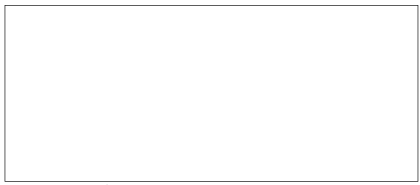


~~TOP SECRET~~

*ZD*

3.3(h)(2)

3.5(c)



31 July 1958



Copy No. C

37

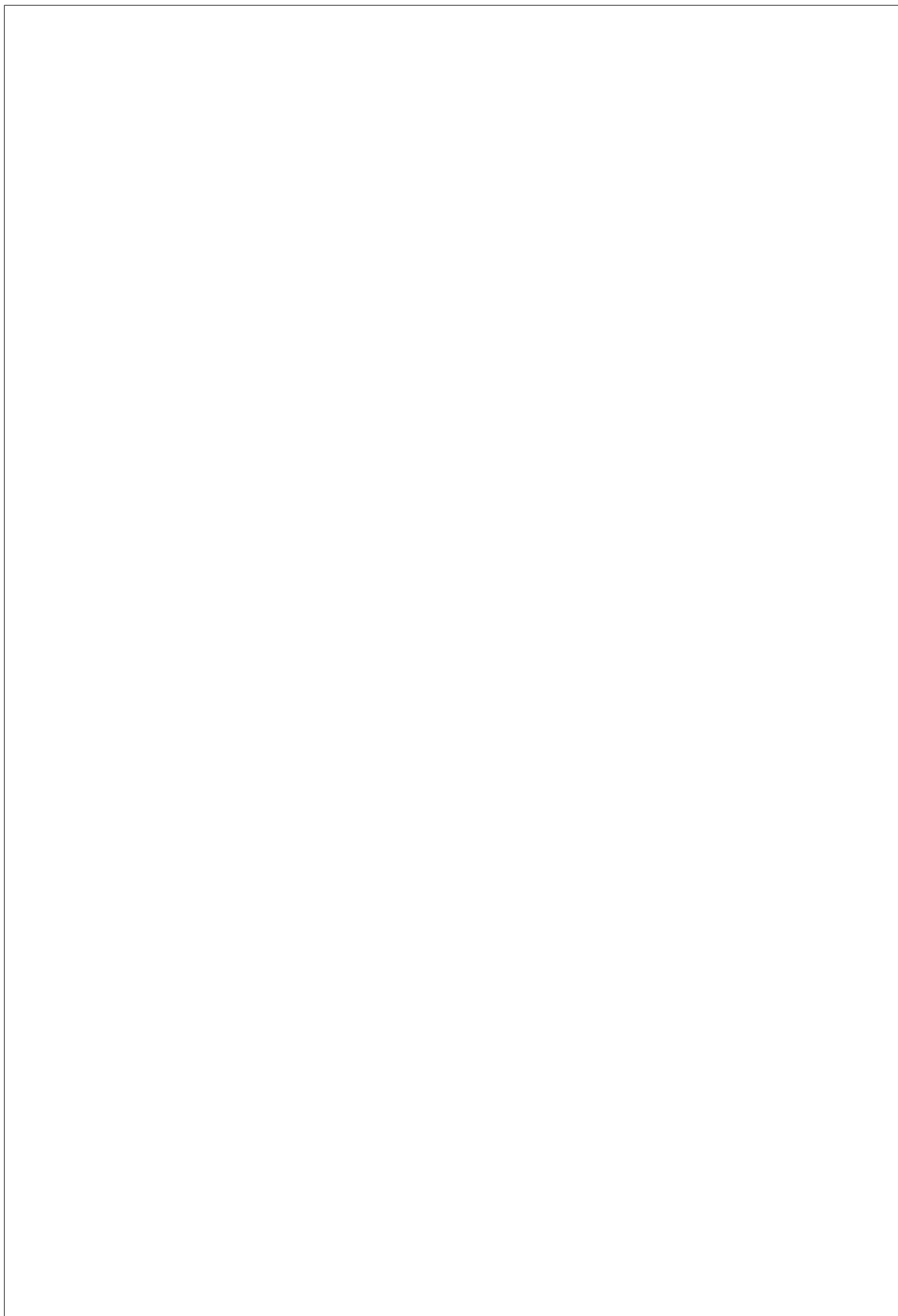
# CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 37  
NO CHANGE IN CLASS. X  
DECLASSIFIED  
CLASS. CHANGED TO: TS S C  
NEXT REVIEW DATE: 2010  
AUTH: HR 702  
DATE: 3/21/80 REVIEWER:



