

CONSEIL DE L'ATLANTIQUE NORD
NORTH ATLANTIC COUNCIL

EXEMPLAIRE
COPY

N° 130

ORIGINAL: ENGLISH/FRENCH
17th March, 1960

NATO SECRET
WORKING PAPER
AC/119-WP(60)33

COMMITTEE OF POLITICAL ADVISERS

THE SITUATION IN THE MIDDLE EAST

Draft Report by the Expert Working Group

PART I: GENERAL

Soviet objectives in the Middle East remain unaltered, but Soviet tactics show considerable flexibility and opportunism. Despite the Soviet agreement to assist the UAR with the entire Aswan High Dam and the dependence of the UAR on the Soviet bloc for military supplies, and despite Soviet bloc support for the Kassem régime and Communist Party activities in Iraq, the Soviet bloc during the period of this report has made no clear net gains in the Middle East. The non-Arab states have remained firm in their attachment to the West. In its relations with the Arab states, the Soviet bloc was confronted by a growing realization of the true motivations of international Communism, the hazards of involvement in intra-Arab rivalry and the opposition of Arab states to any form of outside intervention or domination. However, the recent aggravation of the Arab-Israel problem provides the Soviet bloc with a potentially damaging card to use against the West. The Soviet pressures against Iran and efforts at economic penetration throughout the area require careful watching. As far as relations with Nasser and Kassem are concerned, Western interests would seem to have been best served by a pragmatic approach, i.e. a positive reaction to reasonable requests, a refusal to submit to blackmail (surenchère), and the adoption of as neutral an attitude as possible in intra-Arab conflicts.

SOVIET POLICY

2. The basic Soviet long-term aim can still be defined as: to weaken and eventually to eliminate Western influence and to substitute Soviet Communist influence, without provoking a major war; and if possible, without direct Soviet participation in local conflicts. To this end, the Soviets seek:

- (a) to disrupt CENTO; to undermine its member countries, especially Iran; and thus to outflank NATO;

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- (b) to create a strong centre of Communist influence in the Middle East for its own sake and as a base for operation in Africa; and in the process of doing so, to achieve traditional Russian aims of direct access to the Mediterranean and the Persian Gulf;
- (c) to frustrate any attempt to achieve stability in the Middle East or unity in the Arab world under non-Communist leadership;
- (d) to gain the ability to disrupt Middle East sources of oil for the West.

SOVIET STRATEGY

3. In pursuit of these aims, Soviet strategy is designed:

- (a) to fan anti-Western and anti-Israel sentiment by propaganda and by a diplomacy calculated to make the Soviet Government appear as the supporters of the Arabs against the "Western Imperialists", the oil companies, and the Israelis;
- (b) to encourage and exploit divisive sentiments among and within the Arab countries;
- (c) to exploit the hatreds thus encouraged by supplying arms, training facilities and advisers;
- (d) to tie Arab countries to the USSR by economic help "without strings" and by purchases of Arab agricultural exports, especially from one-crop countries (Egypt and Sudan);
- (e) to build up Communist cadres (by scholarships in the Soviet Union and the satellite states, etc.) for use at a later date.

PRESENT SOVIET TACTICS

4. Developments in Iraq and in the UAR and in UAR/Iraq relations have presented the Soviet Government with serious practical problems. So far, they have avoided the need to choose decisively between the consolidation of their position in Iraq and the maintenance of their influence in Cairo which is important to them both because of Nasser's influence in the Arab world and possibly Egypt's position as a strategic point for the penetration of Africa.

5. As long as Nasser can be kept in play, his dependence on the Soviet Union continues (witness the recent agreement on the second stage of the Aswan High Dam); and correspondingly, the

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penalties for Nasser to break with the Soviet Union remain. While, therefore, the latter has continued so far with its plans for economic assistance to the UAR, it may find it increasingly difficult to reconcile its long-term and short-term objectives.

COMMUNIST CHINA'S INFLUENCE

6. Communist China's efforts at penetrating the Middle East continue. Although there may be differences in emphasis in Russian and Chinese policy towards the Middle East, there are no indications that there is a real conflict between the two. To the contrary, it seems likely that both in the Middle East and Africa, the bloc is making use of China's dual capacity as a Communist as well as a leading Asiatic power, thus appealing to nationalist sentiments in the region.

