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26 July 1958



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CENTRAL INTELLIGENCE BULLETIN

INTELLIGENCE

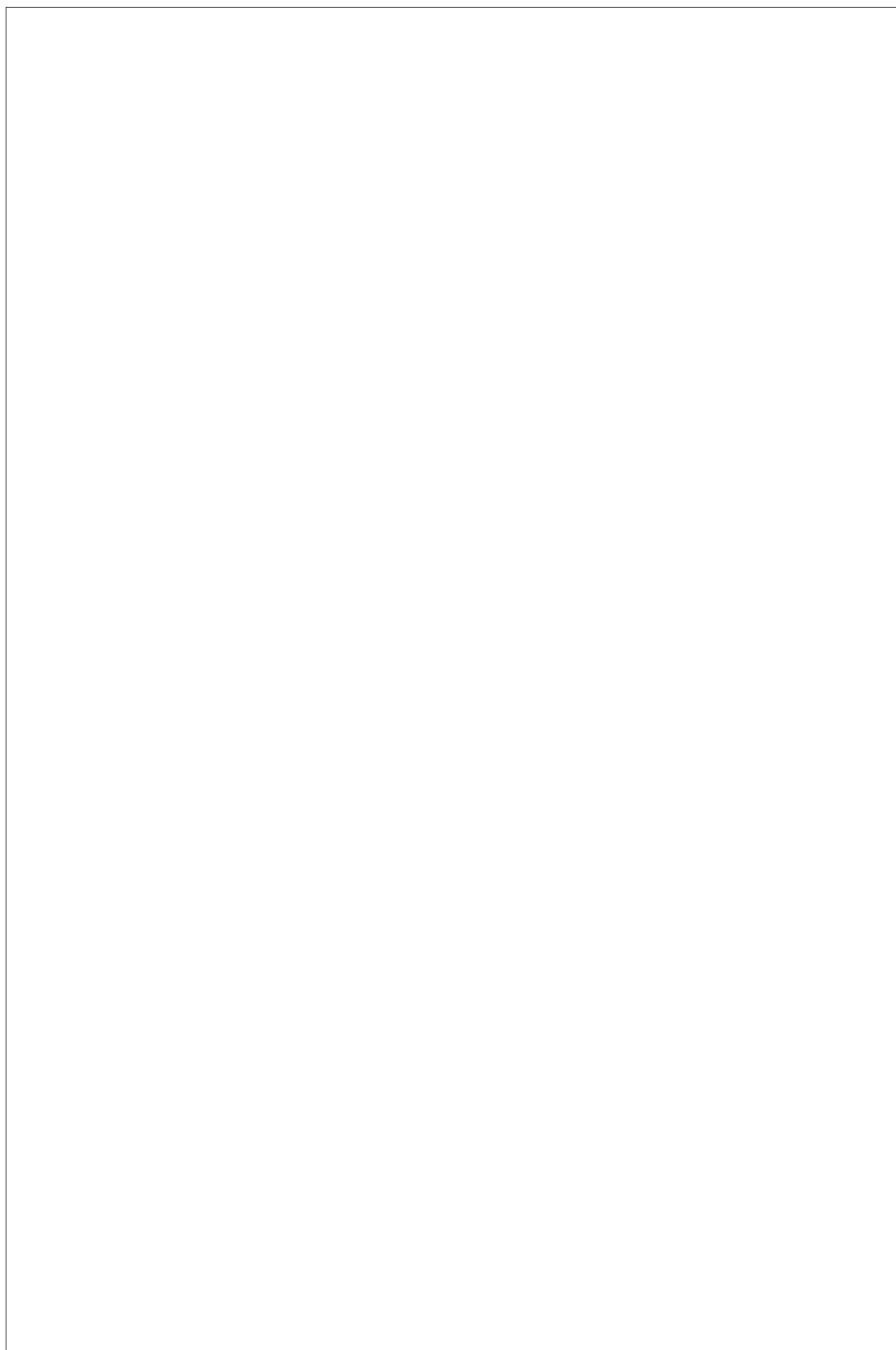
BULLETIN



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26 JULY 1958

I. THE COMMUNIST BLOC

Soviet deputy foreign minister advises UAR ambassador that "time is on our side" in bringing about withdrawal of US-UK forces from Middle East. [redacted]