~~TOP SECRET~~



~~TOP SECRET~~

~~TOP SECRET~~

31 JULY 1958

**I. THE COMMUNIST BLOC**

UAR message indicates probable Soviet offer of military assistance to Iraq.

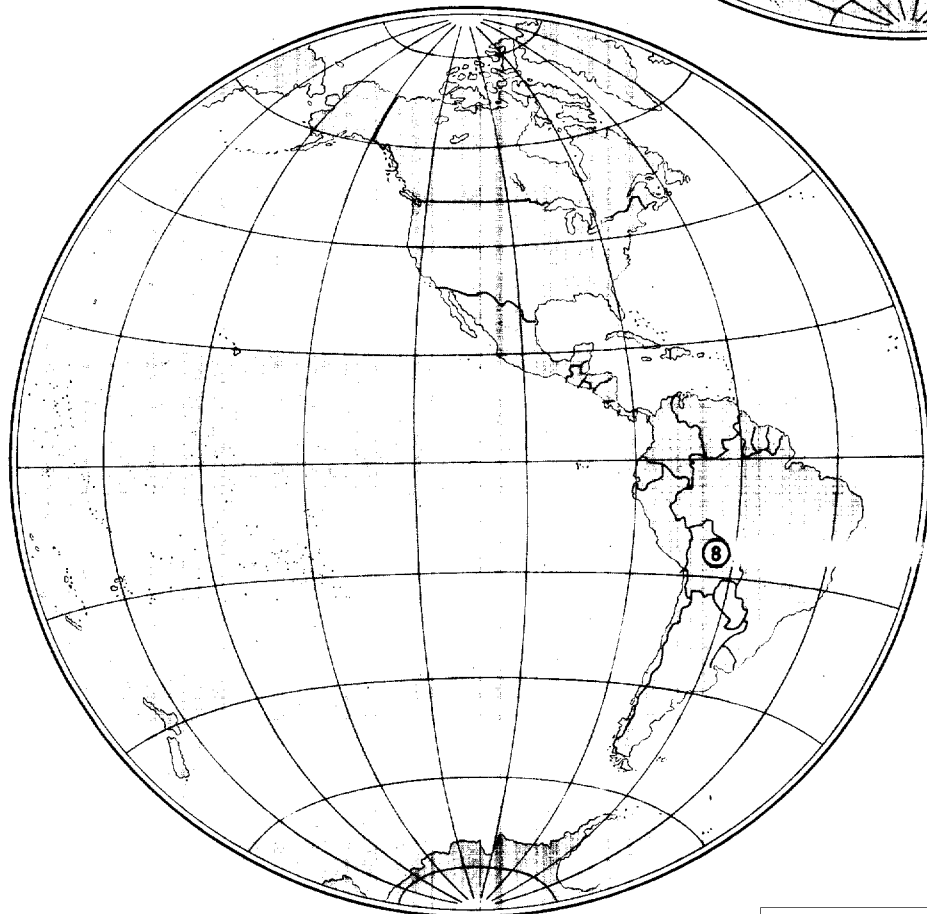
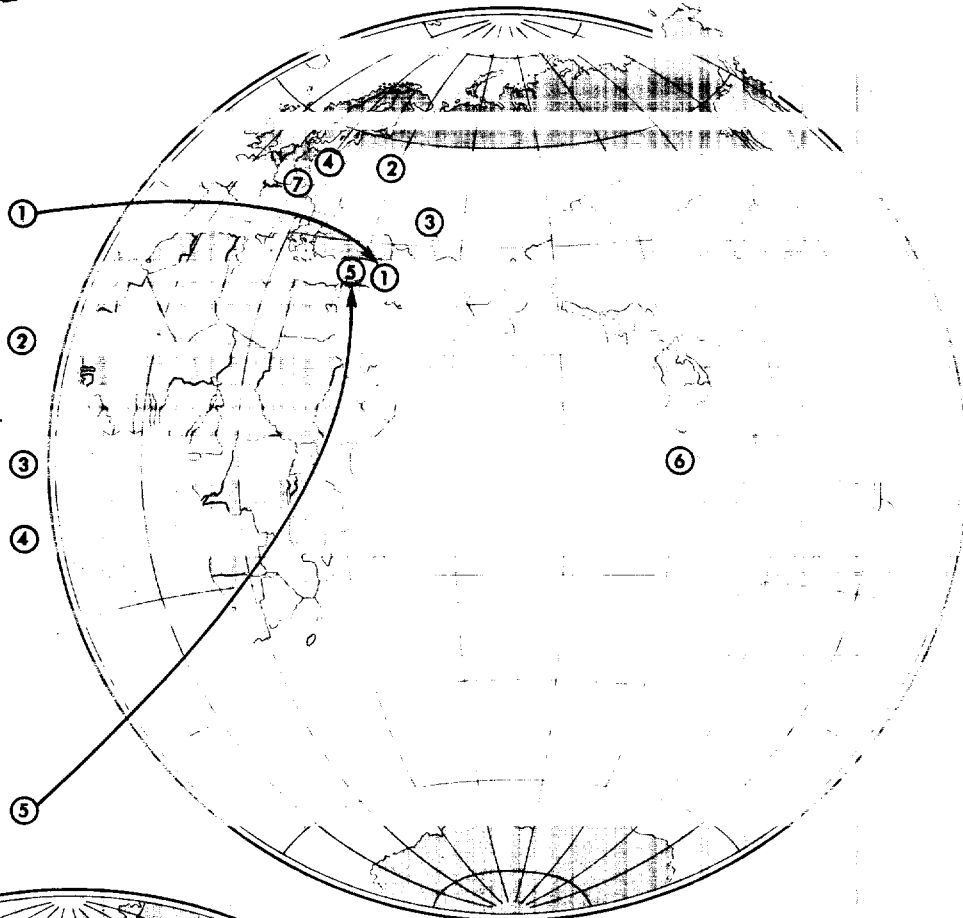
Ambassador Thompson believes Soviet leaders will soon act to alarm world opinion and increase pressure for summit meeting.

