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THE SITUATION IN THE MIDDLE EAST

Report by the Committee of Political Advisers (1)

PART I: GENERAL

Soviet policy and strategy in the Middle East remain unaltered in the six months covered by this report(2), 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 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 realisation by the Arabs of the true motivations of international Communism. The Soviets have begun to experience the hazards of involvement in inter-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 shows that this remains a potentially damaging card for use by the Soviet bloc against the West. Soviet pressures against Iran and efforts at economic penetration throughout the area require careful watching. As far as relations with the Arabs, and in particular with Nasser and Kassem are concerned, Western interests would seem to have been well served by a pragmatic approach, i.e., a positive reaction to reasonable requests and the adoption of as neutral an attitude as possible in inter-Arab conflicts. The recognition over recent years by the West of the advantages to be gained from a policy of non-interference in the Middle East seems to have improved the relative position of the West in the area.

PRESENT SOVIET TACTICS

2. Developments in Iraq and in the UAR and in UAR/Iraq relations have presented the Soviet Government with serious

- (1) This report was approved by the Committee on 12th April, 1960.
(2) I.e., since the previous report, C-M(59)95, dated 23rd November, 1959

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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 because of Egypt's position as a strategic point for the penetration of Africa.

3. The tactic appears to be to keep Nasser in play. His dependence on the USSR continues, and it becomes increasingly more difficult for him to break with the Soviet Union. While, therefore, the latter has continued so far with its plans for economic assistance to the UAR, it may find this policy increasingly difficult to reconcile with its long-term objectives.

COMMUNIST CHINA'S INFLUENCE

4. 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. On 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 and a leading Asiatic power, thus appealing to nationalist sentiments in the region.

CENTO

5. Since the session of the Council of Ministers in 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, decisions have been taken and carried out with a view to strengthening the collaboration which already exists between the member countries.

6. 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.

7. The importance of the non-Arab countries of the Middle East is highlighted by the rôle they play in CENTO in promoting the stability of the area.

THE ARAB STATES

8. The divergencies and rivalry which have always characterised the relations between the Arab countries persist. The continuing quarrel between Baghdad and Cairo remains a factor of instability in the Arab world. The desire for unity is still strong in the Arab masses, but at the political level, "unity" is

giving way to "solidarity" as an objective, owing to the resistance aroused by any one country's attempt to impose its hegemony.

9. 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. His success in obtaining such assistance from both sides is likely to encourage the adoption of similar policies by other states of the area. 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 Libya.

10. An opinion has been expressed that the foregoing paragraphs give too favourable an account of developments in the UAR. According to this view, the underlying philosophy of Nasser's foreign policy will always compel him to depend on the Soviet Union and to look to it for moral and material support. It is argued that since he has no chance of receiving support from the West for his ambitious pan-Arab and pan-Islamic policies, and for his purpose of destroying Israel, he will be bound to look for support to the Soviet Union whose interest lies in the disruption of the status quo in this part of the world.

11. Internally, Iraq continues in a state of political and economic uncertainty, though recently there have been more encouraging signs of resistance to Communist pressure by the Government, notably the commutation of the death sentences on members of the old régime. Kassem has successfully continued his policy of "holding 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.

12. The extent of Communist influence in Iraq, as estimated by various neighbouring countries, continues to be a source of anxiety. Attacks by Nasser or other outside elements on Kassem tend to induce him to turn towards the Iraqi Communists for support. There has been little change in Iraq's relations with the bloc during the period under review. Relations with the West appear to be improving, and the Iraqis seem ready for Western

contractors and technical and education experts to help them once again.

13. Jordan's relations with the UAR, 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 west bank of the Jordan has caused great discontent in Amman. The Jordanian Government are naturally perturbed by the various schemes, official or unofficial, emanating from neighbouring capitals for the creation of a Palestine State involving part of their territory.

ARAB LEAGUE MEETING

14. The Arab League Council met in Cairo in February. Iraq and Tunisia were absent. Discussion 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."

15. 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

16. Neither the Arab states nor Israel appears deliberately intent on initiating major hostilities, particularly while there is a United Nations' presence in the area, 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: inter-Arab rivalries, the proposal to establish a "Palestine entity," publicity on Israel's plan to divert Jordan waters, and Nasser's difficulties in Syria.

17. 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, 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 ASWAN HIGH DAM

18. In accepting the Soviet offer to complete the project, Nasser was apparently motivated by a combination of political and economic factors. Acceptance of such an offer was entirely in

accord with his policy of seeking economic assistance from both East and West. Western offers were imprecise and that of the Federal Republic of 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 Federal Republic about their rates. Nasser may also have thought it better politically (and for security reasons) to have Russians concentrated on this project and involve the West in others, such as the Qattarah depression.

19. 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 is bound to increase the Soviet bloc's influence on the UAR, but is unlikely to put the USSR in a controlling position unless the Soviets 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

Internal.

20. 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. His principal target in Syria has been the Ba'th. To accomplish his purposes, he despatched Field Marshal 'Abd al-Hakim 'Amir to Syria as "viceroy" in October 1959. Marshal 'Amir effected certain changes in the UAR First Army, gave assurances that there would be no forced unification of the economies of the two regions, and also took certain measures to liberalise the execution of 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 conservatives' opinion in the UAR 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. At the

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same time, the UAR action in nationalising major Egyptian banks, and in reconstituting the Syrian Regional Cabinet largely with military officers has served to dampen conservative support for the Nasser régime.

