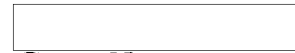
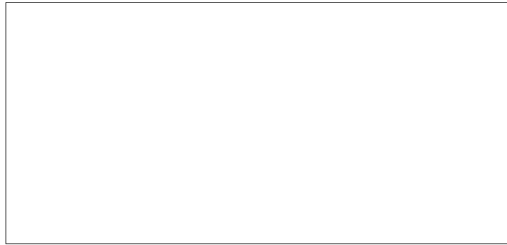


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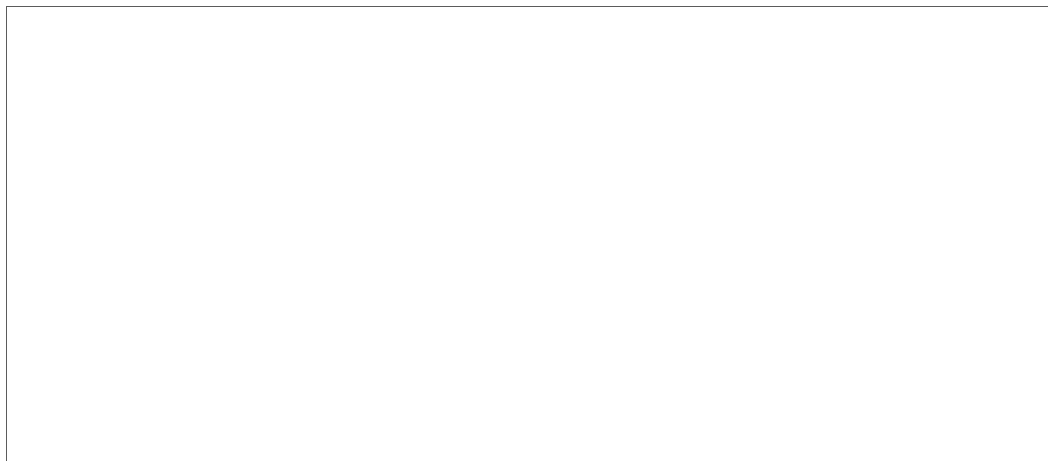
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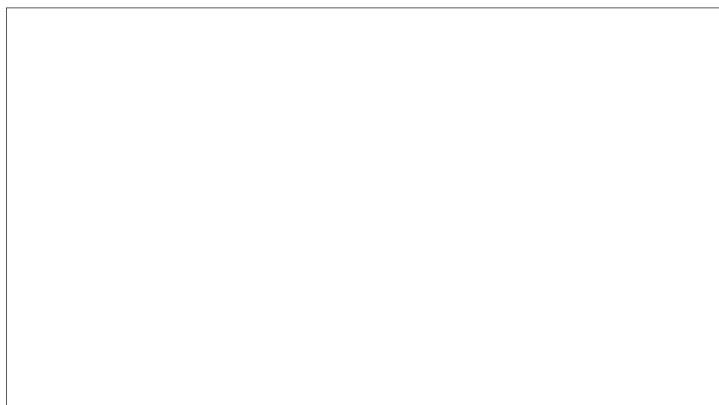
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1. THE SYRIAN SITUATION

Comment on:

Syrian President Quwatli is still in Alexandria, but reportedly plans to return to Damascus within a few days. The campaign against the United States continues with both Quwatli and Defense Minister Azm declaiming against American "intervention" in Syrian affairs. Azm has accused the United States of forcing Syria to the brink of "positive neutrality" and warned against "pushing us beyond." He is Quwatli's most likely successor should the President resign.

all
effective pro-Western Syrian officers have been rounded up. Ex-Iraqi Prime Minister Nuri Said has declared that pro-Western political elements are too weak to stem the pro-Soviet trend and that the tribes of the Jazira region in northeastern Syria are "all that remain to the West." The arrest of one of the largest land-owners of the Jazira, a brother of former chief of staff Nizam ad-Din, and two tribal sheiks suggests that the leftists are alert to a possible weakness in this area.