USSR has developed operational air-to-surface guided missile with 3,000-pound conventional or nuclear war-head.

Polish regime's attack on church endangers Gomulka's popular support.

**II. ASIA-AFRICA**

General Shihab remains favored candidate in Lebanese presidential election scheduled for today. Iraqi officials press for American recognition. Saudi businessmen talking of a possible sudden change of government.



⑥ Indonesia - Bukittinggi attacked 23 through 28 July by largest dissident force used to date; central government retains control.

**III. THE WEST**

⑦ Austrian Chancellor Raab's toadying statements during and since visit to USSR causing some concern in Vienna.

⑧ Bolivia - President Siles again threatens to resign; government may be facing genuine crisis this time.

~~TOP SECRET~~

~~TOP SECRET~~

# CENTRAL INTELLIGENCE BULLETIN

31 July 1958

## DAILY BRIEF

### I. THE COMMUNIST BLOC

USSR-Iraq: [redacted] a probable Soviet offer of military assistance to Iraq [redacted]

*No* [redacted] Damascus stated it would agree to the passage of 50 tanks to Baghdad across Syrian territory provided this assistance "were given in accordance with an agreement between Iraq and the Russian Government." Damascus also informed Cairo that "Russia is thinking of assisting Iraq" with certain unidentified "equipment" and that the USSR would intervene in the event of a Western attack on Iraq. [redacted] (Page 1)

*No* Soviet summit tactics: Ambassador Thompson believes the Soviet leaders will soon take steps to heighten tension and alarm world opinion in an attempt to increase pressure for a summit meeting. [redacted] (Page 2)

*No* Watch Committee conclusions--Sino-Soviet bloc (as of 30 July 58):

A. No Sino-Soviet bloc country intends to initiate hostilities against the continental US or its possessions in the immediate future.

