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failure of agricultural policies under Stalin can only be remedied by significantly improving the lot of the peasants and providing them with material incentives to produce.

Since 1953, agricultural decrees have provided, among other things, for the cancellation of individual tax debts, an increase in procurement prices for various crops, and, most recently, changes in the price system for deliveries to the state. These various measures have worked significant changes in the Soviet countryside. While conditions are still far worse than in the towns, the grinding poverty of Stalin's day is beginning to disappear. More importantly, the Soviet peasant, who under Stalin constituted the most disaffected element of the pop-

ulation and still apparently strongly opposes the collective farm system in its present form, has softened in his opposition to the regime.

Khrushchev's recent plan to abolish the machine tractor stations (MTS) and sell the machinery to the collective farms has perhaps been the most popular move.

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[redacted] kolkhoz officials were literally swarming over the MTS's, inspecting the equipment in detail and forcing MTS officials to sell machinery at prices much lower than they were asking. These sales were followed by drunken orgies in which everybody participated.

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LEBANON: ITS RELIGIOUS COMMUNITIES AND THE STATE

The internal difficulties in Lebanon emphasize the problems arising from the existence of many rival religious sects in the country and from the delicate balance among them on which the government is based. Jealously guarding their privileges, the sects are continually at odds with each other. A strict distribution of governmental offices along religious lines and constant alertness on the part of the authorities against agitators have been the means relied on to prevent the outbreak of religious strife.

Lebanon is not a unity in the national sense, but is a mosaic of divergent traditions

and religious beliefs. Throughout its history, it has been an area of migration and resettlement, a refuge for minorities. The cultural and linguistic distinctions which came to be institutionalized by the Ottoman authorities--each sect forming a semiautonomous community within the state--have been largely preserved in law and in practice in the modern state.

Religious Communities

In matters affecting a religious community, the government deals with it as a whole through its spiritual leaders, not with the members individually. Certain civil functions are the province of the spiritual

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heads, not the government. They are allowed to administer the property and institutions of their communities and to decide matters of personal status--marriage, divorce, inheritance, and parochial education--in accordance with the tenets of their faiths. The decisions of ecclesiastical courts in these fields are enforced by the state.

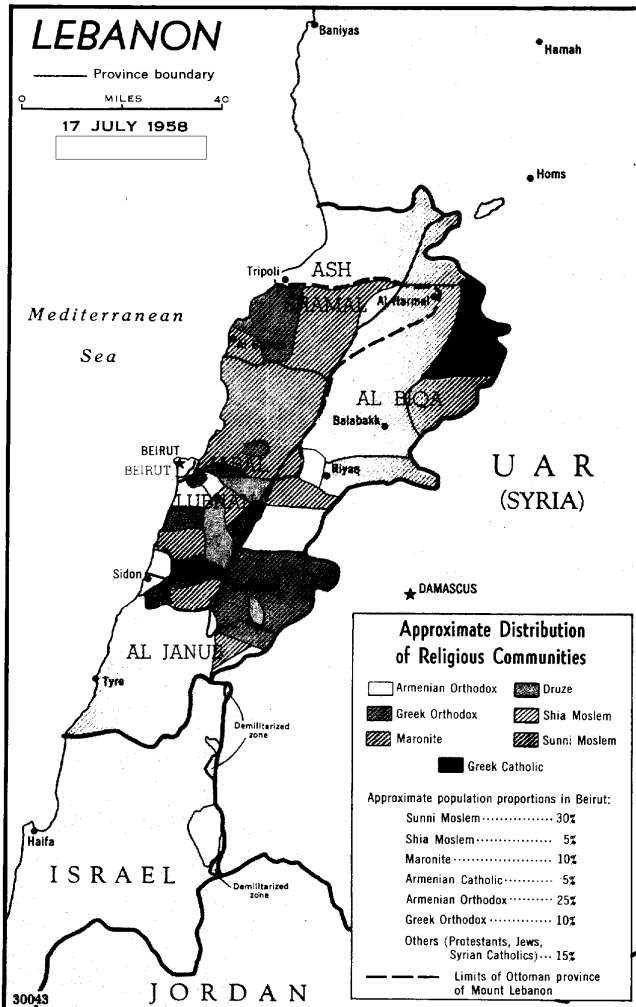
Both Moslems and Christians are conscious that membership in a religious community is the basis of all political and social rights and obligations. This is as equally true among the Christian sects, as between Moslems and Christians. Each sect tends to be a closed community deeply suspicious of outsiders--to leave one's sect is to leave one's world and live without loyalties and the protection of the community. As long as foreign intrusions were kept to a minimum, this traditional system worked fairly well. However, under the impact of Western ideas, particularly the concept of a nation-state, and with outside political influences and rivalries intervening on the local scene, the old order has begun to decay without a satisfactory substitute to take its place.

