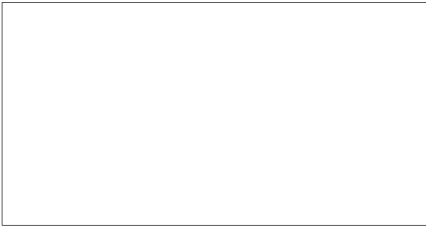


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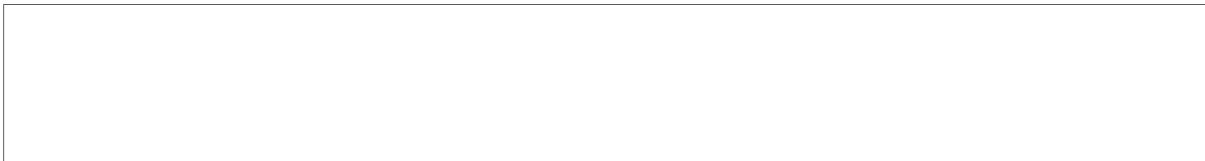


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CENTRAL INTELLIGENCE BULLETIN



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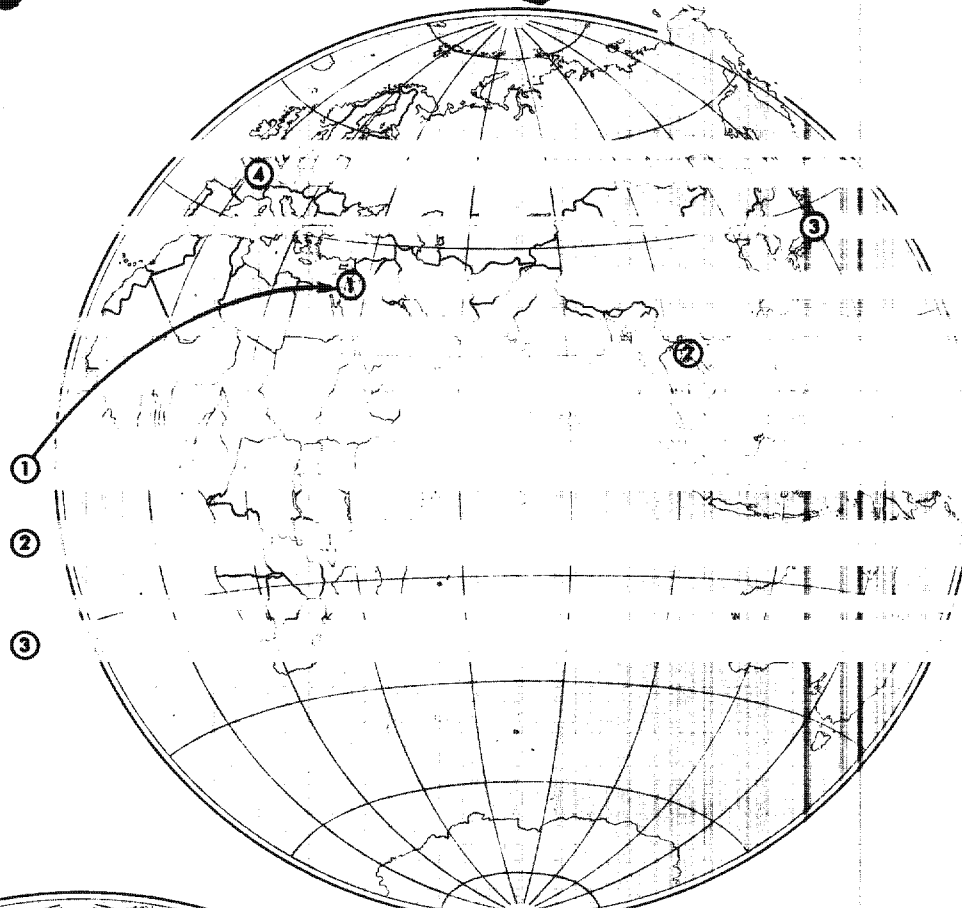
I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Middle East - Extreme opposition in Lebanon seeks to block election of General Shihab to presidency; election may again be postponed. King Saud's power further curtailed.

Laos - Prospects for effective anti-Communist government fading.

Pro-Communist leaders lose control of Japan's largest labor federation.



III. THE WEST

- ④ France may soon recognize new Iraqi regime.
- ⑤ Haiti - Duvalier regime quashes coup attempt; further plotting aided by Dominican dictator Trujillo likely.
- ⑥ British Guiana - Communist Cheddi Jagan seeking more funds to ensure his dominance in colony; arrives in Washington on 30 July.