B. No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the Orbit in the immediate future.

~~TOP SECRET~~

~~TOP SECRET~~

*NS*  
**NOTE:** While the USSR has placed some of its forces in positions of readiness, the Soviet Union has not taken many of the measures which would be considered necessary to prepare for aggressive action in the Middle East or elsewhere.

[Redacted]

*NS*  
**Soviet special weapons:** The USSR has developed an operational air-to-surface guided missile believed to be capable of delivering a 3,000-pound nuclear or high-explosive warhead against maritime and well-defined land targets. It is believed that some operational units of the Soviet Long Range Air Force have been equipped and that Soviet Naval Aviation units will soon be equipped with this missile.

[Redacted]

(Page 4) (Map)

*OK*  
**Poland:** The raid by Polish security police on the country's most important religious shrine will seriously jeopardize Gomulka's national popularity, particularly in the rural areas. Much of Gomulka's political strength has derived from his arriving at a truce with the church and obtaining the public backing of the Polish primate, Cardinal Wyszynski.

[Redacted] (Page 5)

## II. ASIA-AFRICA

**\*Middle East developments:** Opposition demands for President Chamoun's immediate retirement are likely to mount sharply following the Lebanese presidential election scheduled for 31 July. Latest indications are that General Shihab is still the favored candidate. Iraqi officials are pressing strongly for American recognition.

[Redacted] Saudi businessmen in Jidda are speaking openly of a possible sudden change of government. British troop movements to and in the Middle East appear to be about completed.

[Redacted] (Page 6)

31 July 58

DAILY BRIEF

ii

~~TOP SECRET~~

~~TOP SECRET~~ [redacted]

*No* Watch Committee conclusion--Middle East (as of 30 July 58): Although a deliberate initiation of open hostilities in the Middle East is unlikely in the immediate future, the situation remains highly unstable, particularly in Jordan and Lebanon where incidents might involve British and US forces. [redacted]  
[redacted]

*No* Indonesia: Military action by the dissidents against Bukittinggi, their former capital in Sumatra, which began on 23 July, was still under way on 28 July, [redacted]  
[redacted] The government, however, apparently regained the initiative after the initial attack. This is the largest offensive operation yet undertaken by the dissidents. [redacted]

### III. THE WEST

*No* Austria: Chancellor Raab's linking of Soviet and Austrian interests in statements during and since his 21-28 July visit to Moscow is causing concern in Austrian political circles, including members of the chancellor's own party. Socialist resentment will increase tensions in the Austrian governing coalition, but the stability of the government is not threatened. [redacted] (Page 9)

*No* Bolivia: Moderate President Siles apparently plans to resign on 6 August in favor of Senate President Alvarez Plata, who has recently been cooperating with leftist labor leader Juan Lechin. Although Siles has threatened to resign on previous occasions, American Ambassador Bonsal feels that this time a real crisis may be facing the government. [redacted]  
[redacted] (Page 10)

31 July 58

DAILY BRIEF

iii

~~TOP SECRET~~ [redacted]

