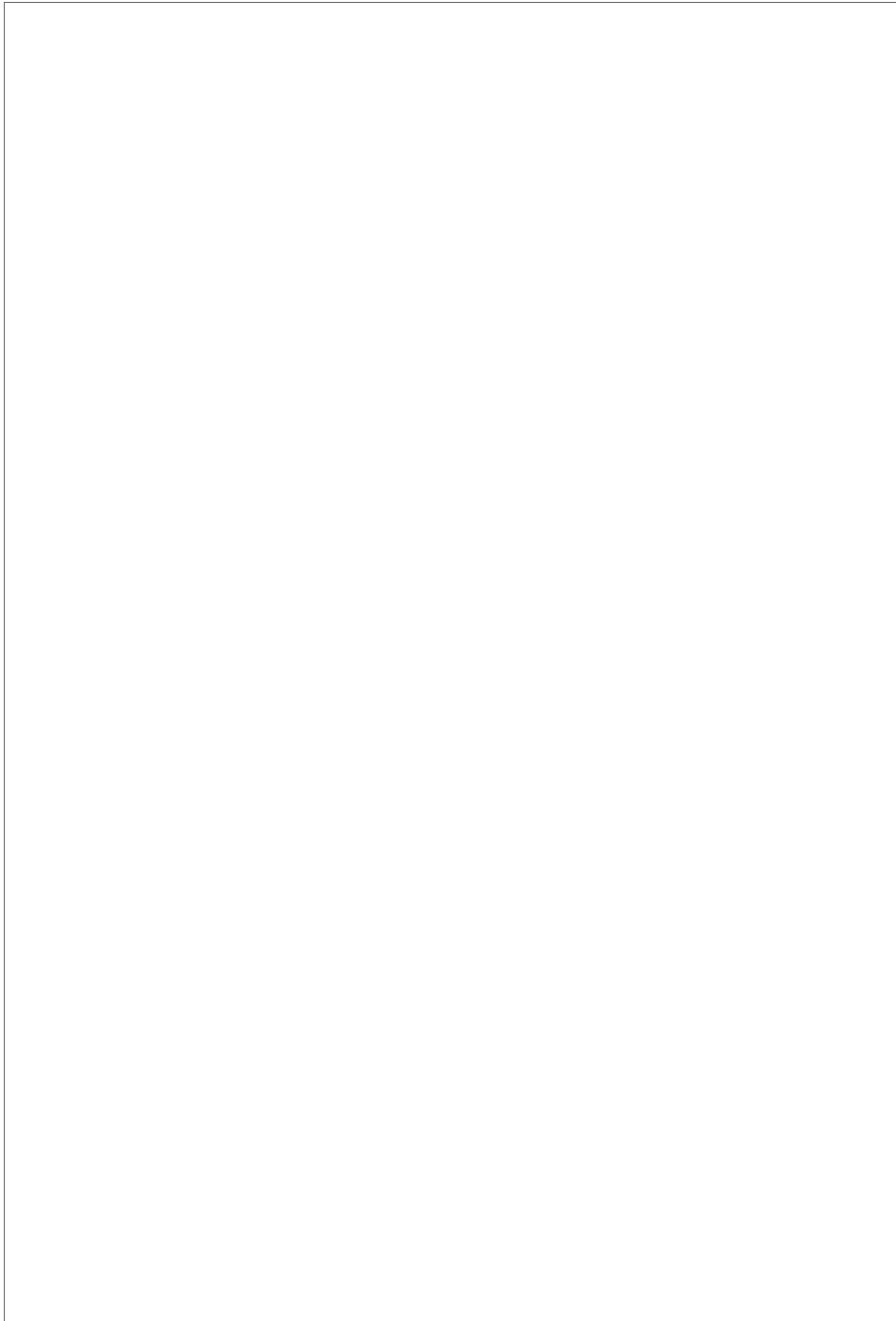
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28 JULY 1958

I. THE COMMUNIST BLOC

Soviet officials begin dropping hints about Soviet proposals on Middle East; cite call for control commission by neutral countries and a big-power agreement on nonintervention.