CENTO

7. The major importance of the non-Arab countries of the Middle East is highlighted by the role played by CENTO in promoting the stability of the area, which must not be considered solely in terms of its Arab elements.

8. Since the session of the Council of Ministers held in Washington from 7th to 9th October, substantial progress has been made by CENTO. The Standing Group of Military Deputies entered upon its functions on 1st January, 1960, and in the economic, social and technical fields, several decisions have been taken and carried out with a view to strengthening the collaboration which already exists between the member countries.

9. Further efforts to increase the strength and effectiveness of the Organization, not only as an instrument of collective defence, but also as a means of achieving close co-operation in all fields, are to be made at the next session of the CENTO Council of Ministers, which will be held in Teheran from 28th to 30th April.

THE ARAB STATES

10. The divergencies and rivalry which have always characterised the relations between the Arab countries persist. However, the desire for unity is still strong in the Arab masses. At the political level, however, the word "unity" is apt to be replaced by the word "solidarity", owing to the reaction called forth by any country's attempt to impose its hegemony.

11. The continuing quarrel between Baghdad and Cairo is the greatest single factor of instability in the Arab world.

12. The Nasser régime has continued its policies of eschewing any political attachment to the West or Soviet bloc, fiercely attacking any outside action which could be construed as interference in Arab affairs and seeking to extract assistance from both the West and East. Although he has not hesitated to accept additional economic and military aid from the Soviet bloc, Nasser has continued to suppress the Communists within the UAR and to castigate Communist activities elsewhere in the area, notably Iraq. Relations between the UAR and the West have shown additional improvement despite Nasser's continued attacks on Western positions in Africa and the Middle East. Nasser has been preoccupied internally with economic development plans and difficulties within the Syrian region and in foreign affairs with his quarrels with Kassem and Israel. Thus, while his ultimate objective may still be hegemony of the Arab world, Nasser tactically at least has sought a détente with his other Arab neighbours. This applies in particular to the Sudan, Saudi Arabia, the Lebanon and Lybia.

12(a) The experts of one country believe that:

The very essence of Nasser's foreign policy and its underlying philosophy compel him, and will always compel him, to depend on the Soviet Union and to look to it for moral and material support.

In his book, "The Philosophy of the Revolution", he himself defines the objectives he intends to pursue as union of all the Arab countries and control of Arab oil as a means of building up a wealthy empire and so of becoming capable of implementing a Pan-African and Pan-Islamic policy and, finally, of destroying Israel.

So ambitious a policy and one so opposed to the status quo in the Middle East has no chance of receiving support from the West. Nasser is well aware of this. Therefore, in order to attain his objectives, he can only count on a power which would itself welcome any disruption of the situation in this part of the world. This power, of course, is Soviet Russia, which is also seeking to change the political structure of the Middle East by the means so ably described in the report by the NATO Committee of Political Advisers, C-M(59)95.

As long as Nasser does not renounce this policy of expansion, it is useless to expect him to abandon his pro-Soviet attitude. Under present circumstances, unfortunately, there is no hope of this. Nasser still needs Moscow and, conversely, Moscow needs Nasser.

Apart from these political and theoretical considerations, Nasser could not, under any circumstances, risk the deterioration in his friendly relations with Soviet Russia, if only for reasons of a purely practical character.

It is common knowledge that Nasser, in order to advance along his chosen path, has forged close economic and military links with the Soviet Union. Irrespective of funds for the construction of the first stage of the Aswan High Dam, the amount of economic aid he had received from the Communist bloc amounted, at the end of 1959, to \$311 million, and military aid to \$315 million. Moreover, Syria has received \$195 million of economic aid and \$126 million of military aid.

It is difficult, under these conditions, to imagine Russia deliberately discarding its Nasser trumps and, conversely, Nasser, an economic satellite of Russia for at least 20 years, succeeding in achieving freedom of action as regards Moscow.

13. Internally, Iraq continues in a state of political and economic flux. Kassem has successfully continued his policy of "redressing the balance" between the different political elements, but he has not yet succeeded in organizing non-Communist civilian support. In the present highly unstable situation no one Iraq group has succeeded in gaining a clear cut ascendancy.