## I. THE COMMUNIST BLOC

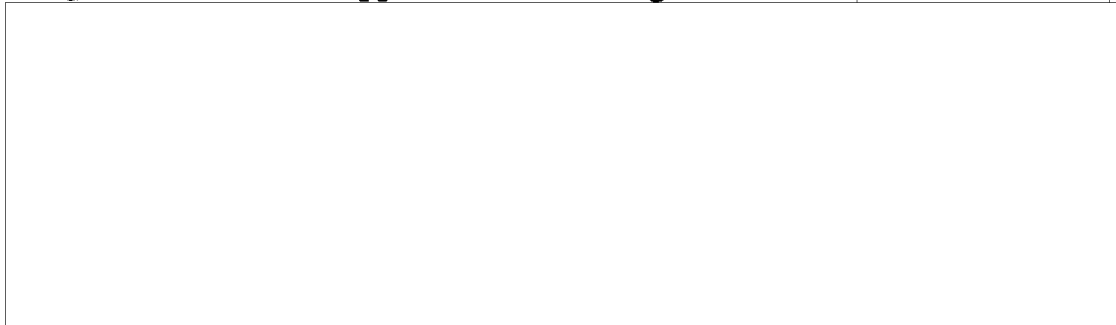
### Evidence of Soviet-Iraqi Rapport

Evidence of a probable Soviet offer of military assistance for Iraq is contained in a UAR message of 28 July from Damascus to Cairo. Damascus stated it would permit 50 tanks to cross Syrian territory en route to Baghdad and allow Iraqi tank crews to be trained in Syria provided this assistance was given "in accordance with an agreement between Iraq and the Soviet Government." Damascus also informed Cairo that "Russia is thinking of assisting Iraq" with certain unidentified "equipment," and that the USSR would intervene in the event of a Western attack on Iraq.

Meanwhile it appears that working diplomatic relations will be established very shortly. [redacted]

[redacted] the new Iraqi ambassador to Moscow would arrive during the week after "the exchange of mutual diplomatic representation." A high-level Soviet official had arrived in Baghdad by 29 July, [redacted]

[redacted] Khalid Bakdash, leader of the Syrian-Lebanese Communist party, was also in Baghdad to urge broad leftist support for the new government. [redacted]



~~SECRET~~ [redacted]

### Soviet Pressure for Summit Talks

Ambassador Thompson believes the USSR will soon take further steps to heighten tension and alarm world opinion in an effort to increase pressure on the United States and Britain for summit talks on Soviet terms. He suggests such moves may include accusations and threats addressed to Turkey, a Soviet-inspired Iraqi appeal to the UN Security Council protesting alleged Turkish warlike preparations, or action by the UAR to stir up trouble in Lebanon or Jordan.

Since the Soviet leaders apparently believe that the possibility of military action against the new Iraqi Government by the United States and Britain or their Middle East allies has diminished, Moscow may be encouraged to adopt publicly a more belligerent posture. [redacted] Soviet Deputy Foreign Minister Zorin told the UAR ambassador in Moscow on 21 July that the position of Iraq has become stronger and that it now would be difficult for the Western powers to launch an attack. "This," he said, "is the first victory," and he assured the UAR ambassador that "time is on our side." [redacted]

Khrushchev's charge in his letters of 28 July to President Eisenhower and Prime Minister Macmillan that "preparations for armed interference in the affairs of the Republic of Iraq are proceeding at full speed" may foreshadow stiff warnings to Turkey, Iran, and possibly to Washington and London, including more detailed threats of Soviet military counteraction or the dispatch of "volunteers" in the event of an attack on Iraq.

Moscow's protest of 30 July against an alleged violation of Soviet air space by an American RB-47 on 26 July states that the USSR attaches "especially serious importance" to this incident because the violation was committed "at a moment when armed intervention by the United States and Britain in the Middle East has created a very tense situation in this

~~TOP SECRET~~ [redacted]

