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14 July 1958

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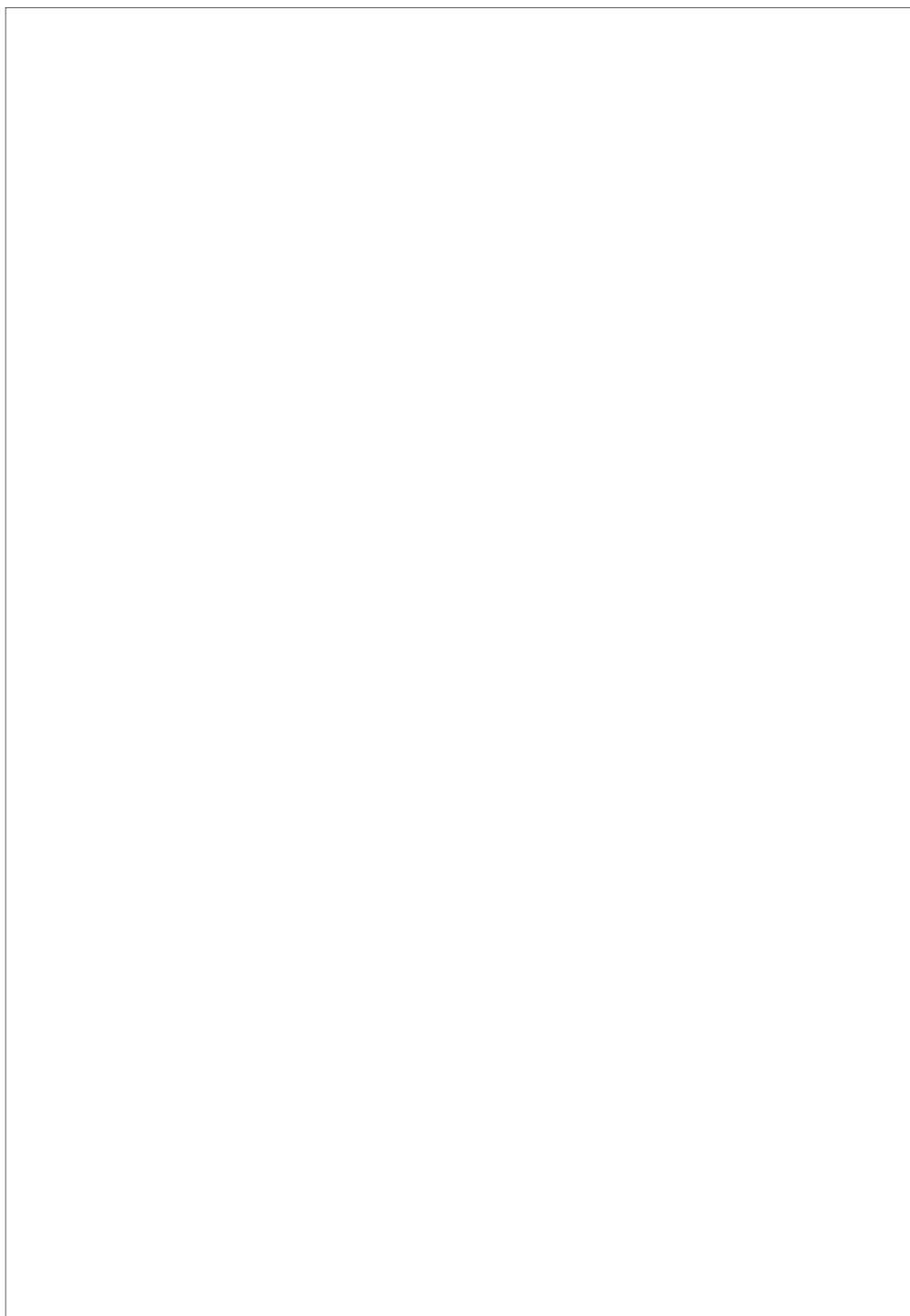
CENTRAL INTELLIGENCE BULLETIN



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LATE ITEM

Army Officers Overthrow Iraqi Monarchy (As of 0500 EDT)

[redacted] A group of young Iraqi army officers has executed a coup against Iraq's pro-Western government. The group, which took action early in the morning of 14 July, has announced the formation of a "Republican Government of Iraq" with a cabinet of army officers and leftist civilians. The coup may have taken place before King Faysal could leave Baghdad for a scheduled meeting of the Moslem Baghdad Pact powers in Istanbul; his fate, as well as that of Prime Minister Nuri Said and Crown Prince Abd al-Illah, is uncertain. Baghdad Radio has broadcast that the "people" could "look in the streets to see the bodies" of two persons who were identified only as "one who desired to fly high above the people" and "his master."

