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1. SITUATION IN JO	ed for Release: 2019/12/04 C03160444
Comment on:	
	Ang Hussam has senzed the initiative, for the moment at least, by calling into action loyal Bedouin fighting units of the Jordan Arab Army to suppress an attempt by members of the ultranationalist "free officers" faction and opportunistic Army Chief of Staff Nuwar to move against the king on the night of 13-14 April. Although sporadic fighting took place between some army units, order has apparently been re- stored. twelve officers supporting Nuwar were killed, and both Nuwar and former leftist prime min- ister Nabulsi have been arrested and deported to Syria. Leaders of the three left-wing par- ties which dominated the Nabulsi cabinet are reported to have been placed under house ar- rest. With the 25,000-man army still rent by fac- tionalism, however, the king must attempt to

win the support of a population which has generally supported Nabulsi's brand of anti-Western nationalism and has been indifferent to Jordan's independence. Although the decisive action has thus far taken place in and around Amman, the reaction of Jordan's dominant West Bank population of anti-Western and antimonarchical Palestinian Arabs has not yet fully developed. The West Jordanians, including up to 18,000 national guardsmen, are plentifully supplied with arms. Large demonstrations are reported to have taken place on 14 April in several towns on the west bank of the Jordan River in which the crowds called for Hussain's removal.

Reported movements of Syrian and Iraqi troops into Jordan remain unsubstantiated. Extraordinary Israeli troop movements opposite Jordan are also unconfirmed. Hussain, however, appealed to the American embassy for all possible assistance, "especially at this time," because of reported Israeli troop movements.

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2. JORDAN DEVELOPMENTS REPORTED 'SHOCK' TO NASR

Jordanian king Hussain's action in dismissing the Nabulsi cabinet on 10 April came as a distinct shock to Egvotian president Nasr, Nasr believes this development will be a blow to his prestige, and that it will cause people to say Syria is next. He has stated in this connection that the Americans are undermining him all over the Near East. Nasr also claims to have learned that King Hussain, King Faisal of Iraq and King Saud have

agreed that, if necessary, Iraqi and Saudi forces will co-operate to keep Hussain on the throne.

Comment

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3. BRITISH READY TO PAY TOLLS TO EGYPT

Comment on:

London, under pressure from British shipowners, apparently has decided to accept interim arrangements on Nasr's terms in the belief that reservation of

its position on a final settlement is the best it can do at present. The British continue to desire an immediate Security Council meeting and have indicated they would be satisfied there with a general statement that there should be interim arrangements permitting users to pay dues to Egypt without prejudice to existing legal rights or to any future settlement. Meanwhile, London is seeking prior passage in the Suez Canal Users Association of a similar resolution stating that tolls are being paid under protest and that future rights are reserved. The association is still considering this resolution.

Following Security Council consideration, London plans to suggest to Egypt a plan for interim tolls payment whereby British-flag ships would pay sterling into a special account in the Bank of England which could be drawn upon by Egypt. Presumably, Britain will continue to block the existing British-held Egyptian accounts, valued at about \$280,000,000, as a device for exerting leverage later.

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4. PATHET LAO STEPS UP MILITARY ACTIVITY

Between 8 and 11 April the Pathet Lao launched two of the largest attacks of recent months on government outposts in Sam Neua Province,

Pathet chief Souphannouvong has been warned by Ouan that he intends to order his troops to retaliate.

The growing strength of the Pathet attacks reportedly has forced the Laotian army to withdraw from three forward posts and the fate of a fourth is in doubt. Canadian members of the International Control Commission fear general hostilities may break out.

Comment

Pathet troop movements apparently aimed at isolating these positions have been confirmed, and there has reportedly been an increase in Pathet Lao strength in Sam Neua Province to a total of 4,300. In addition, some of the Viet Minh cadres withdrawn in 1956 are said to be re-entering Laos.

In the face of intensified Pathet military pressure, the government is moving troops from central Laos to reinforce the 3,000 troops it now has in the disputed area.

to empha-Pathet Lao size political tactics, and it seems unlikely that Pathet leaders would launch an all-out military attack on the government positions in the disputed provinces so long as there is any prospect for a political settlement. Their current operations are probably intended to strengthen their bargaining position in the deadlocked political negotiations. These aggressive tactics, however, may provoke retaliation on such a scale that general hostilities could eventually develop, possibly involving the Viet Minh.

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5. NASR SAYS FIRST PHASE OF ASWAN DAM CONSTRUCTION WILL BEGIN NEXT YEAR

Egyptian president Nasr told Ambassador Hare on 10 April that plans had just been completed for beginning next year the first phase of the construction

of the Aswan high dam. Nasr said this phase of the project would cost about 50,000,000 pounds (\$143,500,000 at the official exchange rate) and would take five years to complete. If the expense of this first phase seemed excessive, it might be decided to stop there. Nasr added that no Suez Canal funds would be required for financing the project, but he did not say where the money would actually be obtained.

Comment There has been no evidence of Soviet interest in the Aswan high dam since discussion of the project lapsed last summer. Nasr asserted last October, however, that the USSR was prepared to "assist" Egypt on this matter

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