II. ASIA-AFRICA

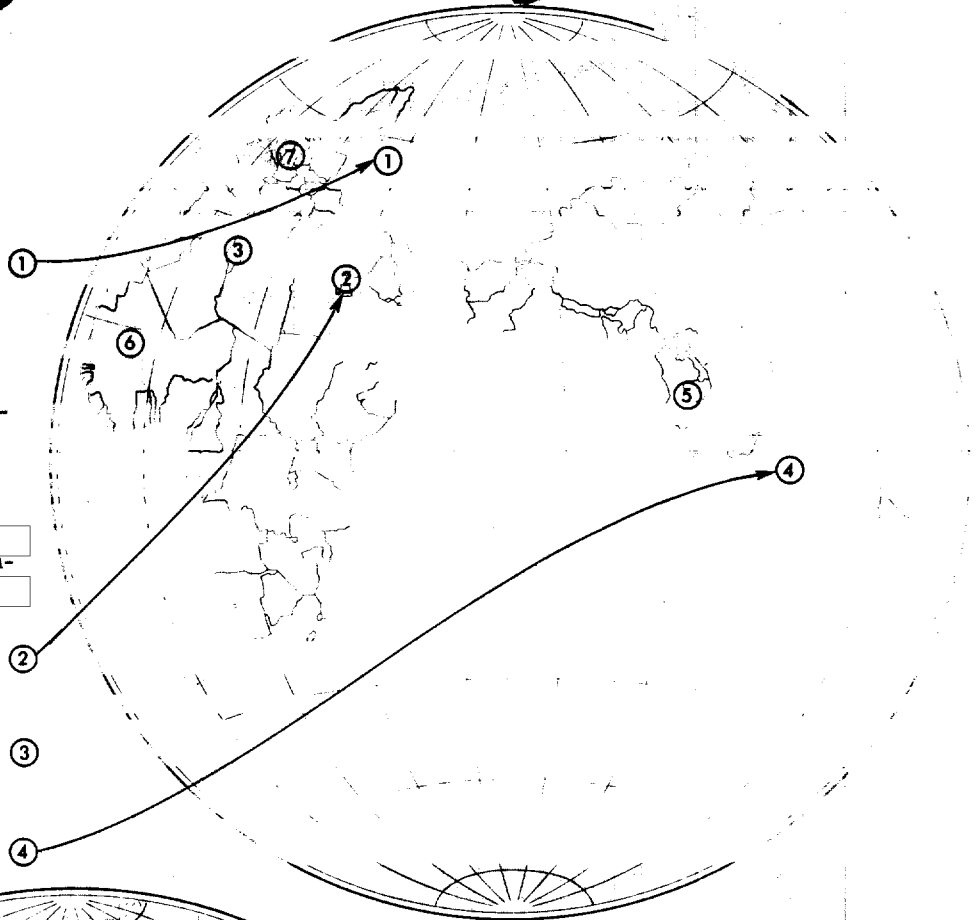
Middle East - Jordan requests American aid and proposes new Middle East defense pact. General Shihab insists US forces would have to carry burden in any major military operation against rebels. [redacted]

UAR diplomats ordered to stress non-alliance with USSR. [redacted]

[redacted] Egyptian naval units ordered to reduce state of readiness. [redacted]

Tunisian officials fear possible attempt to overthrow President Bourguiba in the next few months.

Chinese Nationalists suspending flights in support of Indonesian dissidents.