The coup was almost certainly undertaken with some type of collaboration from the UAR. By 0800, ~~pictures of Nasir were being displayed all over Baghdad.~~ Iraqi General Rubai, who has been named "president" of a "council of state," is known [redacted] to have been in contact with UAR officials, and was assigned last year to be ambassador to Saudi Arabia because he was suspected of disloyalty.

As of 0700 hours Baghdad time, [redacted] the situation in the Iraqi capitol was relatively normal, with traffic as usual, and the bridges over the Tigris River patrolled. There was "some considerable jubilation" among crowds passing the American embassy. Baghdad Radio has appealed to the public not to attack foreign embassies or personnel. The only shooting reported was limited to an initial foray around Nuri Said's house.

Some attempt at resistance to the coup may be made by pro-Western army officers, but would probably be handicapped by the popularity of the coup as well as by disaffection within junior officer ranks.

Iraqi withdrawal from the Baghdad Pact has been foreseen by the non-Arab members of the pact, and Iran has been proposing a re-grouping without Iraq. Such proposals will almost certainly be discussed when other pact members meet in Istanbul

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today or tomorrow. A late report states that the Iranian army has been alerted.

The coup in Iraq ultimately threatens the free access of the West to Middle East oil supplies both in Iraq itself and in Kuwait, the area's largest producer. The Nuri Said government was unsuccessful in efforts to promote Kuwait's adherence to the Iraqi-Jordanian union, partly because of popular sentiment in Kuwait against such a move. An Iraqi government favorable to the UAR would have greater appeal to the Kuwait populace.

The Iraqi coup will also have a strong impact on the remaining pro-Western Arab state governments. Damascus Radio has already broadcast an appeal to Iraqis allegedly fighting on the side of the pro-Western government in Lebanon to join the rebel forces there. The Jordanian government, threatened by serious internal factionalism, seems likely to be even more immediately affected. Ultrationalist conspirators there were reported planning action against the King this week, although the timing was attributed to fear of countermeasures rather than coordination with Iraqi developments. King Husayn's ability to rely on Iraqi forces now in Jordan to defend his regime is now questionable.

The Israeli government will be extremely concerned. The Israelis might move into West Jordan should they believe that the Jordanian government would be overthrown and that Israel was about to be surrounded by states under Nasir's direct influence. The Israelis can be expected in any event to press very strongly for specific security guarantees from the West. [redacted]

[redacted]

[redacted]

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14 JULY 1958

I. THE COMMUNIST BLOC

USSR - Secret police chief Serov says Khrushchev has no present intention to visit Peiping.

Contracts concluded for at least half of 40 major Soviet aid projects in Egypt.

II. ASIA-AFRICA

Lebanese opposition may accept compromise presidential candidate but insists Chamoun must leave country as soon as successor is elected.

Jordan - King Husayn plans personal appeal for army loyalty but may tend to rely increasingly on Iraqi military support.

Algerian rebels switch to widespread hit-and-run attacks by small groups.

Indonesian dissidents plan to intensify sabotage actions.