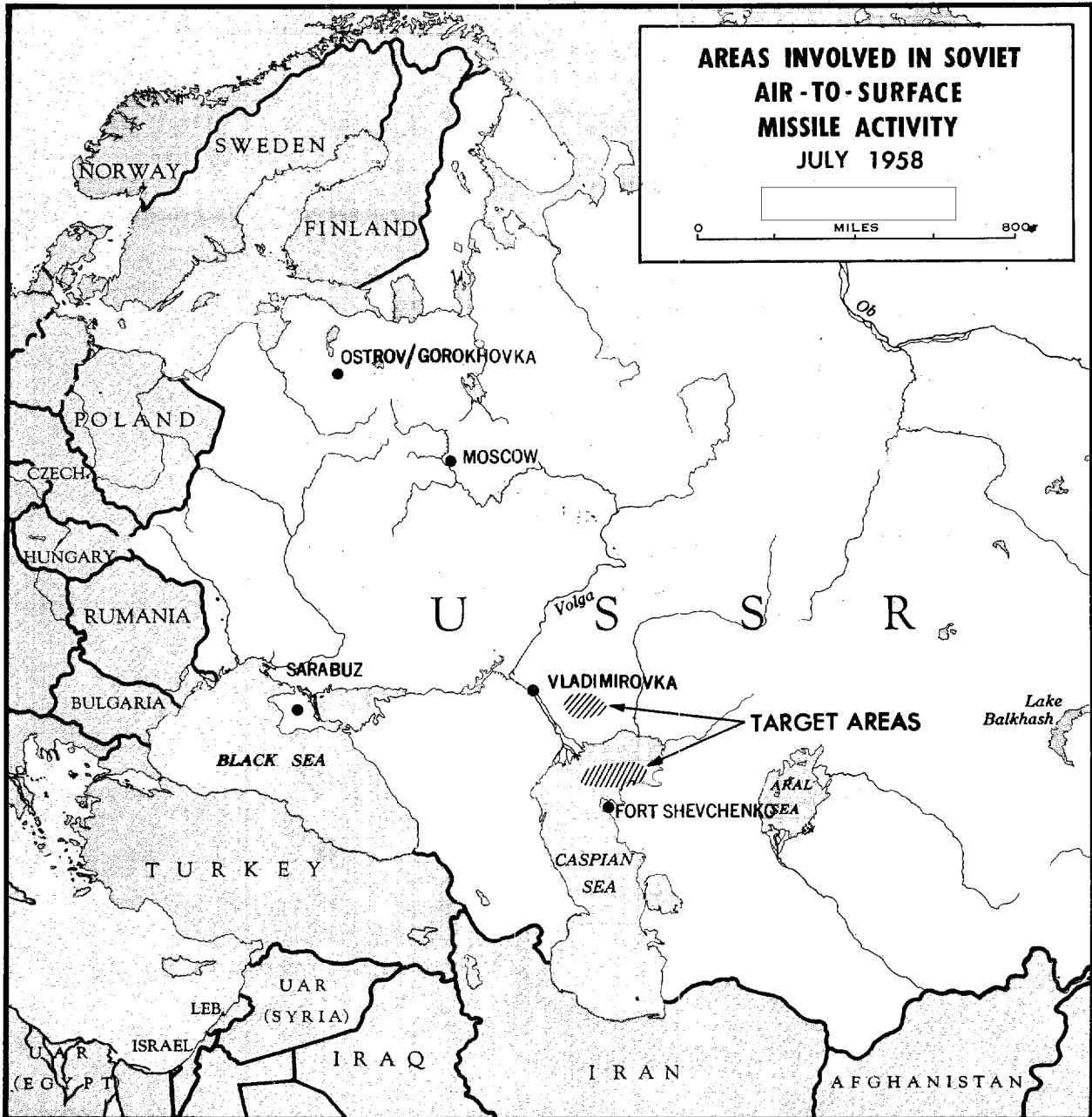


area." The protest warns that the United States "must also consider" that the violation "from the direction of countries bordering on the Soviet Union, including Iran, contradicts known treaty obligations of these countries in regard to the Soviet Union." This is a thinly veiled reference to the Soviet-Iranian treaty of 1921 which gives the USSR the right, under certain conditions, "to send its army into Persia in order to take the necessary military steps in its own defense" if any "third countries" make "Persian territory a base for military attacks against Russia."

Despite Khrushchev's strong criticisms of the American and British positions, he has been careful not to close the door to a compromise formula for a summit meeting within the UN framework, possibly in Europe. TASS on 30 July denied Western reports that Khrushchev's latest letters mean he would be unwilling to attend a meeting in New York.

~~TOP SECRET~~

~~TOP SECRET~~



805222 80731

~~TOP SECRET~~

Possible Appearance of Air-to-Surface Missile in Soviet Operational Units

[redacted] for the first time what appears to be operational training involving naval BADGER (TU-16) jet medium bombers and the air-to-surface "KS" missile. In the past Special Purpose Regiments of the Soviet Long Range Air Force have been primarily associated with this missile, which has a range of about 55 nautical miles, although a naval air regiment from Sarabuz, a naval air station in the Crimea, was also involved earlier.

[redacted]

[redacted]

[redacted] On 22 July, at least six and possibly nine aircraft appear to have left Sarabuz on missile-associated runs possibly to the Vladimirovka facility or the new test area in the North Caspian Sea. One altitude noted is comparable to that used by BADGERS of the Special Purpose Unit from Ostrov/Gorokhovka which have long been associated with the "KS" missile.