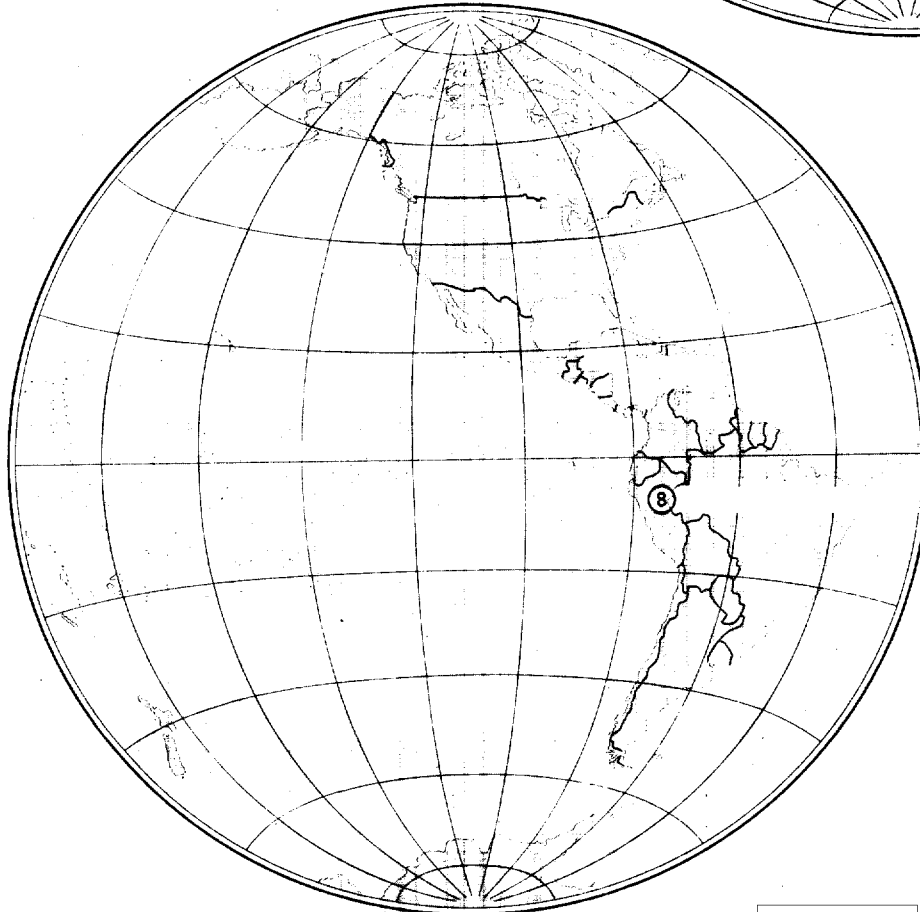
⑤ Cambodian - South Vietnamese armed clashes possible on islands claimed by both countries.

⑥ West African nationalists consider De Gaulle's draft constitution for new ties with France unacceptable.

III. THE WEST

⑦ West German defense minister bargains with France about cooperation in three-power nuclear energy program.

⑧ Peru - Leftist demonstrations against government's repression of anti-American gathering may lead to new violence.



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CENTRAL INTELLIGENCE BULLETIN

26 July 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

SRAB
no
*USSR--Middle East tactics: Moscow apparently is counseling Nasir to avoid moves which might give the United States and Britain a pretext for further action. [redacted]

[redacted] Soviet Deputy Foreign Minister Zorin, in reply to a question about the withdrawal of American and British forces from Lebanon and Jordan, said that this might take a while, but that "time is on our side." [redacted]

II. ASIA-AFRICA

no
*Middle East developments (as of 0100 EDT, 26 July): King Husayn and Prime Minister Rifai of Jordan have asked the United States for a mutual defense agreement and financial assistance to strengthen the Jordanian Army. They also propose a sweeping new Middle East defense organization which would include 16 Western, North African, and Middle Eastern states. Lebanese army commander General Shihab ordered a limited operation against the rebel-held sector of Beirut to begin on 25 July. Shihab insisted that US forces would have to carry the burden in any major military operation against the rebels. [redacted] UAR diplomats have been ordered to stress the line that the UAR is neutral and not allied with the Soviet Union. [redacted] Cairo has informed Ambassador Hare that orders have been issued to "oppose" any American aircraft which violates Syrian air space. [redacted] UAR naval headquarters notified its commands on 25 July to reduce the state of readiness. The new Iraqi regime is reinforcing the airfield at Habbaniya, presumably to guard against any Western or Jordanian military moves.