14. The extent of Communist influence in Iraq, as estimated by various neighbouring countries, continues to be a source of anxiety to the latter. Attacks by Nasser or other outside elements on Kassem tend to induce Kassem to turn towards the Iraqi Communists for support.

15. Jordan's attitude towards President Nasser, in spite of the resumption of diplomatic relations, remains strained. Palestine continues to be the main source of friction, and the position adopted by Cairo on the question of the right bank of the Jordan has caused great discontent in Amman. Cairo is sometimes credited with a plan to set up a Palestinian State, sponsored by Egypt, which would bring the two provinces of the United Arab Republic closer together on the map. As for General Kassem's Palestinian plan under which the new State would include not only the Western bank of the Jordan, but also the Gaza area, it is opposed by Jordan and has not met with the approval of the other Arab countries. The Council of the Arab League has not been able to obtain the agreement of its members to certain measures intended to promote a "Palestinian entity".

ARAB LEAGUE MEETING

16. The Arab League Council met in Cairo on 8th February under the Chairmanship of the Lebanese Foreign Minister. Iraq and Tunisia were absent. Discussion at the meeting centred mainly on a UAR proposal for the creation of a "Palestinian entity" which apparently would not have the attributes of a separate state but would, for example, be qualified to speak for the Palestine Arabs at the United Nations. A committee of the League is being set up to examine ways of establishing and organizing this "entity".

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17. The Council agreed on a statement reaffirming the rights of the Arab states to the waters of the Jordan basin and referring the question for further study to a committee of the Arab states. The Council also agreed on the need for continued support for the Algerian rebels.

ARAB-ISRAEL DISPUTE

18. Neither the Arab states nor Israel appear deliberately intent on initiating major hostilities but with the recent rises in tension the dangers of a serious clash have increased. Among the causes for renewed Arab concentration on Israel are: intra-Arab rivalries, the proposal to establish a "Palestine entity", publicity on Israel's plan to divert Jordan waters, and Nasser's difficulties in Syria.

19. On the Israel side, the following factors which increase Israel's feeling of frustration may be noted: UAR refusal to permit passage of Israel cargoes through the Suez Canal, the IBRD loan to the UAR for Suez Canal improvement, a desire to secure firm control of the demilitarised zones, growing apprehensions that its military superiority over the Arab states will fade because of Soviet bloc arms assistance to the Arabs, and the improvement of Western relations with the UAR including the prospects of additional economic assistance.

THE HIGH ASWAN D/M

20. The Russian offer of aid to complete the project was probably precipitated by the impending arrival in Cairo of Dr. Erhard with a West German offer. The timing of the announcement may also have been connected with President Eisenhower's statement. Nasser, apparently, was motivated by a combination of political and economic factors. Acceptance of such an offer was entirely in accord with Nasser's policy of seeking economic assistance from both East and West. Western offers were imprecise and that of Western Germany alone would not have been sufficient. The Russian offer was tempting economically. Nasser may have calculated that it would save time and money to accept the Russian offer and that it would not have been easy in practice for the West to take over a job which the Russians had already tailored on their own lines. (In fact, Egypt may be let in for greater expenditure since the Russians are not cost-conscious). The low interest rate offered by the Russians is always a strong attraction; the Egyptians have been unhappy at the rate charged by the International Bank for the Suez Canal Development Loan and have also grumbled to the West Germans about their rates. Nasser may also have thought it better politically (and for security reasons) to have the Russians concentrated on this project and involve the West in others such as the Qattarah depression.

21. The Dam has long been regarded as an economic necessity in Egypt to offset the annual population increase of nearly half a million and as a symbol of the régime's achievements. The new arrangement will inevitably increase the Soviet bloc's grip on Egypt but would not necessarily give them an immediate stranglehold unless they seriously used the threat to stop work, which seems unlikely. Even then, Nasser would probably expect that the West would come to his rescue in order to secure a propaganda victory over the Russians.