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CENTRAL INTELLIGENCE BULLETIN

30 July 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

SIRAB

***Middle East:** A manifesto issued on 29 July by the extreme opposition in Lebanon appears to be a disguised effort to block the election of General Shihab to the presidency on 31 July. The scheduled parliamentary session to elect a president may again be postponed. Jordanian Prime Minister Rifai's reported heart attack and the return from Baghdad of Assistant Chief of Staff Shara--suspected of pro-UAR sympathies--fore-shadow increasing difficulties for King Husayn. [redacted]

[redacted] The new Iraqi regime on 27 July requested additional experts in military intelligence and civil security matters from the UAR. [redacted] King Saud's power has been further curtailed by a royal decree appointing Crown Prince Faysal minister of finance and economy. [redacted] (Page 1)

No

Laos: Prospects for an effective anti-Communist government appear to be fading. Premier-designate Souvanna has offered young pro-Western reformist elements minority representation in the cabinet, but they are still insisting on a majority. Their bargaining power is being reduced by the irresolution of Crown Prince Savang and the army. Both had earlier threatened to impose a strong government. [redacted] (Page 5)

Japan: The pro-Communist leadership in Japan's labor organizations has received a serious setback, with moderate leftists gaining control of 11 of 17 seats on the executive committee of Sohyo, Japan's largest labor federation. Pro-Communist

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leaders in the important railway and teachers' unions have also been ousted. These developments stem in part from the Kishi government's crackdown on leftist influence in labor and education. [redacted] (Page 6)

III. THE WEST

no

France: A French Foreign Ministry spokesman's statement that France might take the initiative in re-establishing diplomatic relations with Iraq, which were broken off as a result of the Suez intervention, is in line with recent statements by De Gaulle that the West must eventually come to terms with Arab nationalism. [redacted]

ok

Haiti: The Duvalier government's success in checking an attempted coup by former army officers on 29 July does not remove the threat of further attempts. Opposition leaders have long been plotting with the covert support of Dominican dictator Trujillo, and it is doubtful that the failure of one attempt would discourage future moves against the Duvalier regime. [redacted] (Page 7)

ok

British Guiana: Minister of Trade and Industry and leader of the Communist People's Progressive party Cheddi Jagan, is dissatisfied with the \$15,400,000 loan just received from Britain. He is seeking funds elsewhere for the economic development program which he hopes to use to consolidate the People's Progressive party's dominant position in the colony. Jagan is expected in Washington on 30 July. [redacted] (Page 8)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

II. ASIA-AFRICA

Middle East Situation

Lebanon: A manifesto issued on 29 July by the extreme opposition appears to be a disguised effort to block the election of General Shihab to the presidency of Lebanon on 31 July. The statement of the National Front led by Saib Salam declared that any presidential candidate must agree in advance to a "genuine Arab policy," the withdrawal of foreign troops from the country, Lebanese neutrality between "East and West," the division of government offices on a strictly 50-50 basis between Moslems and Christians, as well as the enlargement of parliament from its present 66 to 120 seats. The group threatened to continue the rebellion until its terms were met.

This move makes it almost impossible for Shihab to accept the nomination, since it is doubtful that he could agree to conditions that would upset the traditional ratio between Christians and Moslems in the government which reflects that existing in the population generally. Should he agree it is very likely that progovernment deputies would either boycott the 31 July parliamentary session or vote against him. Agreement would cost Shihab a majority of Christian support within the country.

The opposition is also engaged in a campaign to discredit the general by spreading the rumor that he had accepted a bribe from the opposition to precipitate a coup. Loudspeakers in the Basta Moslem quarter are blaring forth the cryptic message "refund or act" directed at the general. In turn, the attempt on Prime Minister Sulh's life has hardened the position of government supporters, who are less willing than ever to reach an accommodation with opposition leaders.

The scheduled parliamentary session to elect a president may again be postponed while further negotiations toward a compromise are carried out between the contending factions. Should the impasse continue for a lengthy period, army officers might attempt a coup to put Shihab into office.