[redacted] (Page 1)

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no

Tunisia: There is an increasing fear among government officials in Tunisia that an attempt may be made to overthrow President Bourguiba in the next few months. A faction of the Algerian FLN in Tunisia is believed ready to cooperate with Egypt and the USSR and might find support among a growing number of Tunisians who oppose Bourguiba. Bourguiba recognizes his government's weakness as compared to the Algerian rebels and has for some months feared a coup. [redacted] (Page 4)

no

Indonesia: Nationalist China is discontinuing--at least for the time being--flights in support of the North Celebes dissidents. [redacted]

OK

Cambodia - South Vietnam: In what may be a swift reaction to Cambodia's recognition of Peiping, South Vietnam has ordered marines to the vicinity of several small islands in the Gulf of Siam which are claimed by both countries. Cambodia may have garrisons on some of these islands, and action by Vietnamese forces in this area might encourage Cambodian acceptance of military aid recently offered by Peiping.

[redacted] (Page 5) (Map)

OK

French Tropical Africa: Leading nationalist parties in French West Africa consider De Gaulle's draft on new constitutional arrangements between France and its African territories unacceptable because it does not provide for a "truly federal" system giving the dependent areas the "right to independence." An African spokesman warned that acceptable institutions must be set up by the end of this year, or there would be no federation at all. Paris is generally resigned to early independence for Tropical Africa, but fears the effect an independence clause would have on the Algerian situation.

[redacted] (Page 6) (Map)

26 July 58

DAILY BRIEF

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~~TOP SECRET~~ [redacted]

III. THE WEST

OK
West Germany - France: Defense Minister Strauss undertook his recent talks in Paris with De Gaulle and the French army minister on Adenauer's instructions to sound out the French on cooperation in the French-Italian-German (FIG) armaments arrangements. Strauss made a German order for French jet fighters dependent on implementation of the FIG program as planned, especially "atomic energy." [redacted]

[redacted] (Page 7)

OK
Peru: Communist-influenced groups have threatened a "nationwide mobilization of forces" to protest the government's violent dispersal of a Communist-led labor demonstration and the arrest of its leaders in Lima on 23 July. The government said it broke up the demonstration because it was aimed at the US Embassy as a protest against American actions in the Middle East. A rash of such demonstrations might provoke the military into taking over control of the government. [redacted] (Page 8)

26 July 58

DAILY BRIEF

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I. THE COMMUNIST BLOC

No back-up material

II. ASIA-AFRICA

Middle East Developments

Jordan: King Husayn asked on 25 July for American financial assistance in increasing the size of the Jordanian Army and for a mutual defense agreement with the United States. He has also proposed a new and greatly enlarged regional defense organization, including 16 Western, North African, and Middle Eastern states, to replace the Baghdad Pact. He estimated that the cost of adding two brigades to the Jordanian Army by recruitment from loyal tribes would be approximately \$8,000,000. He also anticipates the re-equipping of the Jordanian Army and the supply of technical and other military assistance under the supervision of a US military advisory group.

Prime Minister Rifai, speaking for the King, stated that the main concern at present was internal security, although Jordan was also an "embattled island in the Nasir sea." He proposed that Iraq be left alone, unless Moslem members of the Baghdad Pact decide to intervene. Rifai offered to organize efforts to create unrest in Syria.

At the conclusion of the interview, Rifai stated that King Husayn would "insist" on attending any UN Security Council summit meeting.