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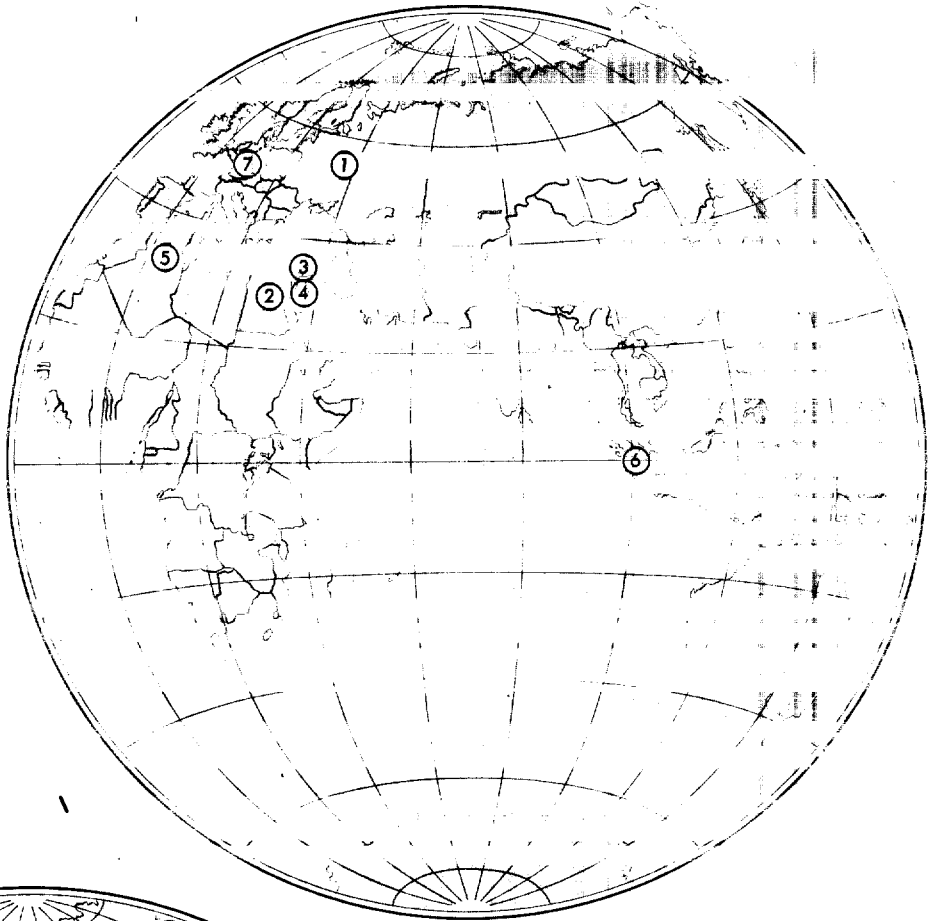
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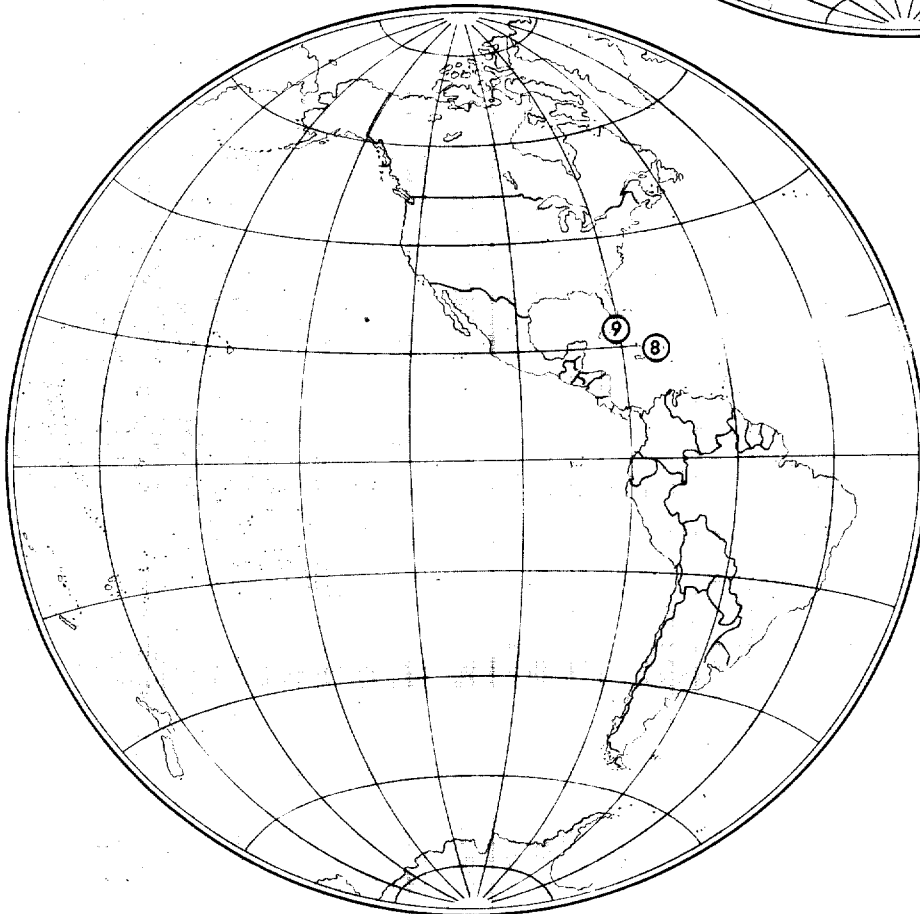