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Jordan: Jordanian Prime Minister Rifai states that he has had a mild heart attack and has been ordered to reduce his work load. Uncertainty regarding the future ability of the prime minister to serve and the return of Deputy Chief of Staff Sadiq Shara from Iraq foreshadow increasing difficulties for King Husayn. Shara, already suspected of antigovernment actions, is openly mouthing a surprisingly pro-Iraqi Republic line. He has refused to comment on the future of Jordan and has refrained from his usual praise of Husayn. He also glossed over the brutal slayings of the Iraqi royal family, saying that these were "inevitable" in a revolutionary situation. His detention in Iraq under suspicious circumstances and the fact that he had an interview with Iraqi Prime Minister Qasim on the day of the revolution lends credence to reports that Shara may be conspiring with anti-Hashimite forces.

[delete]

[Iraq: Stepping up its relations with the UAR, the new Iraqi regime [redacted] requested Cairo to provide additional experts in the fields of military intelligence and civil security matters.]

[redacted]

delete

[The Iraqi military attaché in Washington is urging the Baghdad government to issue reassuring statements on its future oil policy, in order to speed recognition by the United States. [redacted] recommending these steps, he also suggested that Ambassador Murphy, should he visit Baghdad, be given further assurances which "are necessary at this time!"]

delete

[The German, Japanese, and Belgian ambassadors in Baghdad are urging their governments to recognize the Iraqi Republic immediately without waiting for Great Britain and the US, [redacted]

[redacted] Turkey, Iran, and Pakistan agreed to recognize the republic on 31 July. The UK intends to do likewise on 1 August.]

The Baghdad government has made several moves to increase its popularity with the populace--such as shortening working hours and lowering the price of bread and gasoline.

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United Arab Republic: A number of Egyptians known to have been pro-American in the past have recently become highly critical of the United States and have stated that a "State Department document" recently published in the Cairo press clearly shows that the US is against Arab nationalism and its leader President Nasir and that it favors Israel. One pro-US government official stated that this disclosure has brought US prestige to the lowest point ever.

Nasir is reported to have asked Lebanese industrialist Emile Bustani to sound out foreign oil companies to see if they are willing to meet on the invitation of the Suez Canal Authority to discuss the construction of an oil pipeline parallel to the canal. Otherwise Nasir fears that the oil will go by supertanker around the Cape of Good Hope.

Saudi Arabia: A royal decree of 29 July further circumscribes King Saud's few remaining powers by effectively curtailing his influence over the country's finances. The decree gives Crown Prince Faysal, who is already prime minister and foreign minister, the additional post of minister of finance and economy. This move culminates months of effort by Faysal and Egyptian adviser Zaki Saad to remove former Finance Minister Muhammad Surur who had readily acquiesced to King Saud's repeated demands for funds despite Faysal's disapproval.

Abdullah Bin Adwan, who had been acting finance minister and responsive to Crown Prince Faysal, has been appointed minister of state for financial and national economic affairs and will apparently carry out the technical administration of Faysal's new position.

ARAMCO operations in the Eastern province may face labor troubles. One suspected Communist agitator who was associated with the 1953 strike and 1956 demonstrations against ARAMCO has been seen visiting a number of labor camps. Some Saudi workers evidently anticipated trouble around 20 July, they refused ordinary overtime work and stated they were "going home to Hofuf," a term for seeking the shelter of their own homes when trouble is brewing.

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Kuwait: In a move to curry favor with the UAR, Kuwait's education minister on 29 July announced that his country would increase the number of Egyptian school teachers in Kuwait from 400 to 500. School teachers probably are Nasir's most effective subversive agents for undermining Arab governments and fomenting hatred of the West.

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30 July 58

CENTRAL INTELLIGENCE BULLETIN

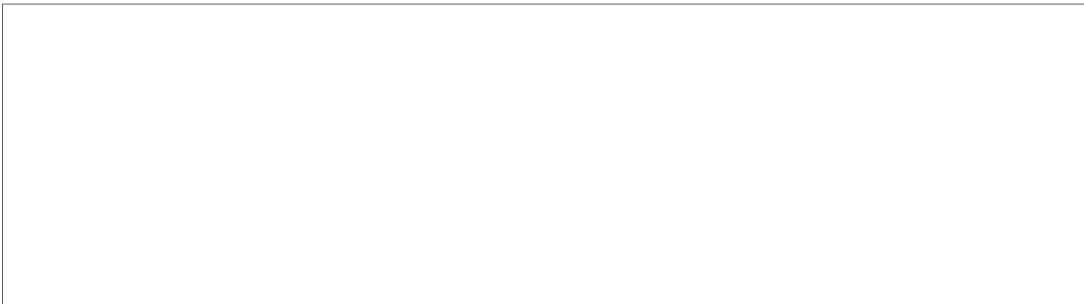
Page 4

Proposed Laotian Government Weak

Premier-designate Souvanna Phouma appears determined to frustrate the drive for an effective anti-Communist government in Laos dominated by young civil and military leaders. In a superficial accommodation to reformist pressure he has offered young leaders five seats in a 14-man cabinet. The American ambassador describes the proposed slates as "woefully weak."