Lebanon: General Shihab stated on the morning of 25 July that at 1400 hours the Lebanese Army would begin what Ambassador McClintock termed a "nibbling" action to reduce the area held by rebels in the Basta section of Beirut. The plan was apparently designed to satisfy President Chamoun's desire for at least a token effort by the army. Chamoun believes that some sort of military success is essential to improve the chances for reaching a political solution by 31 July. Shihab's intent is to restrict the rebels within a smaller area, and he

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does not contemplate any effort aimed at a complete reduction of the Basta. He reaffirmed his frequently stated conviction that a larger effort against the rebels would cause serious disaffection within the army. He added that any joint operation by American and Lebanese troops would have a similar effect, and would result in US forces carrying the burden. Beirut press reports that fighting has been renewed suggest that the operation was begun.

UAR: The UAR Foreign Ministry [REDACTED] informed its diplomats [REDACTED] that in press conferences it should be made clear that the UAR is neutral and not allied with the USSR. [REDACTED] the UAR will "accept, not request, aid from any quarter," if it is attacked. The diplomats were also instructed in their conversations with ambassadors and important officials to state that UAR information indicates that the USSR would intervene--presumably in the event of Western moves against Iraq.

[REDACTED] oppose any American plane which violates the air space of Syria. The order was to take effect at dawn on 29 July. The UAR Foreign Ministry advised Ambassador Hare on 25 July that such orders had been given to its armed forces in view of "alleged" American violations of Syrian air space. Press reports from Beirut state that the Egyptian airline MISRAIR had canceled all flights into Beirut "because of alleged shooting at its planes by American troops."

Egyptian naval headquarters in Alexandria advised all commands on 25 July to order reductions in the state of readiness of their units.

[REDACTED] three Egyptian submarines conducted reception tests on a low-frequency and very-low-frequency (LF/VLF) broadcast, apparently from a transmitter near Alexandria. Results of the test were reported as "good." The regular use of this transmitter would enable Egyptian submarines to receive instructions from naval headquarters while operating completely submerged

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at considerable distances from home ports. There has been no previous evidence of the existence in Egypt of such a transmitter, which has most likely been established with Soviet assistance.

Iraq: The new regime is continuing to reinforce the former British-manned airfield at Habbaniya against any possible Western or Jordanian move. [REDACTED]

[REDACTED], a battalion-sized tank group was to be transferred from Baghdad to the Habbaniya area. On 25 July, 25 three-ton trucks were being assigned the duty of transferring the "air force dump" from H-3 pumping station to Habbaniya and Baghdad. Iraqi army headquarters in Baghdad on 24 July urgently requested detailed information from Cairo and Damascus on the disposition of American, British, Turkish, and Jordanian military forces in the Middle East.

Tangier radio carried an unconfirmed report on 25 July that the Moroccan Council of Ministers had asked Prime Minister Balafrej to inform the Baghdad government that Morocco wished to offer official recognition.

Sudan: A motion condemning the "American armed intervention in Lebanon" was passed unanimously during the final session of the House of Representatives on 24 July. Foreign Minister Mahjoub stated that the government "fully associated itself" with the motion and "would take action" immediately. The nature of the action was not described. The vote represents a personal defeat for pro-Western Prime Minister Khalil, although he escaped a threatened vote of censure and a possible prolongation of the sessions which would have given opposition elements a chance to unseat his coalition. [REDACTED]

[REDACTED]