III. THE WEST

⑦ Adenauer, concerned over relations with De Gaulle, puts off their meeting until September and suggests neutral meeting place.

⑧ Haitian opposition plans uprising this month.

⑨ Cuba - Rebels expected to begin releasing US hostages today.



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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

I. THE COMMUNIST BLOC

no

USSR - Khrushchev: Khrushchev has no "present intention" of visiting Peiping, according to Soviet secret police chief Serov. In view of this statement and the fact that Austrian Chancellor Raab will arrive in Moscow on 21 July for official talks, it seems likely that other business--perhaps internal policy problems--prompted Khrushchev to cut short his stay in East Berlin last week. [redacted]

OK

Soviet aid to UAR: Contracts have now been concluded for at least half of the 40 major projects to be undertaken by the USSR under its \$175,000,000 economic aid program in Egypt. Cairo expects a total of about 150 Soviet specialists, 70 of whom will arrive this month, to be employed on these projects. This would bring the total Soviet personnel engaged in economic activities in Egypt to about 450. A new mission of 13 Soviet engineers has just arrived in Damascus, bringing to 120 the number of Soviet specialists engaged there under Moscow's \$168,000,000 economic aid program for Syria.

[redacted] (Page 1)

II. ASIA-AFRICA

Lebanon: The extremist opposition to President Chamoun hints it will agree to the election of a compromise presidential candidate, but still insists that Chamoun must leave the country immediately after the election on 24 July. The economic crisis is worsening and the government will have difficulty

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paying civil servants after August unless there is a major improvement in the financial situation. [redacted]

[redacted]

No
Jordan: King Husayn, in response to recent indications of serious disaffection and UAR-supported subversion in the Jordanian Army and Government, has decided to appeal in person for the support of all military personnel. In spite of his efforts, however, the King may tend to rely increasingly on Iraqi military support. Several recent unconfirmed reports indicate that the ultranationalist conspirators, fearing the intensification of countersubversive measures, now plan to act against the King this week. [redacted] (Page 4)

No
Algeria: The Algerian rebels, who have been conducting guerrilla operations in groups of several hundred, appear to have reverted recently to widespread hit-and-run attacks by small commando units. They have also increased terrorist activities in cities and some rural areas. [redacted]

[redacted] these changes, in part inspired by the logistical difficulties and casualties suffered in clashes with French forces when operating with larger groups, are aimed at enabling the rebels to reassert their influence over the Moslem population in advance of the elections France plans to conduct in Algeria this fall. [redacted] (Page 5)

No
Indonesia: Outlining plans for intensified resistance in Central Sumatra, dissident leader Col. Simbolon urges continuation of "scorched earth" tactics in the east coast region of North Sumatra, to force the central government to commit large numbers of troops to defend Western-owned rubber and tobacco estates. [redacted] (Page 6) (Map)

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DAILY BRIEF

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III. THE WEST

710
West Germany: Chancellor Adenauer and top Bonn officials are concerned over maintaining good relations with De Gaulle, in view of his insistence on a French nuclear weapons program. Adenauer would be "indisposed to participate" in the French effort if approached by Paris, and is deferring a meeting with De Gaulle at least until September. Adenauer has indicated he would prefer a neutral meeting ground to Paris. Defense Minister Strauss feels his talks with French Minister of Armed Forces Guillaumat on the French-Italian-German armaments program were unsatisfactory.