Sectarianism in Government

Fifteen distinct religious sects are recognized under Lebanese law--11 Christian, two Moslem, the Druze, and the Jews--

each constituting a separate community in the eyes of the state. In addition, several other minor sects exist in Lebanon.

The Lebanese constitution, in contrast with those of other Arab states, makes no mention of the official religion of the state. Since no single community constitutes a majority of the populace, the constitution specifically provides that the communities shall be "equally" represented in public appointments and the composition of the cabinet. Public office is considered by each community as



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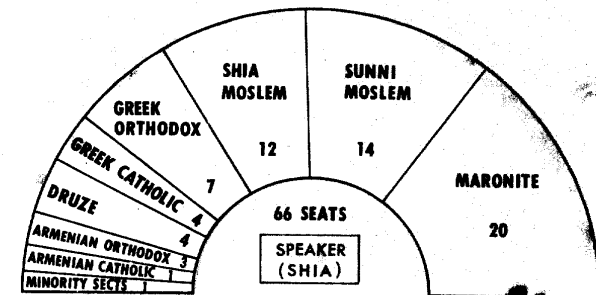
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a fief, and this view applies to every office from the presidency on down. Thus the various communities are a substitute for political parties as well as religious entities.

Since an unwritten agreement in 1943, the president has been a Maronite Christian, the

a new one would show that Moslems actually outnumber Christians because of their higher birth rate and the influx of predominantly Moslem Arab refugees from Palestine. The Moslems are agitating, however, for a reapportionment of governmental positions based on a more realistic recognition of the actual population statistics. Some Moslem leaders are even demanding that the presidency be at least open to a Moslem.

LEBANESE PARLIAMENT

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Christians

The most important Christian group consists of the Uniat Churches--oriental churches recognizing papal supremacy. Of these, approximately 350,000 Maronites form the largest single denominational group, 29 percent of the population. The leader of the Maronites is Patriarch Paul Maushi, who opposes President Chamoun. This church has close ties with France, which has used

prime minister a Sunni Moslem, and the speaker of Parliament a Shia Moslem. The cabinet seats are apportioned among Sunni and Shia Moslems, Greek Orthodox and Catholics, Maronites, and Druze roughly in proportion to their numbers among the populace. Representation in Parliament is apportioned along confessional lines, with the eight most numerous sects holding 65 seats. The 66th seat is allotted to a representative of the minority sects.

The present apportionment of governmental offices favors the Christians, especially the Maronites, since it is based on the 1943 census, which included over 250,000 emigrants, most of whom were Christians. No census has been taken since that date because the Christians fear

it in an attempt to maintain a special position in Lebanon. The patriarch has great influence throughout the country, and his voice is heeded in political, economic, and ecclesiastical affairs.

The other Uniat groups are the Greek Catholics (Melkites), who number about 85,000 and who are less Western-oriented than the Maronites; the Syrian Catholics, with some 6,000 adherents; and the Chaldeans and Armenian Catholics. There is also a Latin Catholic church, which does not belong to the Uniat group.

Next to the Uniat, the Orthodox Eastern churches comprise the largest group of Christians. Of these, the 140,000 members of the Greek

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Orthodox Church are the most important, totaling 10 percent of the population and nearly one fifth of Lebanon's Christians, largely concentrated in the area south of Tripoli. They are more Arab and eastern in orientation than the Maronites. Through its ties with the Russian Orthodox Church, the Greek Orthodox Church is a prime target of Soviet political-religious designs in the Middle East. Definite inroads have been made through visits by Russian church officials and financial aid to distressed bishoprics.

