

Approved For Release 2003/04/24 : CIA-RDP80B01676R001200130019-7

DEPARTMENT OF THE NAVY OFFICE OF THE CHIEF OF NAVAL OPERATIONS WASHINGTON 25, D. C.

IN REPLY REFER TO

Ser 003P92

17 July 1957

SECRET

Dear Mr. Dulles:

Pursuant to our discussion at the IAC meeting on Tuesday, I am forwarding the attached brief on the Gulf of Agaba.

Sincerely

L. H. Frost

Mr. Allen Dulles Central Intelligence Agency Washington 25, D. C.

Copy to: State (Mr. Cumming)

ER-

The J

NAVY review(s) completed.

SECRET

Approved For Release 2003/04/24: CIA-RDP80B01676R001200130019-7



MARITIME ASPECTS OF THE GULF OF MANABA

At the end of hostilities in November 1956 the Israeli Navy had only 2 small armed launches in the Gulf of Aqaba. Since that time the May has increased its strength by 2 patrol frigates (MISNAM and MISGAV), which arrived in the Ellst area in December 1956 and January 1957, and 3 (possibly 5) PT boats, which were transferred overland from Haifa during the first half of 1957. The ships have maneuvered at various times in the Gulf since their arrival, particularly in early May prior to and during Israeli Independence Day celebrations. Each time Israeli navel ships conducted maneuvers in the Gulf, Saudi Arabia -and, to some extent, Jordan -- complained that their territorial waters had been violated. These accusations are over and above the continuous Arab claim that the Gulf is within Arab territorial vaters and comprises a closed sea. Since the Gulf is so narrow and Agypt, Jordan and Saudi Arabia hold territory at its northern end, it is impossible for Israeli neval units to maneuver without violating Arab territorial waters if the 6-mile Arab claim is upheld. Assuming the legality of the 3-mile limit, Israeli ships could traverse the Gulf in direct passage and could conduct maneuvers on a very limited scale.

Following the Israeli seizure of Sharm el Sheikh and the islands in the Tiran Straits and the subsequent assumption of control of the areas by the UNEF, Israel began the movement of chartered foreign flag ships into the port of Eilat. Passages of this type of traffic continue. Ships of Banish, Italian, Costa Rican, Greek, and Panamanian registry have been engaged in the movement of bulk cargo from East African ports to Eilat. Oil from Iran has been brought to Eilat by ships of US and Liberian registry. Tankers involved were, or are, ships of US and Liberian registry. Tankers involved were, or are, MERN MILLS, Ships Main, and MEMONY. It is believed that MART HIMES, the only US flag tenker has now been taken off the Eilat run. Italion was at Djibouti 5 July en route from Eilat to Bandar Mashur. It is estimated that 100,000 tons of crude oil and POL have arrived at Eilat during 1957.

The first Israeli flag ship, ATLIE, arrived at Eilat on 7 June 1957 after passage through the Gulf. After an unnoted out-passage she was observed in Hombasa on 8 July 1957. If she departed Hombasa on that date the could next arrive at the Tiran Straits on 18 July. There are no indications, at the present time, that additional Israeli flag ships will engage in the East African trade out of Eilat. However, there have been reports that Israel will operate fishing boats out of Eilat in the Red Sea. These reports have been denied by the Israeli Government.

Reaction by the Prab states to Israell use of the Gulf of Aqaba has, to-date, been vocal. The Egyptian navy, except for a midshipman



Approved For Release 2003/04/24: CIA-RDP80B01676R001200130019-7

training cruise into the Red Sea, has remained near Sucz. Jordan and Faudi Arabia have no navies. There has been no attempt by the Egyptians to expel the UNEF from Sharm El Sheikh in order to ressert Egyptian rule in this area. Apparently the Egyptians, Saudi Arabians and Jordanians have not used shore-based guns to prevent Israeli or foreign flag ships from using the Gulf. There has also been no indication of use of aircraft by these rations to prevent such passage. Egyptian Navy CinC Ezzat's statement that his navly acquired Soviet submarines would be used to protect Egyptian territorial waters cannot, however, be ignored.

In the meanwhile the Israelis continue to improve the port of Milat. It is a boom town that will have a population by the end of 1957 of 5,000 according to Israeli claims. A pier sufficient to handle ships of 5,000 tons has been completed. This pier is now being enlarged to handle 10,000-ton ships. Oil storage facilities are now 40,000-tons crude oil and 1,500 tons POL. An additional 25,000 tons crude and 600 tons POL are under construction. An 8-in oil pipeline has been completed from Milat to Beersheba and is in use. This line is being extended by a 16-in line which will probably terminate on the Mediterranean at Madi Sukreir (south of Haifa). It is also reported that the 8-inch line will be paralleled by a 16-inch line and that in the future these lines will connect with the refinery at Maifa.

It is evident that Israel intends to use the Gulf of Agara and to make filst a major port. Movement of ships through the Gulf are under a secrecy screen for Israel does not desire that its use of the Gulf become a cause of hostilities at this time. It is also apparent that the Arabs are using every effort at present to stop Israeli use of the Gulf by political means. It is possible they may resort to force at a future date if political procedures fail.

tha ' a silige

SUSPET

MEMORANDUM FOR:

MR. DULLES

Copies of the attached memorantia from Adm.

Frost and Mr. R. Gordon Arneson on the Gulf

of Aqaba have been furnished to ONE

JSE <u>17 July</u> (**DATF**)

FORM NO. 101 REPLACES FORM 10-101 AUG 54

(47)