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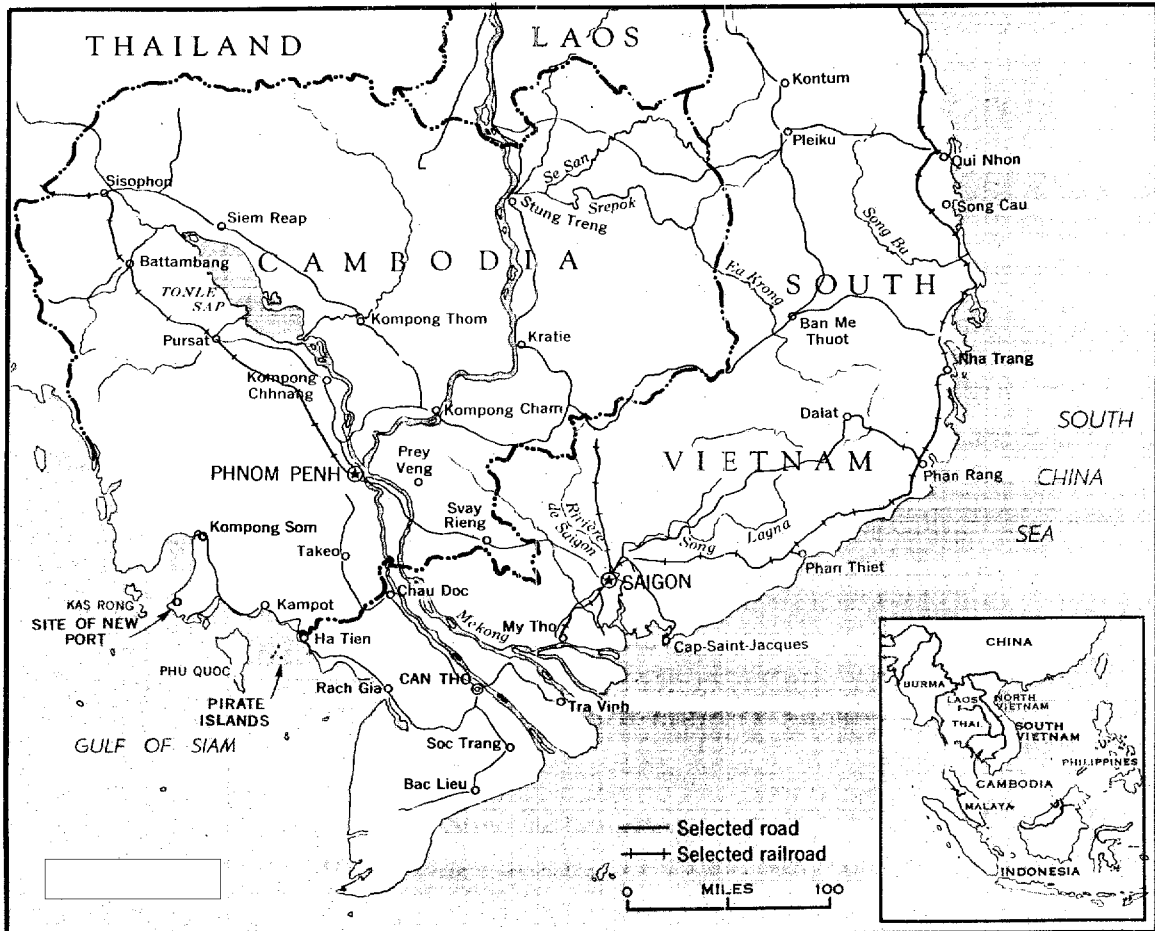
Algerian Rebels May Attempt to Overthrow Tunisian Government

The pro-Western Tunisian Government of President Bourguiba is in danger of being overthrown within the next six months, according to Tunisian Secretary of Justice Mestiri. Such a coup would be instigated, in Mestiri's opinion, by a faction of the Algerian National Liberation Front (FLN) which is "now ready to cooperate with the Egyptians and Soviets to throw Bourguiba out." The several thousand armed Algerian rebels based in Tunisia are believed to be better equipped than the 6,000 Tunisian security forces --to such an extent that Tunisia borrowed arms from the rebels during the crisis in French-Tunisian relations in May.

Were the FLN to act against the Tunisian Government, it might find support among a growing number of anti-Bourguiba Tunisians. Mestiri commented that the United States seemed to be losing prestige rapidly in the Middle East, and that this has created "intolerable pressure" on Bourguiba, who has relied on the United States as his principal support against his stronger neighbors.