PART II: COUNTRY STUDIES

THE UAR

22. Internal. During the past six months internal political developments have been dominated by Nasser's drive to bring Syria more firmly under central Egyptian control and to eliminate competition for power in that region. Nasser's principal target in Syria has been the Ba'th, whose plan to extend to the northern province the economic controls applied in Egypt was very unpopular in Syria, where the trade-based economy can only prosper under a liberal system. To accomplish his purposes, Nasser despatched Field Marshal 'Abd al-Hakim 'Amir to Syria as "viceroy" in October, 1959. Marshal 'Amir effected certain changes in the UAR First Army and also took certain measures to liberalise the land reform programme. This move was followed in December, 1959, and January, 1960, by the resignation of two Ba'thist ministers from the Central UAR Cabinet and three from the Syrian Regional Executive Council. These developments are significant, particularly with regard to the probable make-up of the future National Assembly. The downgrading of the Ba'th gave encouragement to the conservatives in Syria. Another step heartening the conservatives was the amnesty in February, 1960 to the conservative leaders of the old régime in Egypt, which may foreshadow their limited reappearance in political life in the National Assembly.

23. Trials of Communists have continued in Alexandria in secret. The régime is clearly very much alive to the danger of internal Communist activity and the indoctrination of UAR students in Soviet bloc countries. There is, however, no evidence of a serious threat to the stability of the régime from this or any other quarter at present. The Egyptians appear satisfied that they can cope with the increased (but still modest) number of Soviet technicians.

24. Economically, Egypt seems in sounder condition than at any time during the past three years, thanks to conservative financial policies and large production and sales of cotton in 1959. The longer-term outlook is less good, however, since the

problem of foreign exchange probably will become more acute. Particularly important is whether Egypt will attain a sufficiently high sustained rate of economic growth. Little economic integration has taken place between Egypt and Syria. At present, Syria is a net drag on the UAR economy owing to a succession of two bad crop years. The development programme has not progressed as far in Syria as in Egypt.

25. Foreign Affairs. Regionally, the UAR's two main concerns have been Iraq and Israel. The UAR propaganda barrage against Kassem continues, as does UAR support of groups (mainly Ba'thist) conspiring against Kassem. Nasser's attempts to revive a Palestine Arab political entity, which King Hussein views as having been conceived at his expense, has tended to hinder any radical improvement in Jordanian-UAR relations. In the meantime, the UAR's conflict with Israel in the demilitarised zone south-east of the Sea of Galilee late in January and early in February, 1960, provided a new impetus for the UAR's attempt to bring about a common Arab acceptance of a Palestine Arab political and perhaps military entity at the Arab League meeting that convened on 8th February, 1960. In view of the wide disparity of Arab points of view, however, no effective agreed position seems to have materialised from the meeting. Nasser, however, has maintained, and probably will continue to maintain, an intransigent position toward Israel (particularly on the Suez Canal transit question). Nasser has maintained a détente in relations with other Arab régimes and on 3rd November, 1959, reached agreement with the Sudan on the division of the Nile waters.

26. In his relations with the Sino-Soviet bloc and the West, Nasser continues to pursue his policy with some success. He has succeeded in improving his relations with the West while maintaining good relations with the USSR. Despite his campaign against Kassem and the Iraqi Communists, not to mention his recent feud with Communist China and his current controversy with Bulgaria, Nasser has been able to secure from the USSR a commitment to build the whole of the Aswan High Dam on very favourable terms. At the same time, he has kept his lines open to the West by holding out the proposal of inviting it to participate in other aspects of Egypt's development, such as the Qattarah depression and New Valley projects. He hopes also to make increased cotton sales to the West. Nasser's success in securing large-scale aid from both the Soviets and the West will undoubtedly encourage similar tendencies among other states in the area.

27. Nasser is extending his political activities outside the Middle East proper. Though he is endeavouring to curb the influence of Communist China and the USSR within the Afro-Asian Solidarity Organization, his propaganda against the Western powers with responsibilities on the African continent keeps pace with the increasingly apparent activities of the Communist powers in Africa.

In addition, he has been making some efforts to extend his neutralist and anti-Israel position to Latin America, and it is reported that in March, 1960, a UAR mission will begin to tour Latin America for this purpose. An additional objective appears to be to build up markets for the UAR's growing industry and to form a common front of "underdeveloped" states producing primary raw materials (including oil) vis-à-vis the industrialised powers.

