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CENTRAL INTELLIGENCE AGENCY
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Remarks:

Attached for your files is a paper which
the Director used when briefing the Senate
Foreign Relations Committee on 29 July 58.

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| | |
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| FROM: NAME, ADDRESS AND PHONE NO. | DATE |
| J. S. Earman | 7/30/58 |

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MEMORANDUM FOR: DCI

In connection with your upcoming appearances on Capitol Hill, I attach a catalogue of "Possible Surprise Developments" which could serve as a basis for raising flags, if you wish to take the opportunity to do so.

The list is dreary indeed, but I believe realistic.

STAT

HUNTINGTON D. SHELDON
Acting DD/I

29 July 1958
(DATE)

SECRET

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Executive Registry

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28 July 1958

POSSIBLE SURPRISE DEVELOPMENTS

- I. Anglo-American intervention has stilled for moment worst effects of Iraqi coup, but this probably not only upheaval we can expect in Middle East.
 - A. Nasir has radical Arab nationalism on his side.
 - B. This explosive force holds further opportunities for pro-Nasir elements and for Soviet bloc.
- II. Lebanon and Jordan are countries most immediately threatened by Iraqi developments.
 - A. Lebanese crisis likely to end in compromise with some advantage to rebel elements.
 - B. Jordan's King Husayn is in imminent personal peril despite presence of British troops.
- III. As the impact of Iraqi developments spreads to the periphery of the Arab world, we are faced with additional dangers.
 - A. The ruler of oil-rich Kuwait wishes to reach an accommodation with Nasir; if the British oppose, violence and sabotage in Kuwait seem almost inevitable. There could be an Iraq-type coup or a direct clash between a "liberating" Iraqi army and the British.
 - B. The Saudi government is seeking to reconcile itself to Nasir.
 - C. Pro-Western leaders in the Sudan and Libya are threatened by prospect of direct coup action. Also their support base, gradually being eroded, a process which is fairly well advanced in both countries, particularly in the Sudan.

D. Renewed Yemeni harassing operations against the British in Aden and further Saudi and UAR aid to the Oman rebels are definitely in prospect.

IV. As Israel's sense of isolation grows, the Israelis may turn to neutralism. Another possibility is that "activist" elements may touch off another Arab-Israeli war; even moderates feel Israel must seize West Jordan if King Husayn is overthrown.

V. Elsewhere in Middle East, trouble may develop suddenly as follow-up to heavy impact of Iraqi coup.

A. Iran--Shah lacks popular support, depends on loyalty of army. Anti-Shah elements might try coup if significant faction of army were to switch support.

B. Turkey--Ankara might attempt military venture in Syria.

C. Kurdish tribes in Iranian and Turk border areas may be stirred up by UAR and Soviet Union.

D. Pakistan--rulers uneasy. Chronic instability due to political factionalism and economic stagnation continues.

VI. North African problems only temporarily out of limelight.

A. Algerian rebellion continues, and De Gaulle's policies not likely to prove solution.

B. In Morocco, agitation increasing for closing US airbases and adoption of neutralism.

C. Tunisian regime of Bourguiba fears Algerian rebels. Egypt might try to overthrow Bourguiba because of pro-Westernism.

VII. Asian countries now quiet, but surprises possibly in store.

- A. In Laos young anti-Communists may attempt coup to reverse trend of increasing Communist influence. Such a move could lead to trouble, not only internally, but also with Viet Minh.
- B. Cambodia is developing closer ties with Communist bloc which could involve military aid pact with Peiping.
- C. In Ceylon Bandaranaike is threatened by communal strife, labor unrest, and Communist activity.
- D. Dormant conflicts in Formosa Straits and Korea remain potential dangers.
- E. Countries friendly to US where one individual is dominant figure--like Chiang in Formosa, Rhee in Korea, Diem in South Vietnam, and Sarit in Thailand--these countries bear watching because of uncertainty if leader should suffer mishap.

VIII. Even in Western Europe, developments may come with surprise.

- A. For example, France may demonstrate a nuclear capability before we are ready to deal with consequences.

IX. Latin America is likely to continue periodic turmoil.

- A. More trouble is brewing in Guatemala where attempt to overthrow Ydigoras may be in offing and Communist influence is again rising.
- B. Venezuela remains unstable. A move by military factions could start a bloody civil war. Communist strength is increasing.
- C. Unstable conditions continue in Cuba and Peru. The Communists are making gains in Brazil and Chile. Rumors continue that Peron will soon return to Argentina.