Another target of Soviet policy has been the Armenian Orthodox (Gregorian) Church, the world's oldest national church, whose membership in Lebanon is estimated at 70,000 persons. Speaking an alien language, the Armenians are half-isolated socially and are mainly craftsmen, office workers, and professional people. Soviet influence has made some inroads among the Armenians, who are divided into two factions, with the anti-Soviet Dashnak group predominating. Another small group is the Syrian Orthodox (Jacobite) Church, which has about 5,000 members.

Most of Lebanon's 6,000 Jews live in Beirut and include refugees from Syria following the 1948 events in Palestine. While the existence of Israel has had its repercussions in Lebanon, the authorities have been careful to curb anti-Jewish activities, lest they exacerbate the general sectarian antagonisms.

Moslem Communities

The main Moslem sects in Lebanon are the Sunnis and the Shias. The Sunnis regard the Koran, supplemented by the Traditions of the Prophet--words and deeds attributed to the prophet Mohammed--as the sole and sufficient repository of the Moslem faith. They are the

largest Moslem group in Lebanon, numbering 300,000. They comprise about one third of Beirut's population and dominate Tripoli, the country's second city. They lack the tight communal cohesion of other groups, and sharp social differences exist within the Sunni community.

In the north, the Sunni peasantry is dominated by a small upper class of semifeudal families. In the cities they form a part of the urban proletariat. Sunni consciousness of belonging to the religion of the greater part of the Arab world has given them a "majority attitude," a sense of being "unjustly" overshadowed by their former second-class subjects, the Christians.

The Shias (Mutawalis) constitute the second important Islamic sect. They believe in the Imamah, the combined secular and spiritual leadership of Islam which they claim descended from Mohammed to the Imam. The Imam has remained "hidden" since the 9th century and they believe he will reappear and rule the world. Two Shia subsects are the Ismailis, whose leader is the Aga Khan, and the Zaidis of Yemen, whose leader is the present ruler of Yemen, Imam Ahmad. Numbering about 250,000, the Shias live principally in southern Lebanon and the Biqa Valley. Economically, they are the most backward of the communities and are practically serfs on the estates of feudal lords.

The 85,000 Druze also believe in a "lost" leader who will some day return. Some practice systematic dissimulation of their beliefs for protection against possible persecution. They are concentrated on the southern half of Mount Lebanon, just east and south of Beirut. Members of closely knit agricultural groups, they have retained a great deal of their feudal organization, their loyalty to their chieftains, and dislike of outsiders.

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The representatives of the great Druze families dominate the community. Among these are the rival Jumblatt and Arsan families. The Shihabs, the family of army commander General Shihab, were originally Druze professing to be Sunni

Moslems, but the general's ancestors became Maronites in the 18th century. However, another branch of the family remains Moslem, a factor which may contribute to the general's ambiguous behavior during the present crisis.

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PROSPECTS FOR A EUROPEAN FREE TRADE AREA

The impasse which has arisen in negotiations for the projected free trade area (FTA) derives mainly from Britain's overriding concern with its world trading role as contrasted with the desire of the six Common Market nations for a more thoroughgoing integration of Western Europe. Developments in France have forced the United Kingdom to abandon its 1 January 1959 deadline for establishment of the FTA. The De Gaulle government may drag its feet less than previously expected, however, and in the 24-25 July meeting of the Intergovernmental Committee (IGC) may agree to a West German compromise formula that would make possible continued negotiations for a FTA.

Basic Issues

The six countries of the European Economic Community (Common Market) are committed to the development of an integrated community on the Continent that would go a long way toward eliminating national political and social differences as well as merging their economies. They are so dedicated to this objective that, despite the genuine desire of five of the six for a FTA, they are willing to support France in some of its objections to the FTA rather than see the EEC itself jeopardized.