IRAQ

28. The lifting of the ban on party political activity on 6th January has left open the way for the emergence of political parties. Up till now (25th February), the following political parties have been admitted officially:

- (a) The National Democratic Party, leftish-socialist;
- (b) The Democratic Party of Kurdistan, under the leadership of Mulla Mustafa el Barazani, former Marshal of the Soviet Union;
- (c) The Iraqi Communist Party of dissident member Da'ud as Sayegh. The application for admission of the orthodox Iraqi Communist Party, of the "Ittihad el Shaab" group (led by Zaki Khairy) has for some time remained under consideration by the Minister of the Interior. A request to strike out the word "revolutionary" in the party programme has been met by the applicants. They have, moreover, officially - and, presumably, reluctantly - requested to have the Party's name changed into "The Ittihad el Shaab Party". Further explanation has been asked of the expression "Marxist-Leninist theories". Finally, on 24th January, the application has been rejected on the motivation that another party with similar objectives has already been admitted.

29. However, the Communists themselves are not without their problems. While they have made considerable headway in penetrating some branches of the Administration, particularly the more technical departments such as the Ministry of Education and the Ministry of Communications, they do not appear, as yet, to have made significant progress in penetrating the Ministry of the Interior and the Provincial Administration, the Police, the Security Services, or the officer corps in the Army. In consequence, their activities are still subject to a good deal of restriction and interference. In general, while their strength in the country has recovered significantly from the low point it had reached immediately after the Kirkuk riots in July, 1959, it is still much below the level obtained after the Mosul Rebellion in March, 1959.

30. Furthermore, the licensing of a breakway group shows that, even after its period of self-criticism and reappraisal of last year, the Communist Party itself is by no means united and homogeneous. There is no evidence that the minority group broke away because of doctrinal, or even tactical differences and there has been no evidence of the emergence, as yet, of an Iraqi brand of Titoism. Daud as Sayegh is an individualist who has before now broken away from the Party and his defection on this occasion does not seem to be attributable to anything more fundamental than frustrated personal ambition. It seems clear he was encouraged in his defection by Kassem and the fact that so far it is his group which has been licensed while the official group has not, is probably attributable to the support which he enjoys from Kassem and to a determination in the Ministry of the Interior to take full advantage of the provisions of the law to put difficulties in the way of the official Party. Some of the anti-Communists see in Kassem's sponsorship of the splinter group, evidence of a continuing desire on his part to contain the I.C.P. itself.

31. However, the Communist Party cannot help but take satisfaction from the fact that the authorised political parties are hardly representative and badly organized and form the division between the pan-Arab nationalists and non-Communist elements supporting the independence of Iraq. It remains their policy to create some sort of a popular front and to work through rather than counter the régime at least for the time being.

32. The importance of party activities in Iraqi Government affairs is, of course, mitigated by the fact that Kassem relies mainly on the Army in the execution of his policy. He seems to intend to continue his position as military dictator, governing with the assistance of his military surroundings and trying not to pay much attention to the ideas of his Cabinet Ministers or of political parties. Kassem still does not show any inclination to put an end to martial law. He probably pictures himself as President/Prime Minister of the Iraqi Republic. However, the danger of Communist infiltration in the Army cannot be neglected.

33. The recent dismissal of fellow-traveller, Dr. Kubba, Minister of Land Reform and Acting Minister of Petroleum Affairs, has been associated with the present trend to deprive the Communists, as far as possible, of direct political control.

34. The pinning of the responsibility for the attempt on Kassem's life on the Ba'thists and Kassem's volte face with regard to the responsibility for the Kirkuk riots in July were interpreted as evidence of increasing identification whether intentionally or not of his own views with the Communist party line and had at the time a consequently discouraging effect on the anti-Communists.

35. The public has turned its attention to the trial of the 78 persons accused of having organized the attempt of 7th October on the life of General Kassem and of having plotted against the régime. The presiding Judge of the People's Court, Colonel Fadhel Mahdawi (backed by the Communists), having again seized the opportunity of delivering a violent attack on the Cairo Government and the Public Prosecutor having denounced the Syrian Minister of the Interior as the instigator of the plot, the court was rapidly transformed into a political tribunal and, instead of concerning itself with the administration of justice, helped to break down the resistance of the pro-Nasser movement in Iraq, particularly that of the Ba'thists.

36. The political indecisiveness prevailing in the country has a persisting deleterious effect on economic life. Business activity remains at a level much lower than in the pre-revolutionary period. Financially, however, the state is in good condition, but at the cost of diverting an increased amount of oil revenue from development to current expenditure.

