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FOREIGN RELATIONS OF THE UNITED STATES

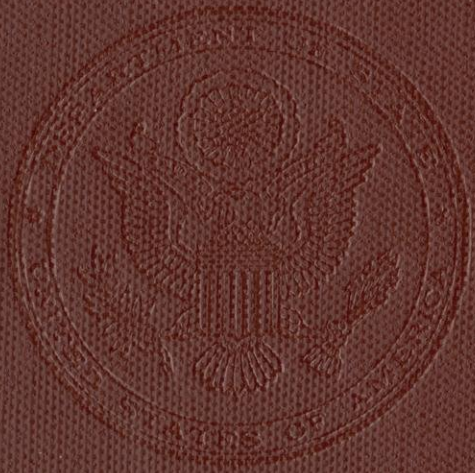
1958–1960

VOLUME XII

NEAR EAST REGION; IRAQ; IRAN; ARABIAN PENINSULA

DEPARTMENT OF STATE

Washington



Foreign Relations of the United States, 1958–1960

Volume XII

Near East Region; Iraq; Iran; Arabian Peninsula

Editor Edward C. Keefer

General Editor Glenn W. LaFantasie

United States Government Printing Office
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Preface

The *Foreign Relations of the United States* series presents the official documentary historical record of major foreign policy decisions and significant diplomatic activity of the United States Government. The series documents the facts and events that contributed to the formulation of policies and includes evidence of supporting and alternative views to the policy positions ultimately adopted.

The Historian of the Department of State is charged with the responsibility for the preparation of the *Foreign Relations* series. The staff of the Office of the Historian, Bureau of Public Affairs, plans, researches, compiles, and edits the volumes in the series. This documentary editing proceeds in full accord with the generally accepted standards of historical scholarship. Official regulations codifying specific standards for the selection and editing of documents for the series were promulgated by Secretary of State Frank B. Kellogg on March 26, 1925. A statutory charter for the preparation of the series was established by Title IV of the Department of State's Basic Authorities Act of 1956 (22 USC 4351 *et seq.*), added by Public Law 102–138, the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993, which was signed by President George Bush on October 28, 1991.

The statute requires that the *Foreign Relations* series be a thorough, accurate, and reliable record of major United States foreign policy decisions and significant United States diplomatic activity. The volumes of the series should include all records needed to provide comprehensive documentation of major foreign policy decisions and actions of the United States Government, including facts which contributed to the formulation of policies and records providing supporting and alternative views to the policy positions ultimately adopted.

The statute confirms the editing principles established by Secretary Kellogg: the *Foreign Relations* series is guided by the principles of historical objectivity and accuracy; records should not be altered or deletions made without indicating in the published text that a deletion has been made; the published record should omit no facts that were of major importance in reaching a decision; and nothing should be omitted for the purposes of concealing a defect in policy. The statute also requires that the *Foreign Relations* series be published not more than 30 years after the events recorded.

The volume presented here, compiled and prepared in 1986 and 1987, meets all the standards of selection and editing prevailing in the Department of State at that time. This volume records policies and events of more than 30 years ago, but the statute allows the Department until 1996 to reach the 30-year line in the publication of the series.

Structure and Scope of the Foreign Relations Series

This volume is part of a triennial subseries of volumes of the *Foreign Relations* series that documents the most important issues in the foreign policy of the final 3 years (1958–1960) of the administration of President Dwight D. Eisenhower. This subseries comprises 19 print volumes totaling more than 16,000 pages and 7 microfiche supplements presenting more than 15,000 additional pages of original documents.

In planning and preparing this 1958–1960 triennium of volumes, the editors chose to present the official record of U.S. foreign affairs with respect to the Middle East in three print volumes and a microfiche supplement. This volume (volume XII) was planned as a companion to volume XI, which provides extensive documentation on U.S. relations with Lebanon and Jordan. The crises in Lebanon and Jordan that led to the introduction of U.S. and British troops into those countries were closely tied in the minds of U.S. policymakers to the overthrow of the pro-Western monarchy in Iraq on July 14, 1958. Decisions made by the Eisenhower administration with respect to Jordan and Lebanon affected U.S. policy toward the Middle East and approaches to individual countries.