[redacted] (Page 7)

OK
Haiti: Haitian opposition leaders, [redacted] [redacted] plan an uprising, possibly within two weeks, and considerable bloodshed is likely. [redacted]

[redacted] (Page 8)

[redacted] *Cuba: Officers of the US Naval Base at Guantanamo expect the 29 American servicemen still held by the Cuban rebels to be released beginning today. The situation has become increasingly annoying to Cuban President Batista, who is angered at US tactics in negotiating with the rebels for release of the hostages and at his inability to obtain arms from the United States.

[redacted] (Page 9)

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Economic Experts in the UAR

Cairo expects that about 150 Soviet experts will be employed on projects under the Soviet economic aid program, in addition to the more than 300 industrial, agricultural and professional Soviet bloc specialists now engaged in Egypt who are not under the program. At least 70, mostly industrial technicians, and specialists in developing petroleum and mineral resources, are expected to arrive this month. Contracts have now been concluded for more than half of the 40 major projects to be undertaken by the USSR in accordance with its \$175,000,000 economic aid program for Egypt, and facilities to train Egyptian personnel are being established.

The arrival of additional experts in Syria earlier this month raised to about 120 the number engaged in projects called for under Moscow's \$168,000,000 economic aid program for Damascus. These technicians are making topographical surveys, prospecting for oil and minerals, laying the groundwork for road and rail transport projects, and studying possibilities for irrigation and hydroelectric power development. As many as 100 other Soviet bloc economic experts are also in Syria engaged in airfield construction and building an oil refinery and other economic projects.

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II. ASIA-AFRICA

Lebanese Situation

The speaker of the Lebanese Parliament claims President Chamoun has agreed to the election of a successor on 24 July. The speaker says, however, that while the rebels will compromise with Chamoun on General Shihab as an acceptable choice as president, they insist Chamoun must leave the country immediately after the election. One rebel representative has indicated that they would prefer to defer the election long enough to necessitate creation of a caretaker government under General Shihab and new parliamentary elections, which would presumably result in a Parliament more favorable to the UAR. The new Parliament then would elect a new president. There are increasing indications that the rebels envisage upsetting the traditional religious balance, which favors the Christians, by electing a president who would permit Moslem influence to be a greater factor in determining Lebanese policy.

In Tripoli it is reported that Baathist leaders have recognized extremist Rashid Karame's leadership on condition that rebel activity be increased. Karame is said to have ordered a fight to the finish. Evidently in line with this policy, the rebels within the past few days have destroyed the Tripoli power station, valued at \$2,000,000, and a sugar factory.

↳ Cairo, apparently pressured by UN Secretary General Hammarskjold, has issued further orders for a let-up in UAR interference in Lebanon. [redacted] the basic motivation for the orders was that "the political struggle is going to our advantage," and thus there would be little point in further irritating Hammarskjold. [redacted] the UAR ambassador in Beirut to direct a local rebel leader "not to carry out operations." As late as 10 July incursions by UAR military and civilian personnel were continuing. ↴

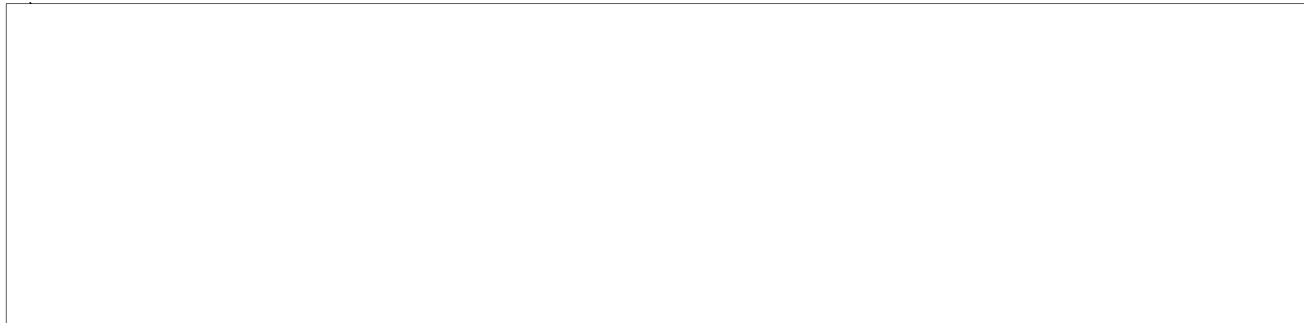
The Lebanese economic crisis is worsening. [redacted]