37. Iraq's regional relations have been dominated by Kassem's rivalry with Nasser. Iraq has also had disputes with Iran and King Hussein. In recent months, the rising temperature of the exchanges between Iraq and Iran about the Shatt el Arab has exacerbated their relations and provoked a good deal of publicity. The basic cause of the dispute is the quite understandable Iranian nervousness that access to two of their principal ports (Khorramshahr and Abadan) lies through Iraqi territorial waters. There were reports of troop movements on both sides and an exaggerated radio campaign. Recently, however, the troops have been withdrawn on both sides and there now seems to be a fair prospect that both parties will be willing to discuss the matters at issue quietly through diplomatic channels. Kassem has endeavoured to undermine both King Hussein and Nasser by supporting the formation of a separate Palestine Arab state and by posing as an independent champion of the Palestine Arabs.

38. There is some evidence that the Iraqi Communists, possibly with Kassem's knowledge, have attempted to exploit against Nasser the resentment of the Syrian Ba'thists at Nasser's recent moves to reduce their influence in Syria, so far apparently without success. Kassem also refused to send an Iraqi delegation to the Arab League meeting that began in Cairo on 8th February to discuss a common Arab front on the Palestine question. King Muhammad V of Morocco reportedly found no inclination in Baghdad toward mediation of Kassem's dispute with Nasser. There has been little change in Iraq's relations with either the bloc or the Western powers during the period under review. Kassem may be expected to seek more aid from the bloc to compensate that given by the USSR to Egypt for the High Dam.

LIBAN

39. The administrative reform undertaken in December by the Rachid Karamé Government was a disappointment to the public and a source of discontent in political circles. Most of the under-secretaries (who frequently have more influence than the ministers themselves) were not replaced, as has been hoped. A cabinet crisis was only just averted (two members of the Government were on the point of resigning) and the Government only obtained its parliamentary vote of confidence by a very small majority. President Chahab decided to dissolve parliament and hold fresh elections.

40. Despite the agitation caused by the scheme to divide Beirut into two constituencies, one Christian and the other Mohammedan, the general trend in the Lebanon is to minimise the importance of religious rivalry: Christians and Mohammedans are more concerned with national issues than with the problems raised by the coexistence of various religious sects.

41. Generally speaking, the position is stable, the President of the Republic has public affairs well in hand and there is discipline in the Army. Certainly, there are a few Communist cells in the Lebanon, but internal Communism is not regarded as a threat to the country.

JORDAN

42. Preoccupation with events in Iraq, with the Jordan waters dispute and with the Palestine problem have kept the Jordanian political situation relatively calm. After nearly one year as Prime Minister, Hazza al-Majali remains apparently well in control and has achieved the difficult task of riding both the right-wing Bedouin/Army faction and the left-wing politicians without being unhorsed by either. A severe test for him will be the elections due this year.

43. Although weak in West Jordan, King Hussein's position has continued to improve. He has generally sought to raise his standing with his neighbours in the Middle East and has exchanged visits with a number of them. In such circumstances, present Jordanian relations with the UAR amount to little more than an uneasy truce.

SAUDI ARABIA

44. Internal. The economic reforms instituted by Crown Prince Faysal have strengthened the régime's position and have brought continued improvement in the financial position of the state, particularly the currency. This, however, has been at the expense of economic development and of internal and external trade, the

latter because of restrictions on Government spending and foreign exchange. Although Saudi oil production increased in 1959, the prospects for future expansion appear to be limited by increasing competition from other sources.

45. External. The Saudi régime probably would not wish to see either Kassem or Nasser extend his influence over a revived Palestine Arab political or military entity. It appears that both of the above problems were discussed by King Saud and Crown Prince Faysal with King Hussein during the latter's visit to Riyadh early in February, 1960.

46. In the field of oil politics, however, Saudi Director of Petroleum Affairs, Turayqi, like Nasser, has advocated the establishment of a common front of oil-producing states in order to decrease or eliminate competition among them to the advantage of oil-consuming countries. Such a common front continues to be hindered, however, by conflicting political, as well as economic, interests of the oil-producing states.

ISRAEL

47. Internal. The recent election has strengthened the Government's hand in its pursuance of its internal political and economic policies. Mapai, the dominant party, emerged strengthened, benefitting from the improvement in economic conditions and from its willingness to set up younger men as candidates for high public office. The Communists, beset by the USSR's unpopular pro-Arab policy and the unpopularity of the Communists among the Israeli-Arabs because of the Iraqi situation, lost strength and now have less representation in the Knesset than at any time since the state was founded.