Britain and to a lesser extent the other ten non-EEC countries of the Organization for European Economic Cooperation (OEEC) want the FTA as a means of access to the Common Market without sacrificing their overseas trading interests or accepting the EEC's supranationalism. The United Kingdom in particular sees its world position menaced by competition that would result from West German exploitation of the growing EEC market and resource base were Britain to remain completely outside.

The countries of the EEC feel Britain is demanding the best of two worlds. They see the United Kingdom as gaining free access to the rich industrial market on the Continent while restricting EEC members' access to Commonwealth markets through "imperial preference" and to the United Kingdom's large home market for agricultural products. Such a position they believe would also confer disproportionate financial advantage on Britain by enabling it to attract American capital for investment in firms that would benefit from these double advantages.

The disagreement between the two sides centers on three main issues: 1) common tariff

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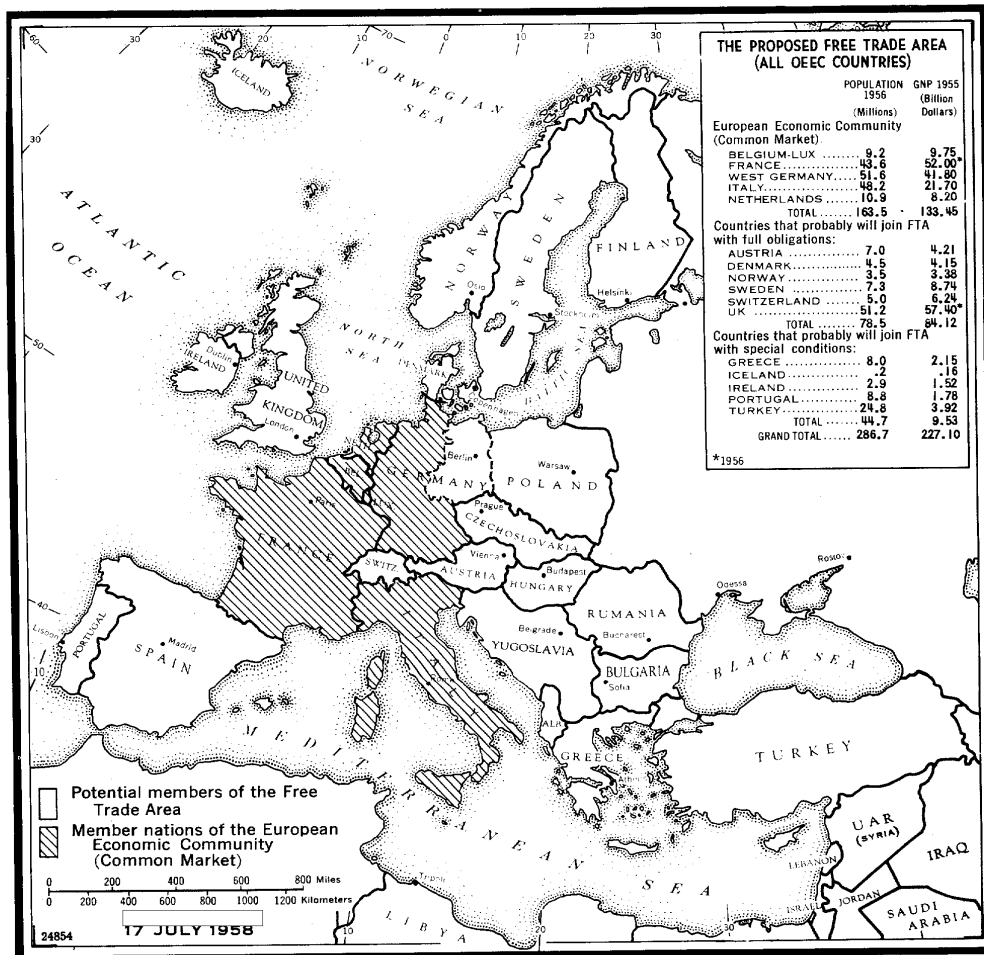
versus nationally determined tariffs; 2) coordination of national policies; and 3) treatment of agricultural trade.