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2. PHAO PLANS TO RELINQUISH THAI INTERIOR MINISTRY

[redacted] General Phao [redacted] plans to resign as interior minister, but that his resignation will not be announced until after 24 September. [redacted] he would also resign as secretary general of the government Seri-Manangkhasila party but would remain indefinitely as director general of the police. [redacted]

Comment

Phao's withdrawal from the cabinet would leave both of the leading rivals in the ruling clique without ministerial portfolios. Marshal Sarit, army commander in chief, recently resigned as defense minister. This arrangement will presumably be satisfactory to Sarit, who has long been seeking to remove Phao from the cabinet and reportedly took the defense portfolio last march only to match Phao's position.

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3. JORDANIAN SECURITY FORCES ALERTED

Comment on:

[REDACTED] Jordanian security forces were alerted [REDACTED] with a warning that Jordanian Communists planned to increase activities during the following two weeks by distributing subversive literature and "undertaking action detrimental to security." The period cited in the alert coincides with King Hussain's absence from Jordan, when his regime will probably be under increased attack from reorganized and emboldened opposition groups. Despite cabinet advice against leaving the country, Hussain departed for Istanbul on 22 August. After a week's vacation in Turkey, Hussain reportedly plans to visit Switzerland and Spain, returning to Jordan about the end of the first week in September. [REDACTED]

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4. POSSIBLE SAUDI INTENTION TO RENEW SUPPORT TO OMANI REBELS

Comment on:

[redacted] Possible Saudi intention to renew support to Omani dissidents is suggested [redacted]

[redacted]

Saudi support could entail asylum and possibly new material assistance for the unsuccessful Omani rebels, although it could also refer to measures to raise the Omani issue before the UN General Assembly.

Sheik Salah has been the rebellious Imam of Oman's special representative, operating mostly in the eastern province of Saudi Arabia, where 500-600 refugee Omanis received military training during 1956 and the first half of 1957 and where several hundred other Omanis were temporarily employed as unskilled labor. [redacted]

[redacted]

Although Sheik Salah admitted at the end of July that he had not seen the Imam of Oman since 1955, he insists that he is the Imam's fully empowered representative. [redacted]

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5. SOVIET-SYRIAN ECONOMIC AGREEMENT REPORTEDLY TO BE SIGNED

Comment on:

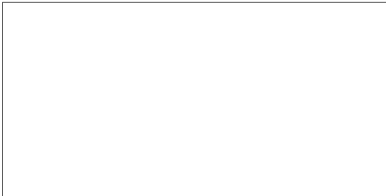
A Syrian delegation is to leave shortly for the USSR to sign an economic agreement negotiated in Moscow in late July, according to a British press report quoting a member of the Syrian Foreign Ministry. This official said that the agreement covers Soviet aid in the amount of 50 million pounds sterling (\$140,000,000 at the official exchange rate) for the extension of Latakia harbor, a Euphrates River dam for power and irrigation, roads and railways, and a build-up of Syrian industries. Repayment for this aid is to be made over a 12-year period at two and one-half percent interest.

the USSR also offered to purchase 200,000 tons of wheat (worth about \$15,000,000) or other commodities. This may be part of a long-term offer designed to convince Syria it can earn sufficient credits to meet its payment obligations to the USSR.

The British press report also quoted the Syrian Foreign Ministry official as stating that Damascus believes the USSR's motive is to make Syria a showplace to convince pro-Western Arab states that "there is much more to be gained by dealing with Russia."


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6. SOVIET OFFER OF ECONOMIC AID FAVORABLY RECEIVED BY SUDAN

 The Sudanese prime minister has described as a "step forward" a Soviet offer to provide the Sudan with large-scale economic assistance and to purchase surplus Sudanese cotton. The

Soviet offer is well timed to take advantage of the Sudan's exceptionally slow cotton sales. Additionally, the pro-Western government faces elections in February 1958 and cannot afford to dismiss any offer promising to reduce its economic problems.