48. External. Within the Near Eastern area Israel, during most of the period under review, was awaiting the results of UN Secretary General Hammarskjöld's attempt to negotiate with Nasser some relaxation of UAR restrictions against the passage of Israeli-made goods and chartered vessels through the Suez Canal. Pending the outcome of Hammarskjöld's efforts, Israel endeavoured to pressure the West to use its influence against the International Bank's granting the UAR a loan for improvement of the Canal. Since Israel failed on both counts, it has become more truculent toward both the UAR and the UN, as evidenced in the al-Tawafiq incident of January-February, 1960. Israel's sense of frustration is being increased by its suspicions of renewed Soviet arms deliveries to the UAR and is strengthening its efforts to secure countervailing arms from the West.

49. Israeli press discussion beginning in October, 1959 of Israel's plans to push utilisation of water from the Sea of Galilee for irrigation aroused a reaction from the UAR and did much to heighten Israeli-UAR tension. The UAR attempted to create

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an Arab front to divert Syrian and Lebanese tributaries of the Jordan from flowing into Israel, but the UAR appears to have begun to fear that this might set a precedent for countries controlling the headwaters of the Nile. Although Israel apparently does not intend to draw water from the Sea of Galilee in the near future, the issue will remain touchy.

50. In the meantime, Israel continues its attempts, in the face of Arab opposition, to secure recognition from and establish and expand relations with newly-independent states, particularly in West Africa. This contest is being pursued vigorously also with respect to Cyprus and West Germany.

THE YEMEN

51. Since his return from medical treatment in Italy in August, 1959, the Imam has given close attention to the problems of government and shown increased interest in developing his country. While still receiving aid from the USSR and China, he has discouraged any extension of UAR influence and has recently tended to seek assistance from the West, notably the United States and Italy.

52. Meanwhile, the Yemeni attitude to the United Kingdom and Aden has greatly improved and the frontier has remained quiet.

53. Unrest among the tribes manifested itself in at least one sizeable revolt, successfully quelled by the Imam. The country's finances are probably still in a serious state.

SUDAN

54. After the failure of the military coup attempted in May, 1959 and the exclusion of the progressist generals from the Supreme Council, the Military Directorate succeeded in recovering its unity, but nevertheless still had to face more or less open opposition from all shades of public opinion, demanding a return to a more liberal and democratic régime.

55. While strengthening its policy of repressing the Communist Party, the Sudanese Government has displayed not only a sense of expediency but also flexibility in its attitude towards other opposition groups. Though it did not hesitate to carry out the death sentences passed by a court martial on the military leaders of a rebellion which broke out in November, 1959, Marshal Abboud was less severe with mere subordinates, and the penalties inflicted on students and trade unionists involved in anti-Government manifestations were lenient. He has also sought to avoid a break with the leaders of the former political parties (UMMA and NUP), who do not conceal their hostility to the régime.

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56. The most serious domestic problem still facing the Sudanese leaders, an apparently insoluble one, is the absorption of the non-Islamic negro masses who inhabit the southern provinces. In January, there was a certain agitation among the officers of the garrisons in these provinces; this was probably the reason for Marshal Abboud's journey south at the end of February.

57. With a view to strengthening its somewhat precarious position, the Supreme Council has attempted to restore normal relations with Egypt, and in November, 1959, concluded two economic and trade agreements with the Government of the UAR and settled the delicate question of the sharing of the Nile waters, the corner-stone of the relations between the two countries. However, this rapprochement with Cairo caused some anxiety in Addis-Abbeba, which has always been concerned with maintenance of the independence of the Sudan, threatened by Egyptian expansion.

58. There is intense diplomatic activity between Yugoslavia and the Sudan. Collaboration between Belgrade and Khartoum is growing in all fields, military, technical, commercial and cultural.

59. Relations with the UAR continue to be friendly but not exuberantly so; and the Government is clearly proceeding with caution. There is no sign yet that these improved relations have led to any increase in UAR interference in internal affairs. Relations with the West are also good. But it is possible that if the Sudanese cannot get enough assistance from the West for their development projects, they will turn to the Soviet bloc. The French and Federal German offers of help with the Khashm el Girba Dam are therefore very welcome. It is to be hoped that discussion with the International Bank will help the Sudanese to establish a practical timetable for their various projects.