This missile seems intended primarily for use against maritime targets, but would also be feasible for use against well-defined land targets. Although the warhead details are unknown, the preponderance of the missiles launched pass well above the target, suggesting that the warhead is designed for an air burst, characteristic of an atomic weapon. This missile is estimated to carry a 3,000-pound nuclear or high-explosive warhead.

BADGER-equipped units of the Soviet Long Range Air Force have been and Soviet Naval Aviation may soon be equipped with this missile. [redacted]

[redacted]

~~TOP SECRET~~ [redacted]

### Polish Church-State Truce Threatened

In an anticlerical move unprecedented in Gomulka's Poland for its violence and resemblance to Stalinism, the Polish regime on 21 July conducted a raid on the Jasna Gora monastery near Czestochowa, a national and religious shrine. On 29 July the government publicly charged the Catholic Church with distributing illegal and subversive publications printed on secret presses in Jasna Gora. The regime announcement followed the reading in Warsaw churches two days earlier of Cardinal Wyszynski's pastoral letter denouncing the search of the Jasna Gora premises.

The state maintained that the church had ignored a warning issued on 13 May, and was deliberately withholding illegally printed material from the censors. The regime further stated that "some 15" policemen had been ordered to the scene of the raid. One member of the angry crowd that assembled has been held in prison, and with others will be prosecuted for obstructing and resisting the security organs. In addition, all persons guilty of disseminating "false news harmful to the state" about the raid will be prosecuted. Legal action could therefore be taken against the cardinal himself.

Although there has been a gradual deterioration in church-state relations in the past few months, there has been no evidence of political action by the church requiring such stern retaliation by the regime. At the very least this move against the church seriously jeopardizes the church-state truce. Gomulka's popularity, especially among the peasants, has been damaged, and further moves of this sort would seriously weaken his popular position.

~~CONFIDENTIAL~~

## II. ASIA-AFRICA

### Middle East Developments

Lebanon: The latest indications are that the Lebanese presidential election will be held on 31 July as scheduled and that General Shihab remains the favored candidate. He can be elected, however, only over the violent opposition of Prime Minister Sulh and other "loyalist" elements who feel the general is likely to be merely a way station on the road to a full alignment of Lebanese policy with that of the UAR. Following the election of any candidate, opposition demands for President Chamoun's immediate retirement are likely to mount sharply. If Chamoun adheres to his intention of remaining in office until his legal term expires on 23 September, a new crisis and possibly some type of "semi-legal" coup could ensue.

Iraq: The burning in Baghdad of an oil-storage tank belonging to a British-owned company is being popularly attributed to "imperialist" sabotage. The regime has reinstated a curfew because of the incident and has appealed to the populace to remain calm pending an official investigation of the incident.

The Iraqi minister of development indicated on 30 July that he wanted American technicians back at work in his ministry with the same standing, for the time being, as they had had under the previous government. The minister observed, however, that "of course everything is subject to change depending on the attitude of the US Government toward Iraq." The constant theme of conversations between Iraqi and American officials is the question of American recognition.

[redacted] In addition to the numerous Egyptian technical and military specialists who are being sent to Iraq, [redacted] personnel of the Egyptian General Intelligence Agency were to leave Cairo for Baghdad [redacted]

UAR: Preparations for naval defense are continuing in Egypt. [redacted] the Suez base was instructed to

~~TOP SECRET~~ [redacted]

select a cargo vessel suitable for mine-laying. In Syria, one of the main roads west of Damascus was closed from 27 to 30 July, probably for military reasons.

Cairo financial authorities, unable to bring the Egyptian pound back to the level of \$2.88 it maintained prior to the Suez war, have in effect extended their de facto currency devaluation by allowing the use of Egyptian pounds for a wider range of transactions. Heretofore substantial discounts were permitted only for certain limited transactions, such as the sale of cotton. Effective 1 August, however, a new decree apparently allows the use of discounted pounds for up to 25 percent of the value of all but a few kinds of Egyptian exports.