Sources for the Foreign Relations Series

The original research, compilation, and editing of this volume were done in 1986 and 1987 under the Department regulation derived from Secretary Kellogg's charter of 1925. This regulation prescribed that the *Foreign Relations* series include "a comprehensive record of the major foreign policy decisions within the range of the Department of State's responsibilities," presuming that the records of the Department of State would constitute the central core of documentation presented in the series.

The Department of State historians have always had complete and unconditional access to all records and papers of the Department of States: the central files of the Department; the special decentralized (lot) files of the policymaking levels; the files of the Department of State Executive Secretariat, which comprehend all the official papers created by or submitted to the Secretary of State; the files of all overseas Foreign Service posts and U.S. special missions; and the official correspondence with foreign governments and with other Federal agencies. Any failure to include a complete Department of State record in the *Foreign Relations*

series cannot be attributed to constraints or limitations placed upon the Department historians in their access to Department records, information security regulations and practices notwithstanding.

Secretary Kellogg's charter of 1925 and Department regulations derived therefrom required that further records "needed to supplement the documentation in the Department files" be obtained from other government agencies. Department historians preparing the *Foreign Relations* series since 1954, including the editor of this volume, fully researched the papers of President Eisenhower and other White House foreign policy records. These Presidential papers have become a major part of the official record published in the *Foreign Relations* series.

Presidential papers maintained and preserved at the Presidential libraries include some of the most significant foreign affairs-related documentation from other Federal agencies including the National Security Council and the Central Intelligence Agency. All of this documentation has been routinely made available for use in the *Foreign Relations* series thanks to the consent of these agencies and the cooperation and support of the National Archives and Records Administration.

Department of State historians have also enjoyed steadily broadened access to the records of the Department of Defense, particularly the records of the Joints Chief of Staff and the Office of the Secretary of Defense. Selective access has been obtained to the records of several other agencies in order to supplement the official record of particular *Foreign Relations* volumes.

Completion of the declassification of this volume and the final steps of its preparation for publication coincided with the development since early 1991, by the Central Intelligence Agency in cooperation with the Department of State, of expanded access by Department historians to high-level intelligence documents from among those records still in the custody of that Agency. The Department of State chose not to postpone the publication of this volume to ascertain how such access might affect the scope of available documentation and the changes that might be made in the contents of this particular volume. The Department is, however, using this expanded access, as arranged by the CIA's History Staff, for compilation of future volumes in the *Foreign Relations* series.

The statute of October 28, 1991, requires that the published record in the *Foreign Relations* series include all records needed to provide comprehensive documentation of all the major foreign policy decisions and actions of the United States Government. It further requires that government agencies, departments, and other entities of the United States Government cooperate with the Department of State Historian by providing full and complete access to records pertinent to foreign policy decisions and actions and by providing copies of selected records. These new standards go beyond the mandate of the prior Department of State regu-

lations for the preparation of the series and define broadened access to the records of other government agencies. The research and selection of documents for this volume were carried out in 1986–1987 in accordance with the existing Department regulations. The editors decided not to delay publication to conduct the additional research needed to meet the new standards, but they are confident that the manuscript prepared in 1986–1987 provides a fully accurate record. The List of Sources, pages XIII–XVIII, identifies the particular files and collections used in the preparation of this volume.

Principles of Selection for Foreign Relations, 1958–1960, Volume XII

The documentary selection presented here focuses on the diplomatic and political, economic and, to a lesser extent, military aspects of U.S. foreign policy. The emphasis is upon policy deliberation and formulation within the Eisenhower administration. Only the the most significant reports and intelligence assessments have been printed when it seemed clear that they played an important role in the policy process. The records printed from the Dwight D. Eisenhower Library in Abilene, Kansas, are indicative of Presidential and White House interest in regional issues, Iraq, Iran, and the countries of the Arabian Peninsula. Although the Eisenhower Library material formed the record of high-level interest, the decimal files and decentralized lot files of the Department of State are the foundation of this volume and they comprise the overwhelming majority of source citations. This leading role of the Department of State reflects the influence of Secretary of State John Foster Dulles within the Eisenhower administration's foreign policy process and the fact that the Department was the most important point of contact for the Arab world.