LIBYA

60. The recently elected Federal Parliament is not likely to show any significant shift in its attitude to Libya's external relations; but it contains more young men than its predecessor and they may be more critical of the internal administration of the country. The King has made some ministerial changes, but Kubar remains as Prime Minister and the policy of the Government is not likely to show any marked change. The two issues likely to attract most attention in the coming months are the economic development programme and discussions with the United States regarding Wheelus Field.

61. Relations with the UAR remain good, but UAR stock in Libya is lower than its one-time peak. There are further indications that the cohesion of the country and a desire to maintain Libyan independence continues to grow as the promise of oil wealth materialises. Soviet influence appears to be at a low level.

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PERSIAN GULF

62. Kuwait has made further progress with the development of her international personality. In the last six months, she has become a full member of the International Telecommunications Union and of the Universal Postal Union and her application for membership of the International Maritime Convention Organization will be voted on in March, 1960.

63. An Egyptian jurist, Dr. Sanhoury, engaged by the Ruler, has accomplished a great deal with the reform of the judiciary and the drafting of modern legal codes since he began work last October. This has greatly assisted agreement between the British Government and the Ruler that British jurisdiction should be progressively ceded in Kuwait. A start has been made with the transfer to the Ruler on 25th February (the tenth anniversary of the Ruler's accession) of British rights of jurisdiction in matters regulated by recent Kuwaiti legislation on labour, traffic, maritime affairs and foreigners' residence. Similar transfers will be progressively made in future. No such transfers of jurisdiction are at present foreseen in Bahrain and Qatar, where circumstances differ somewhat from those in Kuwait.

64. Internally, things have remained quiet in Kuwait and in the other Gulf States and business has been very much as usual.

IRAN

65. Soviet pressure on Iran, though it has eased somewhat, is as persistent as ever and even more insidious. "Pravda" and the Soviet radio, broadcasting in Persian, recently resumed their attacks on the Shah, on the Iranian Government and on Iran's "Ruling Group" in general. Despite these Soviet attacks, the Iranian Government has stood firm in its commitments to CENTO and alignment with the West. President Eisenhower's visit to Teheran has helped to strengthen the Iranian's will to resist Communist pressure.

66. Whereas at present the situation in Iran is stable, there are, nevertheless, some disquieting aspects. The disturbances at Teheran in January, 1960, caused by students in protest against educational reform, seem to have been exploited by agitators of Tudeh background. The Shah is continuing his personal efforts to improve the lot of his people. These include a land distribution programme and an ambitious industrial programme. The beneficial effects of these programmes is of a long-term character. The Shah risks losing the firm support of Iran's "1,000 families" while the rural population may not come to feel the value of the development programme at once. Also the development programme has generated strong inflationary pressures.

PAKISTAN

67. Pakistan has continued to make good progress towards stabilising its economy and internal political situation since Marshal Ayyub Khan's accession to power. The recent elections took place in an atmosphere of remarkable order and calm. The initiation of the country into the system of the "basic democracies", dear to Marshal Ayyub, has thus begun.

68. The Pakistan Government still favours alliance with the West, and continues to be a loyal and active member of CENTO.

AFGHANISTAN

69. For at least four years now, the Soviets have been making a sustained effort to penetrate Afghanistan and broaden their influence in that country. It is common knowledge that they are ready to provide it with even more technical and material aid. The Soviets' work is facilitated by Afghanistan's geographical position. Its mistrust of Iran and Pakistan is another factor which has driven them closer to the Soviets.

70. However, this does not mean that the Afghanistan Government is better disposed towards the Communists than towards the Free World. On the contrary, the majority of the population is hostile to Communism, and both the Government and the Throne realise the danger of Soviet infiltration. However, in view of the need to strengthen the national economy, it was difficult to reject the Soviet offers outright. It should also be noted that the Afghans' feeling of isolation has greatly lightened the task of the Soviets. President Eisenhower's visit to Kaboul was intended to show the Afghans that they were not forsaken and could also count on the support and help of the West.

OTAN/NATO,
Paris, XVIe.

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