A Common External Tariff

Central to the differences in concept and interests of the EEC as a customs union and those of the non-EEC candidates for the FTA is the question of whether or not all shall share a common external tariff. Both the EEC and the FTA contemplate gradual removal of tariffs against member nations over a period of 12 to 15 years. The EEC would then have a single external tariff while non-EEC members of the FTA would remain

free to fix their own national tariffs against outside countries.

On the EEC side of the controversy, the high tariff members, France and Italy, fear that if the EEC is merged in a larger FTA trading arrangement, their own protected producers will be threatened by competition from low-cost goods imported from the outside world through non-EEC member countries of the FTA having low external tariffs. To guard against this contingency they have demanded at various times in negotiations: 1) a system of certification of origin of such imports and a compensatory levy at the EEC border;



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2) equalization of external tariffs between the EEC and the non-EEC countries of the FTA; and 3) a compromise arrangement known as the Carli plan under which a compensating duty would be levied only on products on which the tariff of the non-EEC, re-exporting FTA country was below a specified level.

Britain, in accordance with its interests in procuring materials from low-cost sources and subject to low tariffs in order to support its vital export trade, refuses to accept a common FTA tariff on the grounds that it would involve discrimination against the rest of the Commonwealth and other outside trading partners.

Although "imperial preference" establishes a relatively low 10 to 15 percent reduction in tariff rates, it does provide preferred outlets for Britain's manufactures and has much significance as a symbol of Commonwealth unity. At the recent Commonwealth meeting, other members expressed serious concern that the present FTA negotiations might involve Britain in another preferential system.

The importance of Commonwealth markets to Britain is declining relative to the European market as Commonwealth countries industrialize. Its exports to these markets have shown little change in volume since 1950, while those to the EEC area have increased by about 40 percent. In absolute terms, however, the Commonwealth market remains well over ten times as large a market for Britain at about \$12 billion annually.

Coordination of Policies

The Continental concept of a Common Market envisages supervision by central institutions to "harmonize" the economic and social policies of the six member states. These

institutions will seek to eliminate national differences in production costs attributable to dissimilarities in taxes, social security, and conditions of work when they are found to have an undue effect on the ability of national industries to compete in the Common Market.

Britain and the Scandinavian nations take strong exception to the "harmonization" principle, seeing it as a cloak for French protectionism, and therefore contrary to their interests in maximizing international trade on a global basis. The non-EEC countries further point out that their governments do not have the powers to regulate working conditions such as overtime pay or equal pay for women, such matters being settled by collective bargaining between employers and unions.

Agricultural Trade

Of all the provisions of Britain's initial FTA proposal, that which would exclude trade in agricultural products from tariff removal has provoked the widest objections, including strong remonstrances from most of the other non-EEC member countries of the OEEC. They, as well as the EEC countries, find that their trading interests require a lowering of tariffs on Britain's imports of food products, which exceed any other country's in volume, in return for freer access to their home markets for the United Kingdom's exports of manufactured products.

This situation is particularly acute for Denmark, for which agricultural products constitute 70 percent of its total exports to the OEEC area. Of this amount Britain takes about half, but the 39 percent going to EEC countries is also vitally important. The Danes, confronted with the possibility of exclusive marketing

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arrangements and of a substantial increase in tariffs on their exports to the important West German market, as tariffs are averaged to establish the common EEC external tariff, are seriously considering joining the EEC despite their preference for the FTA in which trade in food products would be liberalized. In most EEC countries also, agricultural products account for a large proportion of their exports to Britain--40 percent for Italy and Benelux; 22 percent for France--thus reinforcing their determination to have such products included in FTA tariff reduction.

Some 60 percent of Britain's imports of agricultural products come from the Commonwealth and only 10 percent from the EEC area. But three fourths of these imports from the Commonwealth are either noncompetitive (tropical) with EEC agriculture or in product categories (grain) not subject to the 10- to 15-percent tariff imposed on dutiable items. The United Kingdom has rejected EEC demands that it modify "imperial preference" to share the Commonwealth market for industrial products on the grounds that such action is up to the Commonwealth members. However, there would appear to be considerable room for bargaining, in collaboration with other Commonwealth members, on preference in Commonwealth member markets for EEC manufactures and easier access to Britain for agricultural exports from the EEC that do not compete with the Commonwealth.