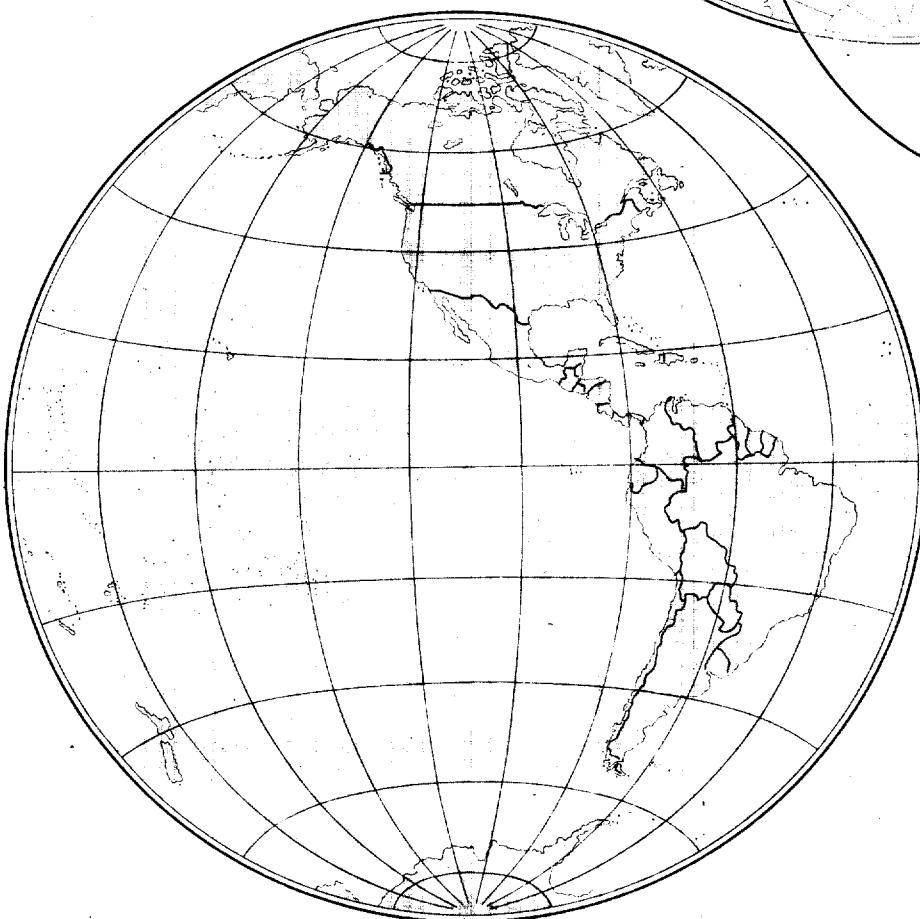
Soviet bloc delegation at Geneva seen intent on reaching agreement to stop tests and making concessions to gain this end.

Hungary - Kadar's status still shaky.

**II. ASIA-AFRICA**

④ Middle East - Shihab again declines to take military action against Lebanese rebels. Jordan shifting army personnel of doubtful loyalty. New Iraqi provisional constitution continues military rule. Israel keenly aware of isolation over long run. Saudi Crown Prince Faysal seeking accommodation with Nasir.

⑤ Tunisia - President Bourguiba appeals for American and British weapons so army can maintain internal security.

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CENTRAL INTELLIGENCE BULLETIN

28 July 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR--Middle East summit tactics: Soviet diplomats have begun to hint that Khrushchev in a summit meeting at the United Nations will press for the neutralization of at least part of the Middle East, backed by great-power guarantees. As a first step, Khrushchev would call for the creation of an international commission of neutral countries, along the lines of the Indochina Control Commission, which would supervise the withdrawal of American and British forces, the holding of early elections in Lebanon and Jordan, and the cessation of arms shipments to the area as part of a nonintervention agreement among the big powers. [redacted] (Page 1)