21. 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 number of Soviet technicians.

22. 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.

Foreign Affairs

23. 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 him. 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 of February. 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 will no doubt continue to maintain, an intransigent position towards Israel (particularly on the Suez Canal transit question). He will incur strong criticism from his Arab rivals if he does not do so. He sought a détente in relations with other Arab régimes and on 8th November, 1959, reached agreement with the Sudan on the division of the Nile waters.

24. Nasser 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, his recent feud with Communist China and his current controversy with Bulgaria, he was able to secure very favourable terms from the USSR for the

building of the whole Aswan High Dam. At the same time, he has kept his lines open to the West by holding out the prospect of participation in other aspects of Egypt's development, such as the Qattarah depression and the New Valley projects. He hopes also to make increased cotton sales to the West. His success in securing large-scale aid from both the Soviets and the West will undoubtedly encourage similar tendencies among other states in the area.

25. 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 effort to extend his neutralist and anti-Israel position to Latin America, and in March 1960 a UAR mission began 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

26. 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, who lived many years in the Soviet Union;
- (c) The Iraqi Communist Party of dissident member Da'ud es Sayegh.

The application for admission of the former orthodox Iraqi Communist Party of the "Ittihad el Shaab" group (led by Zaki Khairy) remained for some time under consideration by the Minister of the Interior. The request to strike out the word "revolutionary" in the Party programme was met by the applicants; but a further explanation was asked of them regarding the expression "Marxist-Leninist" theories. They also officially and presumably reluctantly requested that the Party's name be changed to the "Ittihad el Shaab Party" (Peoples' Union Party). On 24th January, the application was rejected on the grounds that another party with similar objectives had already been admitted. On 7th March the applicants appealed direct to Qasim against this rejection, but have not yet received an answer.

27. The Communists have additional 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 Communitations, 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.

28. Furthermore, the licensing of a breakaway 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. Da'ud 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 ICP itself.

29. However, the Communist Party cannot but take satisfaction from the fact that the authorized political parties are hardly representative and badly organized, and from 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 against the régime, at least for the time being.

30. 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 advisers, and trying not to pay much attention to the ideas of his Cabinet Minister or of political parties. He 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.

31. 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 intentional or not, of his views with the Communist party line, and consequently had a discouraging effect on the anti-Communists. However, 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.

32. 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.

33. 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.

34. 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.

35. There is some evidence that the Iraqi Communists, possibly with Kassem's knowledge, have attempted, so far apparently without success, to exploit against Nasser the resentment of the Syrian Ba'thists at his recent moves to reduce their influence in Syria. Kassem also refused to send an Iraqi delegation to the Arab League meeting in Cairo of 8th February to discuss a common Arab

front on the Palestine question. King Muhammad V of Morocco reportedly found no inclination in Baghdad towards mediation of Kassem's dispute with Nasser. There has been little change in Iraq's relations with the bloc during the period under review. Relations with the West appear to be improving and the Iraqis seem ready for Western contractors and technical and education experts to help them once again. Kassem may be expected to seek more aid from the bloc to compensate that given by the USSR to Egypt for the High Dam.

LEBANON

36. 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.

37. Although a project for dividing Beirut into two constituencies has now been abandoned and a compromise agreement reached on the division of the city into three, of which one would be of mixed religious composition, the possibility remains that confessional disputes may once again arise during a period of internal or external crisis. However, the general trend in the Lebanon is to minimise the importance of religious rivalry.

38. 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 not a few Communist cells in the Lebanon, but internal Communism is not regarded as a threat to the country. While Lebanon is being careful not to take sides openly in the UAR-Iraqi dispute, the Lebanese Government appears to be making an effort to keep on very good terms with the UAR, which indeed is essential for the Lebanese on economic and political grounds.

JORDAN

39. Preoccupation with the 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.

40. Although weak in West Jordan, King Hussein's position has

continued to improve. He has generally sought to raise his standing in the Middle East, and has exchanged visits with a number of his neighbours.

SAUDI ARABIA

Internal

41. 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.

External.

42. 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. 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

Internal

43. 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, benefiting 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.

External

44. Within the Near Eastern area Israel, during most of the period under review, was awaiting the results of United Nations Secretary General Hammarskjöld's attempt to negotiate with Nasser some relaxation of the 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 induce 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 towards both the UAR and the United Nations, 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.

45. 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 Jordan and subsequently an even stronger one from the UAR and did much to heighten Israeli-UAR tension. The UAR attempted to create 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.

46. 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.

THE YEMEN

47. 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.

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

49. 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

50. 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.

51. 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 manifestation 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.

52. 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.

53. 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-Abbaba, which has always been concerned with maintenance of the independence of the Sudan, threatened by Egyptian expansion.

54. 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.

55. 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

56. 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.

57. 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.

PERSIAN GULF

58. 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.

59. 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.

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

IRAN

61. 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.

62. 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

63. 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.

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

AFGHANISTAN

65. For at least four years now, the Soviets have been making a sustained effort to penetrate Afghanistan and broaden their influence in that country, as witnessed by Khrushchev's recent visit. 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.

66. 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 Kabul served to show the Afghans that they were not forsaken and could also count on the support and help of the West. On the eve of Khrushchev's visit, the Afghan Prime Minister announced his acceptance of an invitation to visit the Federal Republic of Germany.

(Signed) EVELYN SHUCKBURGH
Chairman

OTAN/NATO,
Paris, XVie.