Present Negotiation

Since last October the United Kingdom has insisted that establishment of the FTA in 1958

was imperative in order that tariff reductions be undertaken by the other 11 OEEC members in step with those scheduled by the EEC among its members for 1 January 1959. As it became increasingly apparent during the spring that France's preoccupation with internal problems might prevent its adjusting its previous negative position on the FTA, as urged by the EEC Commission, the negotiators' interest grew in a compromise formula earlier proposed informally by West Germany.

This formula calls for a voluntary simultaneous 10-percent reduction of tariffs by the eleven non-EEC countries on 1 January to match the internal tariff reductions of the EEC. This would provide a basis for synchronizing tariff reductions and allow further attempts to negotiate formal agreement on a FTA before the second round of EEC tariff reductions, scheduled for 1 January 1960.

EXPORTS OF THE COMMON MARKET, FREE TRADE AREA, AND THE UNITED KINGDOM: 1955

MILLIONS OF DOLLARS

EXPORTING COUNTRY OR AREA	COUNTRY OR AREA OF DESTINATION				
	UNITED* KINGDOM	COMMON MARKET	FREE TRADE AREA	WORLD	
COMMON MARKET	341	804	1,434	2,248	AGRICULTURE**
	1,319	5,643	10,294	18,257	TOTAL
FREE TRADE AREA	952	1,327	2,707	4,342	AGRICULTURE**
	2,953	8,813	16,889	32,945	TOTAL
UNITED KINGDOM*	212	68	313	729	AGRICULTURE**
	601	1,074	2,616	8,496	TOTAL
UNITED STATES & CANADA	NOT AVAILABLE	503	1,338	3,004	AGRICULTURE**
	NOT AVAILABLE	2,354	4,940	19,799	TOTAL

*INCLUDES IRELAND AND ICELAND

**FOOD, BEVERAGES AND TOBACCO

NOTE: UNITED KINGDOM AND COMMON MARKET TOTALS ARE INCLUDED IN FREE TRADE AREA FIGURES.

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As the time for the IGC meeting has approached, both Britain and France have taken increasingly cautious positions on the 10-percent reduction. In order to avoid committing itself to the precedent for establishment of the FTA that would be implied if the 10-percent cut were to take place

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solely among OEEC nations, France proposes that the cut be made by these nations in relation to the whole outside world.

In addition, France wants the cut to apply only for those EEC nations, such as itself, which have tariffs above the approximate average tariff of the Six. Thus, France in committing itself to the 10-percent cut against the rest of the world would only be agreeing to begin on 1 January 1959 to do what it would have to do anyway as the external EEC tariff gradually assumes the level of the average of all EEC countries.

Britain, on the other hand, stipulates that it will agree to the 10-percent cut arrangement only if agricultural products are excluded and the cut applies only between OEEC nations. This would establish a precedent tantamount to acceptance of the FTA in principle. Britain has intimated that unless there is significant progress toward general acceptance of the FTA, it may instruct its chairman of the IGC to report to the OEEC Council on 26 July

that his committee has failed to carry out its instructions. This carries the threat that the United Kingdom would then be prepared to abandon the effort for the free trade area.

Since the French technicians continue firmly opposed to the FTA, progress or failure in the IGC meeting will depend on De Gaulle's decision on the position France is to take. His 1 July talk with Prime Minister Macmillan indicated he was not fully aware of the political implications of a collapse of the FTA. However, Foreign Minister Couve de Murville, who has been assigned responsibility for FTA affairs, is evidently convinced that agreement on the FTA is ultimately inevitable for France. General de Gaulle's past aversion to supranationalism and preference for looser forms of union in Western Europe that would include the United Kingdom suggest that France's position in the IGC meeting will be to give the minimum concessions necessary to make possible continuation of negotiations to establish the FTA.