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Geneva technical talks: Dr. Fisk, the chairman of the Western delegation, believes that the Russians want the Geneva talks to succeed, that they desire an early agreement on cessation of nuclear tests, and that they will continue to make concessions to get it. He notes that in every important case, the Soviet bloc delegates have accepted the major elements of the Western position. Moscow's objective probably continues to be an agreement in principle to a minimal inspection system in order to increase pressure on the United States and Britain to halt tests, but to make it more difficult for them to insist later on a more extensive control system. [redacted]

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Hungary: Kadar's recent actions and his treatment by other members of the regime and the press suggest that his position as party chief remains shaky. His opponents may be trying to effect his removal by convincing Moscow that he is incapable of effective leadership. His ouster would probably lead to the elimination of the few vestiges of leniency in Hungarian internal policy. [redacted]

(Page 3)

II. ASIA-AFRICA

*Middle East developments (as of 0100 EDT, 28 July): Lebanese army commander Shihab has again reneged on an agreement to take military action against the rebel-held quarter of Beirut. Both rebel and progovernment circles are continuing consultations over the presidential election scheduled for 31 July, and Shihab fears military action now would make the election on that date impossible. Jordanian authorities are shifting military personnel in a further effort to bolster the government's internal security position, but an officer of questionable loyalty "exiled" to Iraq just before the coup there may be made deputy chief of staff. The new Iraqi provisional constitution provides for continued control by the military leaders of the revolution; they are more clearly than ever bent on following Nasir's policies and tactics as closely as they can. [redacted]

[redacted] The Israeli Government is sensing its isolation over the long run more strongly than ever before. Saudi Crown Prince Faysal appears bent on a reconciliation with Nasir in order to buy time for the Saudi monarchy and relief from Cairo radio attacks. The Ruler of Kuwait has also indicated he intends to accommodate himself to Nasir-led nationalism. [redacted]

(Page 4)

28 July 58

DAILY BRIEF

ii

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Tunisia: President Bourguiba has asked the United States and Britain to supply weapons so the Tunisian Army can carry out its mission of maintaining internal security. France has offered some equipment from military stocks in Tunisia, but Bourguiba says that acceptance would complicate his difficulties with the Algerian FLN. Both Bourguiba and his director of security cited a possible crackdown on the Algerian rebels inside Tunisia.

(Page 8)

28 July 58

DAILY BRIEF

iii

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I. THE COMMUNIST BLOC

Soviet Diplomats Hint Khrushchev Will Seek Summit Agreement to Neutralize Middle East

Recent statements by Soviet diplomats in London and Paris suggest that Khrushchev will press for a discussion of the whole range of Middle East problems at the projected heads-of-governments meeting at the United Nations. These spokesmen have hinted that he will urge a great-power guarantee of the neutralization of at least part of the Middle East and an agreement on nonintervention which would include an embargo on arms shipments to the area.

Communist diplomatic sources in London said on 26 July that Khrushchev, as a first step, will call for the creation of an international commission of neutral nations, along the lines of the Indochina Control Commission, to supervise the withdrawal of American and British forces, early elections in Lebanon and Jordan, and observance of a great-power nonintervention agreement. The counselor of the Soviet Embassy in Paris told an American official on 25 July that he expects the talks to be limited to the Middle East and hinted that Khrushchev will press for a cessation of arms shipments to the area. He also said he would not exclude an attempt to get agreement to the neutralization of one or more nations along the lines of Austrian neutrality.

The Soviet counselor said he was hopeful that the summit talks in New York would start within the next two weeks. He expressed surprise that Premier de Gaulle objects to a conference at the United Nations, but said he expects De Gaulle will finally agree to attend, especially since France will be chairman of the Security Council in August. The Soviet counselor indicated that the "interested Arab states" which Khrushchev has insisted should participate include the UAR, Jordan, Lebanon, and Saudi Arabia. He said they do not include Turkey, Iran, Pakistan, and Israel,

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but hinted that a discussion on this point was possible. He said he expects President Nasir to attend personally and the new Iraqi Government to be represented by its United Nations delegate.