The "young turks"--organized in the Committee for the Defense of the National Interests--have rejected Souvanna's offer and are threatening a coup unless they receive a majority of cabinet posts. However, the committee's demands have lost some force as a result of irresolution on the part of the crown and army who had earlier threatened to impose a government. It is apparent now that General Ouane, army chief of staff and committee member, is subservient to Souvanna.

In Vientiane, both the police and the army are on alert status, and it is possible that top army leaders identified with the committee could bypass Ouane and gain control of the army. In that event, Souvanna would probably reassess his position and accede to committee demands for majority representation.



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Pro-Communists in Japanese Labor Suffer Major Setback

The pro-Communist leadership in Japan's labor organizations has received a serious setback, with moderate leftists gaining control of 11 of 17 seats on the executive committee of Sohyo, Japan's largest labor federation. Pro-Communist leaders in the important railway and teachers' unions have also been ousted. These developments stem in part from the Kishi government's crackdown on leftist influence in labor and education.

The national railway workers' and the teachers' unions, the backbone of the Sohyo federation with a combined membership of 900,000, replaced pro-Communists with moderate leftists during their conventions this month, probably hoping to escape further government pressures. The government had refused to bargain collectively with the railway union until union officials responsible for illegal strikes last year were dropped. The government also has instituted a standardized teacher-rating system, as well as other measures, throughout the public schools in order to weaken pro-Communist control of the teachers' union and its influence on some 20,000,000 school children.

During the Sohyo convention, which ended on 25 July, moderates gained 11 of 17 seats on the standing executive committee and won all major offices except two of five vice presidencies which went to extremists.

The success of the government crackdown thus far may encourage moves against leftists in other organizations. An ultimate aim of the program probably is to weaken the support which the Socialist party derives from Sohyo and a majority of youthful voters.

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III. THE WEST

Coup Attempt Against Haitian Government Fails

The failure of a small group of former Haitian Army officers, apparently supporters of former President Paul E. Magloire, to effect a coup against the Duvalier regime on 29 July does not remove the threat of further such attempts. There have been constant reports of plotting against Duvalier since he took office eight months ago, and details of a plot by opposition leaders, including former Presidents Magloire and Daniel Fignole and defeated presidential candidate Louis Dejoie, with the covert support of Dominican dictator Trujillo, have been reported frequently during recent months. The unsuccessful attempt on 29 July may have been related to the Trujillo-backed plan.

Duvalier has lost popularity through his brutal repression of opposition groups, his creation of a terroristic secret police, his purges of army officers whose loyalty he doubted, and his apparent inability to deal effectively with Haiti's serious economic and social problems. Extreme poverty and the resurgence of the race issue, exacerbated by Duvalier's harsh treatment of the mulatto elite, have kept tension high, and any indication of serious political instability could trigger a complete breakdown of public order. [REDACTED] [REDACTED]

[REDACTED]

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Communist Minister From British Guiana Seeking Funds in US

British Guiana's Minister of Trade and Industry and leader of the Communist People's Progressive party Cheddi Jagan is dissatisfied with the \$15,400,000 loan just received from Britain. He is seeking funds elsewhere for the economic development program with which he hopes to consolidate the dominant position of the People's Progressive party (PPP) in the colony. Jagan is expected in Washington on 30 July. He may ask for a private American economic adviser and try to promote a loan from the International Bank of Reconstruction and Development for transportation needs in the colony.

The PPP has been able to effect only slight economic progress since its electoral victory of August 1957, and Jagan was seeking a much larger loan and greater autonomy in order to quell growing criticism. [redacted]

During his London visit, Jagan may have renewed contacts with bloc representatives and British leftists, [redacted]. [redacted] He has so far received propaganda material from foreign Communist sources but no substantial financial assistance. Since the elections, he and his wife, Janet, the minister of labor, health, and housing, have increasingly installed Communists in influential party posts and distributed Communist literature.

While still in control of the PPP, Jagan is facing increasing opposition on a personal basis, and he may feel constrained to abandon the cooperative attitude toward the British authorities he has displayed thus far as the effective leader of the colony's government. [redacted]

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