The central emphasis of this volume is the political and diplomatic effort by the Eisenhower administration to confront and eventually to come to terms with radical Arab nationalism as personified by President Abdul Gamal Nasser of the United Arab Republic and Prime Minister Abdul Karim Qassim of Iraq. At the same time the volume illustrates U.S. concern with encouraging the more pro-Western Middle East monarchies, Saudi Arabia and Iran, to enact policies that would protect them from such radicalism. Another important goal of this volume was to present representative documentation on high-level U.S.-British diplomatic consultation on the Middle East, a region of traditional British influence. This theme appears most vividly in the documentation on British protected states, such as Kuwait, but it underlies most of the volume. In addition, much of the documentation presented in this volume reflects the Eisenhower administration's concern about the influence of the Soviet Union in the region.

U.S. oil policy also plays a crucial role in U.S. relations with many of the countries in this volume. It is one of the themes of the regional compilation and underlies the relationship with Saudi Arabia and, to a lesser, extent Iran. There is related documentation on Middle East oil in *Foreign Relations*, 1958–1960, Volume IV, Foreign Economic Policy, in the compilation on U.S. Policies Regarding Strategic Resources and International Commodities. Military questions, especially the United States role in the Baghdad Pact (later, Central Treaty Organization) and military assistance to Iran, form an important theme of this volume.

This volume does not document U.S. intelligence operations in the Middle East. Key assessments by the U.S. intelligence community, however, were an important part of the policy process, as the documents printed indicate. This volume was compiled before the development in 1991 of procedures to expand access by Department of State historians to the records of the Central Intelligence Agency. As those procedures were being established, the declassification and final preparation for publication of this volume concluded. The Department of State chose not to postpone the publication of this volume to allow for assessment of relevant material in the Central Intelligence Agency's files. Instead, the editors decided to rely upon material they had obtained, with the cooperation of the Central Intelligence Agency, in the records of the Eisenhower Library as well as that which was available in Department of State files. The Department of State is making good use of these new procedures, which have been arranged by the CIA's History Staff, for the compilation of future volumes in the *Foreign Relations* series.

Editorial Methodology

The documents are presented chronologically according to Washington time or, in the case of conferences, in the order of individual meetings. Incoming telegrams from U.S. Missions are placed according to time of receipt in the Department of State or other receiving agency, rather than the time of transmission; memoranda of conversation are placed according to the time and date of the conversation, rather than the date the memorandum was drafted.

Editorial treatment of the documents published in *Foreign Relations* series follows office style guidelines, supplemented by guidance from the General Editor and the chief technical editor. The source text is reproduced as exactly as possible, including marginalia or other notations, which are described in the footnotes. Obvious typographical errors are corrected, but other mistakes and omissions in the source text are corrected by bracketed insertions: a correction is set in italic type; an addition in roman type. Bracketed insertions are also used to indicate omitted text that deals with an unrelated subject (in roman type) or that remains classified after declassification review (in italic type). The

amount of material not declassified has been noted by indicating the number of lines or pages of source text that were omitted. The amount of material omitted because it was unrelated, however, is not accounted for. All ellipses and brackets that appear in the source text are so identified by footnotes.

The first unnumbered footnote to each document indicates the document's source, original classification, distribution, and drafting information. The source footnote also provides the background of important documents and policies and indicates if the President or his major policy advisers read the document. Every effort has been made to determine if a document has been previously published, and this information has been included in the source footnote.

Editorial notes and additional annotation summarize pertinent material not printed in the volume, indicate the location of additional documentary sources, provide references to important related documents printed in other volumes, describe key events, and provide summaries of and citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other firsthand accounts have been used when appropriate to supplement or explicate the official record.