Israel: Tel Aviv is stepping up its diplomatic activity in anticipation of a possible summit conference on Middle East problems. Foreign Minister Meir is reported now ready to make her postponed trip to Paris.

the actual reason for the postponement was that the Israelis found that the present French Government was not prepared to sign a "treaty of alliance" with Israel. There are other indications, however, that French-Israeli collaboration remains close.

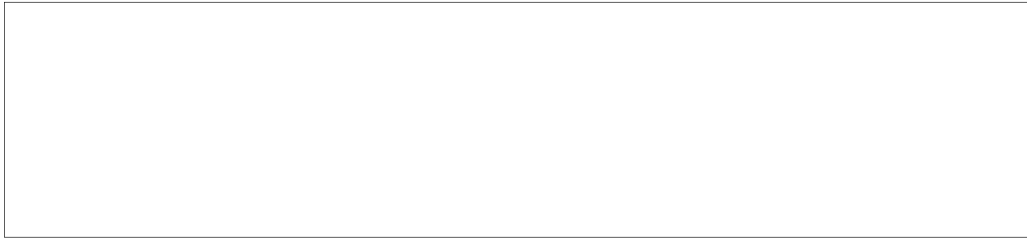
Arabian Peninsula: Businessmen in Jidda, Saudi Arabia's commercial and diplomatic capital, are reported to be starting to speak openly of the advantages of a more "democratic" form of Saudi government and to be expecting some type of sudden change in the government.

aircraft presented to the Imam by the USSR was to arrive within two weeks and would be delivered to Taiz after the Yemeni "crest and motto" have been painted on it. "petroleum experts will also be arriving this week," their expenses to be defrayed by the Soviet Government. A press report from Cairo states that the deposed Sultan of Lahej, in the British Aden Protectorate, will soon arrive in Cairo.

arrangements were being made to bring him from Italy to Cairo after he refused to return to London, and that it is hoped he will eventually go to Yemen to aid the Imam's anti-British campaign.

British military moves: British troop moves to and within the Middle East have tapered off and are apparently about completed.

~~TOP SECRET~~



A small increase in air strength will result from the planned movement in August of a dozen jet fighters and five transport aircraft of the Rhodesian Air Force from Salisbury to Aden for routine training and possible employment in Yemen or other Near East areas.



~~TOP SECRET~~



### III. THE WEST

#### Chancellor Raab's Performance in Moscow Worries Austrian Coalition Leaders

Political circles in Vienna, including two cabinet ministers who belong to the chancellor's own party, are evidently concerned over statements made by Chancellor Raab during and since his 21-28 July trip to Moscow. The archbishop of Vienna has privately expressed "anxiety and shock" over Raab's linking of Austrian and Soviet interests. The leading Socialist newspaper has denounced attempts to portray the concessions given Austria as a "Raab triumph"; this portends a further worsening of relations between the parties in the Austrian coalition government.

Since his return, Raab has said that the talks involve no changes in the "character" of Austria's neutrality, and, contrary to the final communiqué, denies having discussed broad international issues. He has, however, again praised the generosity of the Soviet Union, endorsed direct US-Soviet negotiations, and declared that there "never was any impediment to good relations with Czechoslovakia, Hungary, and Yugoslavia." He has also urged other countries to follow Vienna's lead in joining the bloc-dominated Eastern Danube Convention, and Bonn, in response to a suggestion made by the Austrian delegation to the German Embassy in Moscow, now has this possibility under consideration.

~~CONFIDENTIAL~~



Bolivian President Apparently Plans to Resign

Moderate President Siles apparently plans to resign on 6 August in favor of Senate President Alvarez Plata--once considered a moderate but recently an ally of leftist labor leader Juan Lechin. Former President Paz reportedly intends to visit Peru from 5 to 7 August in an attempt to avoid association with the leftist takeover which an Alvarez presidency would imply.

During the past 18 months Siles has repeatedly used threats of resignation to secure backing for his policies. He has nevertheless been faced with a widening division between the right and left wings of the governing Nationalist Revolutionary Movement. This division makes the present situation particularly serious in the eyes of American Ambassador Bonsal. The split extends beyond politics and could result in violence since most civilian militia are likely to be with the left wing and most army and police with the moderate wing.

~~SECRET~~