Bourguiba has been vigorously attacked in the FLN press for having granted a concession to a French firm to construct a pipeline across Tunisia for the transportation of oil from the Algerian field of Edjele near the Libyan border. These attacks have heightened Tunisian fears of Algerian action against the government. Bourguiba also recognizes his internal weakness vis-a-vis the Algerian rebels and has for some months feared a coup.

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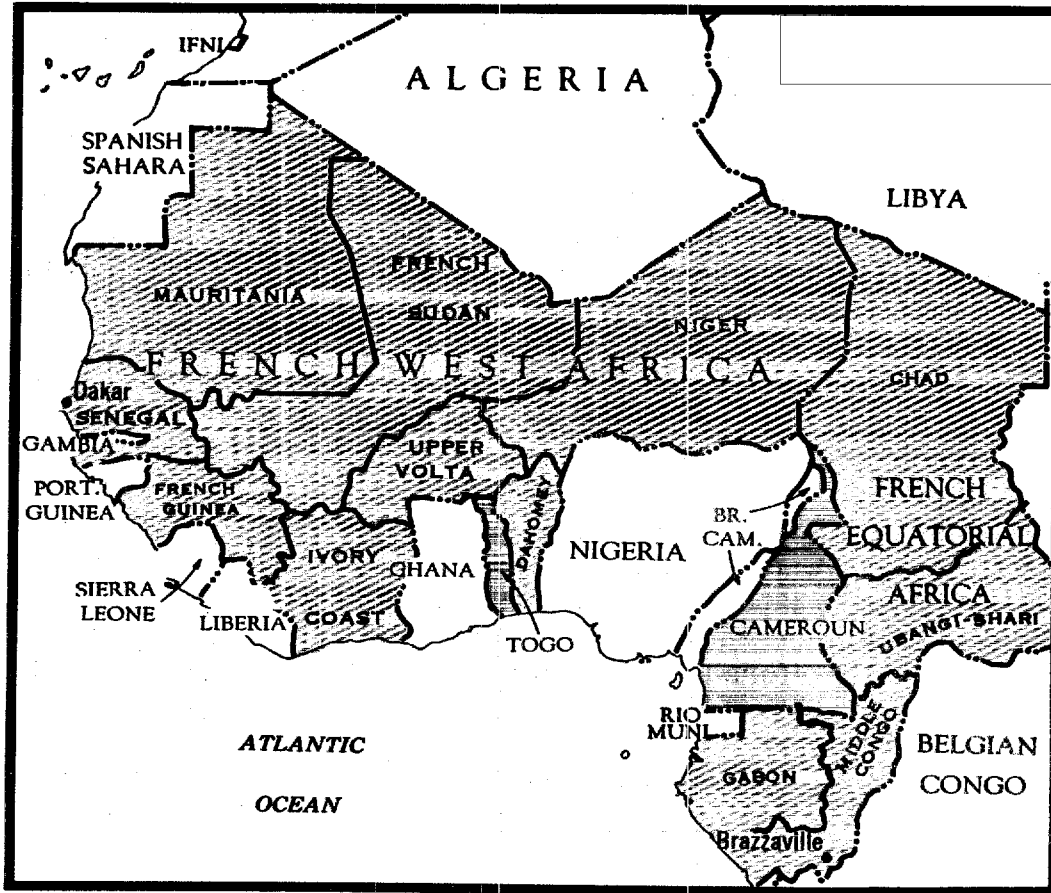
Vietnamese-Cambodian Clash Threatens Over Disputed Islands

South Vietnam has ordered Vietnamese marines to the vicinity of several small islands in the Gulf of Siam which are claimed by both countries and some of which may have small Cambodian garrisons. A company of marines, about 150 men, is to embark from Nha Trang on 25 July for the Pirate Islands lying off the large Vietnamese island of Phu Quoc; a second marine company has been alerted to move into support position.