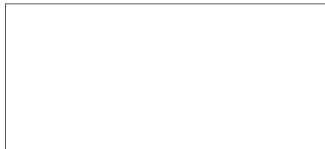
The USSR proposes to aid in the construction of industrial enterprises, provide the Sudan with necessary equipment, train Sudanese experts, and undertake a geological survey. The broad scope of economic assistance proposed, together with an offer to relieve the Sudan of some of its growing cotton surplus, follows the pattern of the Soviet economic offensive in other underdeveloped countries.

The Soviet bloc hitherto has been unsuccessful in promoting economic ties with the Sudan. The only bloc technical assistance mission--an East German water survey group--produced no results and was requested to terminate its activities. 

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7. USSR PROPOSES JET TRANSPORT FLIGHT TO NEW YORK



The USSR requested on 21 August that necessary arrangements be made for flights by two TU-104 twin-engine jet aircraft to New York in September to transport the Soviet delegation to the United Nations General Assembly.

Comment

A Soviet Foreign Ministry official in Moscow implied on two occasions this summer that flights to support the American mission in Moscow would be cut off if a Soviet request for similar privileges were denied.

These flights may be intended as a test operation prior to a request for negotiating an exchange of air rights. The USSR may also be looking toward the propaganda value of using the CAMEL (TU-104) in these flights.

Previous Soviet statements had indicated that trans-Atlantic flights would not be attempted until four-engine transports were available.

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8. CEYLON REBUFFS HUNGARIAN PLEA FOR SUPPORT IN UN DEBATE




Ceylonese Premier Bandaranaike on 20 August told a Hungarian mission seeking Ceylon's support against discussion of Hungary at the forthcoming UN session that Budapest should "welcome" discussion of the report. He also remarked that Hungarian opposition to a discussion would prejudice world public opinion against Hungary. He rejected the delegation's criticism of R. S. S. Gunewardene, Ceylon's member of the special committee which prepared the report on Hungary, and asserted that Gunewardene had acted as a restraining influence on the committee.

A Ceylonese Foreign Ministry official also told the American chargé that Ceylon would not in any way repudiate Gunewardene's part in the report. He made it clear, however, that Ceylon would not support "extreme measures" which might lead to a withdrawal of the USSR from the UN.

Comment

The special mission sent to South Asia as part of the Kadar regime's attempt to gain support in barring or softening UN action on Hungary has had little success to date. On 18 August, while the mission was in India, a Budapest communiqué attributed to Nehru a declaration disapproving the inclusion of the Hungarian question on the General Assembly agenda. On 21 August, however, Indian Defense Minister V. K. Krishna Menon declared publicly that India "will not and cannot object" to discussion of the report by the General Assembly.

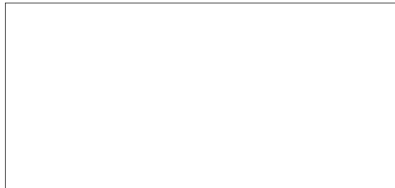
The Hungarian mission reportedly plans to visit Indonesia and possibly other Asian countries. 

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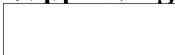
9. SINGAPORE GOVERNMENT ARRESTS PRO-COMMUNIST LEADERS

Comment on:



The recent emergence of the pro-Communists as the dominant faction in Singapore's influential People's Action Party (PAP) apparently triggered the 22 August arrest for subversive activities of 35 leftist politicians and labor leaders, including five newly elected officers of the party. The move is designed primarily to destroy the influence of those leftist leaders who were not arrested during Chief Minister Lim's antsubversive campaign of last October.

A corollary motive for the government's action may be to facilitate the return to positions of leadership of the recently deposed PAP "moderates," headed by former secretary general Lee Kuan Yew. If Lee, who has been cooperating with Lim for the past several months, is successful in regaining control of the party, the probable result would be close Labor Front-PAP cooperation in the forthcoming city council and legislative assembly elections.

The Communists may react with strikes, demonstrations, and riots. They are, however, more likely to instigate an intensive propaganda campaign to gain public sympathy and support against the "undemocratic" actions of the government. 

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