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ANNEX**SINO-SOVIET BLOC ACTIVITIES IN THE NEAR EAST**

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1. General Bloc Policy: Sino-Soviet bloc policy toward the Near East is aimed at weakening and ultimately eliminating Western influence by supporting radical Arab nationalism, exploiting existing rivalries and tensions, and increasing the USSR's own participation in Near Eastern affairs. Bloc leaders are seeking thus to gain a position of influence which would enable them to vitiate the Western base structure in this strategic region and to deny Near Eastern oil resources to the West. During the period of this report, Moscow continued efforts to identify itself as the champion of Arab nationalism against "Western imperialism" and Israel, and to strengthen its ties with Egypt, Syria, and Yemen.

2. Moscow probably regarded the formation of the United Arab Republic as a temporary setback inasmuch as the influence in Syria of both the USSR and of local Communists, which had been progressively increasing since August 1957, was checked by the assumption of direct control by Nasir. Nasir's visit to the Soviet Union in May does not appear to have been completely successful. While the visit reinforced the popular image of Soviet support and the similarity of UAR and Soviet policies, Moscow only partially agreed to UAR demands on scaling down debts, and refused to sell newer model jet fighters and to lower prices on jet transports. During the visit Soviet leaders were also displeased with signs of a growing political and economic rapprochement between Nasir and the West, although the UAR's support of anti-Western

elements in Lebanon probably reassured Moscow that such a prospect has become more remote.

3. Diplomatic Representation: The Communist states immediately recognized the UAR after it came officially into existence in February. The seven bloc countries with diplomatic missions in Cairo--the USSR, Communist China, and all the Eastern European countries except East Germany and Albania--accredited these missions to the UAR, while the Communist missions in Damascus were downgraded to the rank of consulates and their military attachés were promptly withdrawn.

4. Yemen's adherence to the amorphous "United Arab State" produced no change in its ties with the bloc; the Soviet Union has a small mission in Sana, while the Chinese Communist and Czech ambassadors in Cairo are also accredited to Yemen. Bloc diplomatic representation in Lebanon, Sudan, and Israel--the other states of the Near East having relations with bloc countries--did not change during the period. On 1 March King Saud received a Soviet diplomat--the first such visit to Saudi Arabia by a bloc official--who probably used the opportunity to request the establishment of formal relations and to extend exploratory offers of Soviet economic assistance.

5. Economic Activity: Sino-Soviet bloc commerce with Near Eastern countries rose from \$278,000,000 in 1956 to \$460,000,000 in 1957, the bulk of which was conducted with the UAR. Trade with the bloc last year accounted for 20 percent of Egypt and Syria's combined total imports and 40 percent of total exports, with the surplus used in part to service obligations arising from economic aid and arms purchases. Yemen has also

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become indebted to the bloc and the bulk of its exports--estimated at about \$10,000,000 annually--will be obligated for some time if the credits are repaid. Bloc trade with other Near Eastern countries was negligible last year in terms of their total foreign transactions.

6. Bloc countries have to date agreed to provide Egypt, Syria, and Yemen with assistance valued at \$887,000,000, or 40 percent of the bloc's total economic and military aid to underdeveloped countries. Economic and technical assistance projects, many of which are still in the planning stage, account for over one half of total aid to the three Near Eastern countries, while the balance involves military aid, most of which has already been delivered. Agreements concluded during 1958 involving additional bloc assistance, including Soviet and Czech economic assistance to Egypt valued at \$175,000,000 and \$56,000,000, respectively, and Soviet and Chinese Communist credits of \$26,000,000 and \$16,300,000, respectively, to Yemen for economic development projects. During the current period, Soviet officials have stated that the USSR would be willing to extend economic assistance to Lebanon, Jordan, Saudi Arabia, and Sudan. The Sudanese Government has periodically expressed interest in Soviet aid; however, the prime minister has stated privately that the government is not seriously considering acceptance.

7. An estimated 1,700 bloc technicians, mostly Soviet, Czech, and East German nationals, are working in Egypt, Syria, and Yemen, an increase of about 400 above the number believed to have been involved at the end of 1957. Slightly over one half of the current total is engaged in giving military instruction or in assembling military equipment.