These early hints concerning Khrushchev's line at summit talks suggest that his basic proposals will closely resemble the USSR's call on 11 February 1957 for a great-power declaration stating that their policies in the Middle East will conform to six principles: (1) solution of problems by peaceful means; (2) noninterference in domestic affairs of Middle Eastern countries; (3) renunciation of attempts to involve these countries in military blocs; (4) liquidation of foreign bases and withdrawal of troops; (5) mutual ban on arms deliveries; and (6) promotion of economic development in the area without political or military conditions.

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Kadar's Opponents May Be Trying to Talk Moscow Into His Removal

Hungarian party chief Kadar's position continues in doubt. His opponents in the party, encouraged by the ideological break with Belgrade and the Nagy execution, may be trying to effect his removal by convincing Moscow that Kadar, who has shown reluctance to condemn the Yugoslavs and who has failed to unify the party or to stimulate marked gains in economic production, is incapable of effective leadership. His ouster, if effected, would probably lead to the elimination of the few vestiges of leniency in Hungarian internal policy.

On his return from the East German party congress, where he probably conferred with Khrushchev, Kadar was not met by any prominent regime leaders, and no official reports by him to the party or government guiding bodies--normal occurrences in such a situation--have been reported in the press. His only appearance since that time was at the Polish National Day reception on 22 July.

Kadar's slowness in following the Soviet lead in the campaign against Yugoslavia, which was again apparent from the treatment given his speech to the East German party congress, probably has annoyed Moscow, and the long-delayed Hungarian note of 21 July to Yugoslavia, which again and in detail condemned the Yugoslav role in the Hungarian revolution, may reflect continued disagreement between Kadar and his opponents on this issue. The very strong condemnation of the Yugoslavs in this note, connecting Yugoslav officials specifically with "treasonous" acts committed by Nagy and his followers, was not consistent with Kadar's previous line. The argumentation in the note was weak, and it included a perfunctory bow to the bloc line that continued good state relations with Belgrade are desired.

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II. ASIA-AFRICA

Middle East Developments

Lebanon: General Shihab has reneged on his agreement to undertake limited military action to reduce the size of the rebel-held area in Beirut before the scheduled 31 July election. Shihab claims to fear that anything more than a military gesture would result in a nationwide renewal of rebel activity and in the postponement of the election. The general feels that President Chamoun and his followers are seeking a military action as a last ditch move to improve their political position; he also believes that without Western pressure on the President the election will be impossible.

Chamoun has reverted to General Shihab as his choice, probably because other names he has put forward have been totally unacceptable to the opposition.

The opposition leaders are continuing their series of conferences on election possibilities, despite reiterated statements that they will boycott the election if the American forces are still in the country. Even should the opposition politicians be able to agree with Chamoun on a compromise candidate, it seems possible that their more radical nationalist followers might desert them and attempt to continue the fighting. There are indications that at least some rebel quarters are thinking of their "battle" in terms of a "revolution" which would sweep away the whole traditional sectarian structure of Lebanese politics in favor of the strictly secular "national union" type of organization fostered by Nasir. Such sentiments would be held most widely in predominantly Moslem areas of northern Lebanon.

In the Biqa Valley, where the rebel forces are reported to have recently gained a very substantial advantage over pro-government elements, orders have been issued to deploy rebel fighters in all possible areas where American troops might be dropped by parachute.

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Jordan: King Husayn's government is making further efforts to improve its security position by placing expanded police forces under army command and by transferring suspect Palestinian army personnel to a brigade which will be designated as an engineer labor force. This plan is apparently necessitated by the fact that the number of unreliable soldiers is so large that their discharge from the army would have an adverse effect on the civilian economy. An additional complication in the security picture is the return of Major General Sadiq al-Shara, former deputy chief of the Arab Union staff, from Baghdad, where he made a somewhat remarkable escape from a rebel mob which killed other Jordanians in his party. Shara has been under suspicion for some time as a possible organizer of coup action against Husayn, and his assignment to Baghdad was designed to get rid of him. Shara is reported to be returning to his former post of deputy chief of staff of the Jordanian Army.