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"~~at once.~~" A Lebanese Government official has informed the American Embassy in Beirut that by September the treasury will have difficulty paying civil servants. The Association of Lebanese Industrialists has asserted that by the end of July the major elements of industry will be unable to continue operations because of a lack of cash reserves, bank credits, and sales. The association stated that about 50,000 workers would have to be dismissed unless long-term, low-interest loans are made to the distressed industries. While the government is fully aware of industry's plight, it is unable to assist effectively because of its weak financial position.



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~~SECRET~~Security Problems in Jordan

King Husayn is reported to have decided on several moves intended to bring the security situation under control and improve the morale of the army. He plans to visit all military installations to make a personal appeal for the loyalty of the officers and men. Preoccupied with its concern over the loyalty of the officer corps, the government has apparently neglected the problem of subversion among the noncommissioned officers and enlisted men. [REDACTED]

[REDACTED] ultranationalist plotters in the army have made a concerted effort among enlisted ranks.

The King is also reported to have agreed to discontinue the government's practice of arresting possible security risks on suspicion alone, without substantial evidence, which has been increasing resentment among the army and public. The King has been urged to bring to trial those suspects now under arrest against whom sufficient evidence is available, and to release the others. Manifestly, increased public appearances by the King and release of possible conspirators entail risks, but are considered essential to clear the air.

The government proposes to increase investigative efforts to learn more about the scope and composition of the subversive groups. Controls on the Syrian border will be tightened. Suspect officers, including Arab Union Deputy Chief of Staff Sadiq Shara, will be transferred to Iraq, and integration of the Iraqi and Jordanian armies will be speeded in order to break up cliques. Additional Iraqi army units may enter Jordan, and the army staff in Jordan will be augmented by Iraqi officers trusted by Husayn. Thus, despite the King's efforts to improve the situation, he may tend to become dependent on Iraqi military support.

Two recent unconfirmed reports indicate that the UAR-backed ultranationalist plotters in the army, fearing the intensification of countersubversive measures, now plan to act against the King this week. [REDACTED] [REDACTED]

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Algerian Rebels Shift Tactics Again

For the past month guerrilla fighters of the Algerian National Liberation Front (FLN) have discontinued operations involving groups of several hundred men, tactics which since last fall had frequently led to relatively large-scale clashes with French forces. They have reverted to operations by smaller commando units which shun contact with the French whenever possible, according to the American consul general in Algiers. The consul general also reports a notable increase in terrorist activities in cities and rich rural areas. Recent incidents, only a fraction of which were reported in the local press, have again made some "pacified" areas near Algiers unsafe. This extension of rebel activities contrasts with the relative lull of some previous summers.

[REDACTED]

[REDACTED]

[REDACTED] The change of tactics was probably prompted in part by the heavy manpower losses sustained by the rebels in earlier engagements near the Tunisian frontier, and also serves to deter the Moslem population from participation in the constitutional referendum and other elections France plans to conduct in Algeria this fall. [REDACTED]

[REDACTED]

[REDACTED]

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~~SECRET~~ [REDACTED]Indonesia

[REDACTED] one of the Sumatra dissidents' leading strategists, urged [REDACTED] that the "scorched earth" tactics be intensified in the estate region southeast of Medan. [REDACTED] Western estate owners and their governments would insist that Djakarta assign troops badly needed elsewhere to guard the estates. [REDACTED] as a result of dissident attacks many estate workers had fled into the towns, creating "a serious social and security problem."

In North Sumatra, rebel ambush teams continue active on the road between Tarutung and Siantar. On 10 July, a company of government troops being withdrawn to Tarutung was attacked by a dissident force of 70 men. A government commander in the area recently complained that the road was so harassed that "every convoy has to fight its way through."