8. Cultural and Propaganda Activities: The bulk of delegation exchanges between Near Eastern and bloc countries during 1957 involved Egypt and Syria: two thirds of the some 310 bloc groups traveling to the area visited these countries, while three fourths of the approximately 200 Near Eastern delegations to the bloc were from Egypt and Syria. Professional, scientific, technical, and cultural groups predominated among the bloc delegations visiting the UAR countries, a further indication of the bloc's tactic of cultivating Nasir's sense of importance. The small-scale bloc exchanges with Lebanon, Jordan, Israel, and Sudan, on the other hand, largely involved groups representing Communist or Communist-front organizations.

9. Bloc broadcasts in Arabic, which totaled only 28 hours per week at the end of 1956, have been expanded rapidly, reaching almost 70 hours per week in late 1957 and currently about 82 hours each week. This total includes Chinese Communist broadcasts in Arabic which were initiated in late 1957 and increased in early April to over 10 hours per week. In addition, the bloc broadcasts 3.5 hours a week to the area in French language programs which are intended for Europeans and educated Arabs. In May the Egyptian radio organization joined the Communist-controlled International Broadcasting Organization, becoming with Finland the only nonbloc members.

10. Subversive Activity: Soviet and other bloc officials and technicians in Near Eastern countries have avoided overt contact with local Communists and have outwardly maintained a degree of correct aloofness from internal problems involving the local government and Communist parties. In Egypt, where the Communists have been split among several factions, a merger in

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January of the two major groups has brought the bulk of Egyptian Communists together in a single party. Although Nasir continues to harass minor Communists and to suppress all public Communist manifestations, his policy of friendship with the bloc has created a favorable atmosphere which the Communists are successfully exploiting to attract additional adherents. Most Communist elements in Egypt have overtly supported Nasir's neutralist and reformist policies for the past several years at Moscow's bidding. Recently, however, dissatisfaction has increased among Egyptian Communists over Nasir's repression of the Syrian Communist party and continuing signs that he would like to improve relations with the West. Egyptian Communists are also believed to have penetrated the government at a fairly high level, and Moscow is attempting to develop a disciplined underground apparatus to take advantage of future developments.

11. The Syrian Communist party, which prior to the formation of the UAR was the strongest Communist party in the area, has again been reduced to cautious activity under the threat of imminent suppression. During the preparations for the UAR merger, Syrian Communists maneuvered to maintain the multiparty system and as much autonomy as possible for Syria. In the other Arab states, the Communists are seeking both to penetrate and to cooperate with pro-UAR radical nationalists in opposition to pro-Western governments and parties. In Sudan, the Communists are pushing for a "united front" of all elements opposed to the present pro-Western orientation of the government. In Israel, the Communists continue to be weak because of their stand favoring concessions to the Arab states and because the party includes both Jewish and Arab--mostly Christian--members.

12. Near Eastern Reactions to Bloc Activities: Arab attitudes toward the bloc have been a prime factor in Moscow's gains in moving toward its objectives in the area. The USSR has been successful, particularly among radical Arab nationalists, in representing bloc opposition to Western "imperialism" as equal to that of the Arabs and in exploiting the Israeli issue. Public Soviet espousal of Nasir and Arab causes, the visible evidence of bloc support in the form of aid, and the pro-Soviet line followed by most of the more rabid Arab journalists and radio commentators in their treatment of world news have also contributed to a favorable popular conception of the bloc.

13. The Outlook: Bloc leaders will probably continue a flexible and opportunistic policy of limited risks in the Near East by supporting Nasir against the West and against Israel as new occasions arise, but without making firm commitments to the UAR. The Soviet Union would, however, probably try to exercise cautious pressure on Cairo in the event Nasir moved toward a truly neutral position or if he adopted a course counter to bloc objectives. Nasir's admiration of Tito's past successes in getting assistance from both the bloc and the West without becoming dependent on either, and the close Yugoslav ties with many radical Arab elements, especially in Syria, are also likely to emerge as disquieting factors in the UAR's relations with Moscow.

14. The bloc may be expected to make additional offers of economic aid to Near Eastern countries, particularly when such offers might have political value by embarrassing pro-Western governments of countries having economic difficulties. Moscow will probably direct local Communists, both as individuals and as parties, to continue the strategy of cooperating with and infiltrating radical nationalist groups.

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