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Nasir claims to have received messages from Husayn asking to make "peace." Such a move by Husayn seems unlikely at this time, although the King has been reported seriously depressed over the trend of developments. There is some evidence, that Nasir on his side made some kind of "peace" offer to Husayn, but without apparent result.

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Iraq: The provisional constitution announced in Baghdad on 27 July parallels similar documents in the history of the Nasir regime. In essence, it provides for the continuation of the present military rule by decree, with appropriate gestures toward civil freedoms. Like the leaders of the Egyptian revolution, the Iraqi regime promises land reforms of unspecified scope; a list of individuals of the old regime whose property is to be confiscated is reported to have been drawn up. Baghdad press treatment of the announcement has emphasized "unity" themes, and a "national union" of political groups on the Egyptian and Syrian models seems likely to be adopted as the tested device by which a military junta can control potential civilian rivals.

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activity. The minister of guidance [redacted] dodged questions about Iraq's relation with the Baghdad Pact in a press conference for foreign correspondents on 26 July. When queried persistently on this subject, he angrily announced he would personally censor all copy deriving from the conference.

UAR: The Cairo press is giving headline play to a forged American document which it is using to "prove" that the United States is hostile to Arab nationalism.

No 8

Israel:

Foreign Minister Meir has been preparing planning papers to cover possible future events in Jordan and longer range developments. [redacted] many Israelis believe "there is no point in having the Israeli Army march out every two years and march back again," [redacted] which could mean either that military action would not be undertaken if a subsequent forced withdrawal were in prospect or that in the "next round," the army would not withdraw. [redacted] never has Israel felt so strongly about its isolated position over the long run.

Saudi Arabia: Crown Prince Faysal's views, as given to Ambassador Heath [redacted] confirm the impression that his policy is one of almost complete accommodation to Nasir, even though he is probably fully conscious of the danger Nasir's brand of radical nationalism represents to the

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Saudi monarchy. The ambassador believes that in his efforts to buy time and relief from UAR radio attacks, Faysal might even be willing to make Saudi Arabia, like Yemen, a member of the United Arab State.

Kuwait: The Ruler of Kuwait has given [redacted] an impression of "defeatism" since his return from Damascus, where he talked with Nasir and with Deputy Prime Minister Arif of the new Baghdad regime. The Ruler denied having discussed with Nasir any form of Kuwaiti relationship with the UAR. However, he characterized Nasir as "sincere" and told the agent that "the people" are behind the Egyptian leader, thereby almost certainly serving notice that he intends to accommodate himself to Nasir-led Arab nationalism. [redacted]

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Tunisia Requests New Arms Shipments From the United States and Britain

President Habib Bourguiba on 23 and 24 July requested Britain and the United States to supply arms for his small, ill-equipped army to meet the security threat posed by the presence of armed Algerian rebels in Tunisia. In a separate appeal, Director of Security Driss Guiga on 23 July told the American ambassador that his police units needed immediately some 200 automatic rifles and several hundred submachine guns to dissuade the Algerians from attempting "something."

The US and Britain supplied Tunisia by airlift with several hundred small arms last November, but denied a second appeal for arms in May. France has offered Tunisia some of the equipment used by troops which are now being evacuated from Tunisia. Bourguiba fears acceptance of French arms would incite comment by the Algerian National Liberation Front (FLN)--which has already sharply attacked him for granting a pipeline concession to a French firm--that he had made some kind of military peace with France against the Algerians, and thus would reduce his ability to influence the FLN.

Bourguiba also is still sensitive to earlier French attempts to maintain a monopoly over Tunisia's arms sources--a policy which French officials now claim to have abandoned--and prefers alternate Western sources so that France would be unable to maintain an inventory of Tunisia's materiel. The Tunisians, moreover, are probably aware that France is attempting to disrupt North African unity. French officials in Tunis, who claimed on 25 July that the Tunisian defense secretary had accepted proffered French arms, were obviously pleased with the prospect of using French arms to accentuate the growing tensions between the Tunisian Government and the FLN.

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