Both Cambodia and South Vietnam are militant on the question of jurisdiction over several of the islands in this general area. Cambodia accuses Vietnam of seeking to block approaches to its new deepwater port nearing completion on Kompong Som Bay; Saigon views Cambodia's island claims as encroachments made more serious by Phnom Penh's accommodation with the Communist bloc. Clashes between opposing naval contingents have been only narrowly avoided during the past two years.

Any new move by Vietnamese forces in this region, at a time when Cambodian opinion is inflamed over charges of a Vietnamese land "invasion" last month, could create an incident and might encourage Phnom Penh to accept military aid reportedly offered recently by Peiping.

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African Leaders Oppose Territorial Provisions of Proposed Changes in French Constitution

Leading African nationalists in French West Africa consider those sections of the proposed French constitutional revision which deal with territories unacceptable because they do not recognize the "right of independence" for the colonial areas. The main nationalist parties in both French West and Equatorial Africa--the African Democratic Rally (RDA) and the Party of the African regroupment (PRA)--have identical views on independence, and although leaders do not at present believe that the African areas can afford the costs of self-government, they will insist on French recognition of their right to self-determination.

A spokesman of the PRA criticized the draft amendments as failing to create a truly federal system and strongly objects to the option to be given the voters at the forthcoming referendum. The draft proposes that the African areas may elect to retain their present status of overseas territories, vote to be integrated into France as departments, or opt for association in a federal system which does not provide for independence. The spokesman stressed that the federal program must be carried out immediately, and new institutions must be set up by the end of the year or "there will be no federation at all."

Paris is generally resigned to early independence for Tropical Africa but fears the effect that an independence clause would have on the Algerian situation. However, French refusal to consider African demands would probably increase the influence of extremists and lead to an intensification of the nationalist effort--including the use of violence--with a goal of early independence.

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III. THE WEST

Views of West German Defense Minister on French-German Relations

West Germany's Defense Minister Strauss denies that his talks in Paris with Premier de Gaulle and French Army Minister Guillaumat have caused friction between him and Chancellor Adenauer. [REDACTED]

[REDACTED] Strauss stated that Adenauer instructed him to go to Paris in order to determine the French attitude and intentions toward the French-Italian-German (FIG) arrangements for development and production of armaments, "especially atomic bombs."

Strauss told Guillaumat that France could not expect a large German order for French jet fighters if the entire FIG research and production program, including atomic energy, did not proceed as planned. Guillaumat, however, failed to respond to Strauss's offer, which probably accounts for Strauss' pessimistic attitude on future French-German relations.

Since the FIG negotiations began last November, Strauss has been reported to favor a joint nuclear weapons program, and he may have arrived at a private understanding with former French Defense Minister Chaban-Delmas. His recent visit to Paris was probably an effort to confirm this understanding with the new French Government. Bonn, however, has repeatedly denied that FIG cooperation would extend to nuclear weapons. [REDACTED]

[REDACTED]

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Communist-influenced Party Threatens Nationwide
Protest in Peru

Peru's Popular Action party--headed by non-Communist Fernando Belaunde but with Communists controlling several provincial committees--has threatened a nationwide "mobilization of forces" to protest the government's forceable dispersal of a Communist-led labor demonstration in Lima on 23 July and arrest of its leaders. Workers on Peru's only two important railways are already on strike and a general strike is threatening in the southern city of Arequipa, where Communist influence is particularly strong.

The government prevented the 23 July demonstration on grounds that the intention was to stage a protest before the US Embassy against American actions in the Middle East. Recent Communist propaganda and a Communist meeting of 22 July at San Marcos University have condemned US intervention in Lebanon. Communists are also reported planning hostile acts when US warships visit Lima from 3 to 6 August.

The stability of the Prado government has been doubtful for the past six months. Outbreaks of demonstrations throughout the country might convince the military that the time had come for a coup to restore the authoritarian government to which Peru has normally been subject.

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