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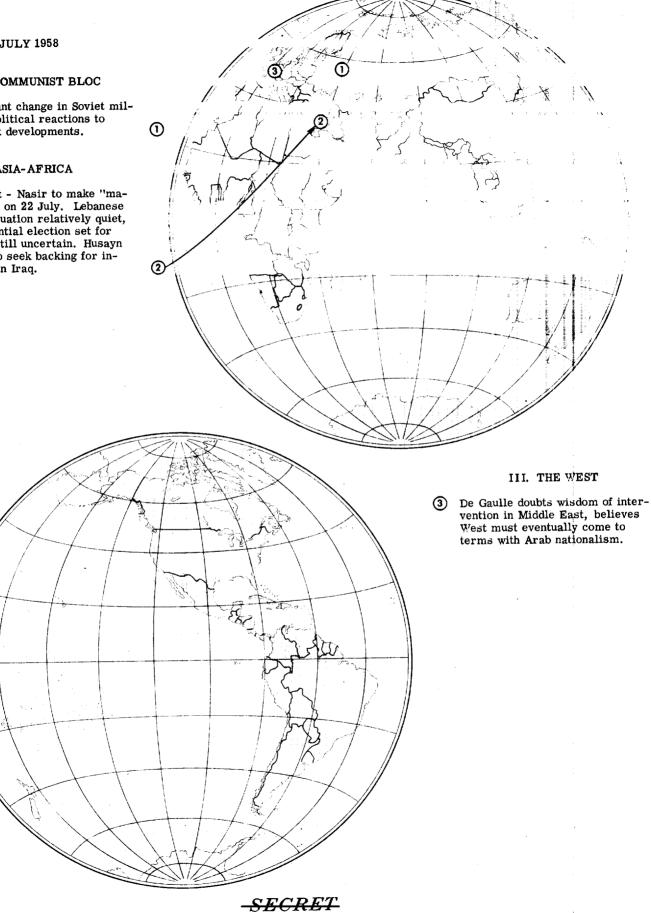
#### I. THE COMMUNIST BLOC

No significant change in Soviet military and political reactions to Middle East developments.

#### II. ASIA-AFRICA

Middle East - Nasir to make "major" speech on 22 July. Lebanese military situation relatively quiet, but presidential election set for 24 July is still uncertain. Husayn continues to seek backing for intervention in Iraq.

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## DAILY BRIEF

### I. THE COMMUNIST BLOC

SIRAB \*Soviet reaction to Middle East developments: There have been no significant new moves in the USSR's political campaign to exploit Western intervention in the Middle East. There has been little change in the Soviet military situation. The air show celebrating Aviation Day on 20 July displayed only civil aircraft. There are unconfirmed reports that naval vessels left Soviet ports in the Gulf of Finland on 16 and 17 July, but there have been no indications that any

ships have proceeded into the Baltic. General air activity on 20 July reflected the usual Sunday lull, with indications that normal operations resumed on

No

No

some ground forces including 21 July. an army headquarters were in the field beginning maneuvers. The unusual transport aircraft activity in Bulgaria has continued.

\*The Middle East (information as of 0100 EDT 22 July)

Nasir, who has returned to Cairo, is to make a "major" speech on 22 July. A series of bombings in Amman may presage an intensified UAR campaign to overthrow King Husayn and the Jordanian Government, but the King continues to urge British assistance for military intervention in Iraq. The new Baghdad regime, meanwhile, continues its protestations of friendship for the West and assurances that oil operations will not be interrupted. In Lebanon, the

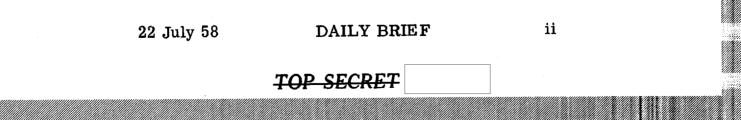
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military situation is relatively calm, but it is still uncertain whether Parliament will be able to hold the scheduled presidential election on 24 July. Sudanese Prime Minister Khalil appears to have overestimated his ability to exclude pro-Egyptian elements from his cabinet, and now feels his only hope of retaining control may be the formation of a "national" government including opposition representatives.

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#### III. THE WEST

France: De Gaulle and some of his key advisers doubt the wisdom of Anglo-American intervention in the Middle East. De Gaulle is reported to believe that time is running against the West in combating Arab nationalism and that the West will eventually have to come to terms. It is possible that French leaders hope that France's abstention from a more active role in the present situation may facilitate future French-Arab negotiations (Page 4)



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#### I. THE COMMUNIST BLOC

#### No back-up material

#### II. ASIA-AFRICA

#### The Middle East Situation (Information as of 0100 EDT 22 July)

UAR: President Nasir returned to Cairo on 21 July and is scheduled to make a "major" address at a rally on 22 July, the eve of the anniversary of the Egyptian revolution. Nasir may use the occasion for some dramatic announcement, although his comments in Damascus last week were relatively moderate. In addition to the more obvious Middle Eastern issues, one likely subject would be UAR relations with Kuwait, whose ruler conferred with Nasir in Damascus and is reported interested in "reaching an understanding."