The Central Sumatra dissidents, who have been increasingly active in recent weeks, occupied the coastal town of Pariaman on 8 July. [REDACTED]

[REDACTED] a force of 500 rebels made two attacks on Pariaman on 8 July, and in the second forced government defenders to withdraw to positions outside the town. [REDACTED]

[REDACTED] the rebels apparently still held the town itself. [REDACTED]

[REDACTED]

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III THE WEST

Bonn Concerned Over Relations With Paris

Chancellor Adenauer has told the American ambassador in Bonn he is disturbed by France's desire to enhance its power position by developing nuclear weapons and would be "indisposed to participate" in the French program if approached by De Gaulle. Vice Chancellor Erhard considers De Gaulle a dictator and also opposes France's becoming a fourth atomic power.

Defense Minister Strauss is especially bitter about his discussions in Paris with French Minister of Armed Forces Guillaumat, who disclaimed any French commitments in the French-Italian-German (FIG) armaments production agreement, and had to refer even minor matters to De Gaulle for decision. Strauss was informed that Paris would have to review the entire FIG program in the light of the "interests of France." He also spoke deprecatingly of his "very general" talk with De Gaulle. A negative French posture toward FIG, as reported by Strauss, may reflect a French desire to establish a bargaining position. It may also reflect to some extent De Gaulle's underlying hostility to European cooperation ideas and his inclination for independent action.

On instruction from Adenauer, Strauss avoided committing the chancellor to an early meeting with De Gaulle in Paris, lest such a visit be considered a "pilgrimage." Adenauer might consider meeting De Gaulle in September in the Saar or Luxembourg. West German press chief Von Eckardt told a press conference on 11 July that this delay did not mean that De Gaulle and the chancellor would not discuss the production of atomic weapons in the framework of general political talks when they meet.

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Explosive Situation Developing in Haiti

The government of Haitian President Duvalier, which has employed brutality and terrorism in a desperate effort to retain power, may not survive an uprising now being planned by opposition leaders. The coup, which may be attempted within two weeks, is led by various exiled political leaders who are in contact with their followers in Haiti, and who are apparently receiving covert support from Dominican dictator Trujillo. If attempted, the uprising would probably cause considerable bloodshed and possibly near anarchy.

The Haitian Army has been so weakened by continuing purges that it may no longer be able to preserve order. Explosive racial and class tensions between the mulatto elite and the Negro masses have been aroused to such a pitch that mulattoes are undergoing a virtual reign of terror. The government, although strongly biased in favor of the blacks, has few resources and has done little to improve the extremely low living conditions of the Negro masses, who are becoming increasingly sullen and restive.

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~~SECRET~~The Cuban Situation

If the 29 American servicemen still held by the Cuban rebels are not released beginning today, as expected by officers of the US Naval Base at Guantanamo, a situation increasingly annoying to Cuban President Batista will continue to be aggravated. The forcing down of a US Marine aircraft on 13 July shortly after it had taken off from Guantanamo--because it had not signified its intent--underlines Batista's growing irritation. He claims his cooperation with US efforts to obtain the release of the hostages has already caused the Cuban Army to lose much ground to the rebels and that his continued inability to obtain weapons from the United States has weakened his army's position. On 10 July, he severely restricted flights by US helicopters and observation planes over rebel-held territory. He told Ambassador Smith on 11 July that the most effective way to obtain the release of the hostages would be an ultimatum threatening US action against the rebels.

Raul Castro's American hostages have been scattered in small groups and moved frequently around the wild and difficult terrain. An American consul negotiating with the rebels believes they could successfully elude any force sent in to rescue the Americans, and one of the rebel officers warned him they would fight any American rescue force and would publicly request Soviet arms to do so. Rebel leader Raul Castro is apparently the final authority in the area he holds, which is isolated from that held by his brother Fidel. Raul respects his brother's authority as chief of their movement, but feels his own zone is now much more important than Fidel's--a feeling shared by all Raul's followers. Raul Castro is anxious to have the Cuban issue referred to the Organization of American States. He is apparently still hopeful he can obtain assurances from the United States before the remaining hostages are released that it will not give military aid to Batista.

The American consular officers dealing with Raul Castro have been unable definitely to identify any member of his group as a Communist, but nevertheless believe that some of the leaders may be.

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