The UAR Government has reportedly ordered all petroleum companies in Egypt to transfer their refined products from storage facilities in Alexandria, Suez, and Port Said to inland locations as a security measure. Military movements toward the Sinai, involving trucks, light tanks, antitank guns, and light antiaircraft guns, reportedly took place on 20 July. Two cement-loaded barges have been moved into place for blocking the Suez Canal if necessary.

Jordan: UAR and Iraqi propaganda urging the overthrow of King Husayn is continuing, and a series of bombings in Amman on 20-21 July may have signaled the beginning of a terrorist stage in the campaign.

Nasir had remarked on 21 July that he "expects something to happen soon in Jordan."

if his government does not support King Husayn's intention to

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intervene militarily in Iraq, the King and Prime Minister Rifai may flee the country.

Lebanon: The military situation in Lebanon has been relatively calm. Light firing from the Basta area in Beirut on 21 July was returned by cannon fire from Lebanese army armored cars. President Chamoun told the American ambassador that he had "requested" General Shihab to use the army to clean out the Basta, or to assign two battalions of gendarmerie, supported by army artillery and aviation, to do the job if army units could not be used. Chamoun said he has also "suggested," without any immediate response from Shihab, that the army commander should purge his senior staff. Reacting to Chamoun's suggestion that US forces should be deployed to the frontier to seal off infiltration from Syria, Shihab said he would not object, but felt such action might in fact invite increased infiltration.

Plans for holding a parliamentary session on 24 July to elect a new president are continuing, but there appears to be general agreement that a boycott by opposition members has a good chance of preventing the necessary quorum.

Iraq: The rebel government is repeatedly proclaiming its desire for friendship with the West, and denying any intention of nationalizing or interfering with petroleum facilities. A consortium official in Tehran, however, reports that two old barges have been towed into position at the mouth of the Shatt-al-Arab river dividing Iran and Iraq near the Persian Gulf. Their sinking could effectively block transit to Basra, Abadan, and Khorramshahr. The regime appears to be concerned over its ability to maintain public security. It has issued an order to stop the formation of "popular resistance organizations" and probably fears the possibility of a Communist and leftist take-over of the "street," which could revive early disorders.

The Cairo press of 21 July contained a cryptic announcement that the rebel regime would soon release secret documents regarding Baghdad Pact "conspiracies against the Arabs" and another that within 10 days Iraq would make a decision

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"which is much more important that the abolition of the monarchy." A special military tribunal has been named to conduct trials of "members of the old regime," and the public has been invited to submit testimony against possible defendants.

Sudan: Prime Minister Khalil feels he overestimated the strength of his position in the Sudanese Government and, faced with the threatened loss of support from members of his own Umma party being bribed by Egypt, believes that his only hope now is to form a "national" government including members of opposition parties. He apparently has not, however, dismissed entirely his earlier idea of staging a "temporary" military coup. He has been unable to obtain cabinet approval for declaration of a state of emergency, and an unconfirmed 21 July Baghdad radio announcement of receipt of official recognition from the Sudanese Foreign Ministry indicates that direction of policy is slipping out of Khalil's hands.



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#### III. THE WEST

#### De Gaulle and Key Advisers Doubt Wisdom of Anglo-American Intervention

Both Premier de Gaulle and Foreign Minister Couve de Murville may have more serious reservations about the British-American moves in Lebanon than is indicated by the French complaint over the lack of prior consultation on the decisions to send troops. De Gaulle and many of his entourage are privately taking a very dim view of the intervention because they fear repercussions in North Africa.

De Gaulle would be unlikely to express such views publicly since they conflict with the widely held French opinion that weak Western reactions to Nasir's moves have encouraged the Algerian rebels. De Gaulle may anticipate, however, worsened relations with Morocco and Tunisia and an undermining of his current attempt to win over the Moslem population of Algeria. The French representative to NATO told the American representative on 18 July that De Gaulle feels time is running against the West in combating Arab nationalism and that the West will eventually have to come to terms with it.

De Gaulle is concerned lest events move too rapidly to permit him to present a solution for Algeria. It is possible that French leaders hope France's abstention from a more active role in the present situation may facilitate future French-Arab negotiations. After the Suez crisis there were indications that pragmatic elements in the French Foreign Ministry were working for a modus vivendi with the Arab states in an attempt to save as much as possible in North Africa, and that Paris intended to play down its as= sociation with Israel to further that end.

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