Declassification Review

The declassification review process for this volume resulted in the withholding from publication of 6.2 percent of the documents originally selected. Deletions dealt in most cases with U.S. reports and information on intelligence and clandestine operations. In the case of Iraq, the Department of State felt the need to protect some information on the nature and details of intelligence gathering on the Qassim government. In the compilation on Saudi Arabia there were numerous excisions, some of them extensive, and two documents were denied in full. They concerned mostly internal relations within the Saudi Government. Although the material presented here is not as complete or definitive as the editor would like, the basic outline of U.S. policy is accurate and the record is not distorted.

The Division of Historical Documents Review of the Office of Freedom of Information, Privacy, and Classification Review, Bureau of Administration, Department of State, conducted the declassification review of the documents published in this volume. The review was conducted in accordance with the standards set forth in Executive Order 12356 on National Security Information and applicable laws.

Under Executive Order 12356, information that concerns one or more of the following categories, and the disclosure of which reason-

ably could be expected to cause damage to the national security, requires classification:

1) military plans, weapons, or operations;
2) the vulnerabilities or capabilities of systems, installations, projects, or plans relating to the national security;
3) foreign government information;
4) intelligence activities (including special activities), or intelligence sources or methods;
5) foreign relations or foreign activities of the United States;
6) scientific, technological, or economic matters relating to national security;
7) U.S. Government programs for safeguarding nuclear materials or facilities;
8) cryptology; or
9) a confidential source.

The principle guiding declassification review is to release all information, subject only to the current requirements of national security and law. Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and the appropriate foreign governments regarding specific documents of those governments.

Acknowledgments

The editors wish to acknowledge the assistance of officials at the Dwight D. Eisenhower Library, in particular David Haight, who assisted in the collection of documents for this volume.

Under the supervision of former Editor in Chief John P. Glennon, Edward C. Keefer compiled and edited this volume, the research for which was performed by M. Paul Claussen, Nina J. Noring, Carl N. Raether, and Bret Bellamy. General Editor Glenn W. LaFantasie supervised the final steps in the editorial and publication process. Gabrielle Mallon prepared the lists of names and abbreviations. Rita M. Baker and Vicki E. Futscher performed the copy and technical editing and Barbara-Ann Bacon of the Publishing Services Division (Natalie H. Lee, Chief) oversaw the production of the volume. Breffni Whalen prepared the index.

William Z. Slany
The Historian
Bureau of Public Affairs

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Unpublished Sources

Department of State

Indexed Central Files. The main source of documentation for this volume was the Department of State's indexed central files. Documents in classes 200 (protection of interests), 400 (trade relations), 500 (cultural relations), 600 (international relations), 700 (internal political and national defense affairs), 800 (internal economic and social affairs), and 900 (communication, transportation, science) were searched for decimal combinations involving all countries in the Middle East (country nos. 74, 80, 83–88, 46c and 46d). Files covering the Middle Eastern relationships of the United States (no. 11) the United Kingdom (no. 41) and France (no. 51) were also examined.

Other files and related subfiles searched for relevant materials include 033 (official visits); 110.11 through 110.17 (Department of State senior officials files); 123 (Department of State personnel files); various files in class 300 (international organizations and conferences); and 601 (diplomatic representation). Other documents were located through pursuing cross-references and referenced telegrams.

Documentation on the major and some of the minor themes covered in this volume are located in the following files:

Near East Region

110.15–RO: Assistant Secretary Rountree's visit to the region
378: CENTO (Baghdad Pact)
396.1–AN; 396.1–KA; 396.1–LO; 396.1–TE; 396.1–TE; 396.1–WA: Various CENTO (Baghdad Pact) conferences
680.00: Middle East international relations in general
611.80: United States relations with the Middle East in general
780.00: General political conditions in the Middle East
780.5: Middle East defense in general; U.S. interest in CENTO (Baghdad Pact)
780.5–MSP: Military assistance to the Middle East in general
786.00: Political developments among Arab states
786.5621; 786.5622: Military supplies, particularly ships and aircraft, to Arab countries
888.0000: United Nations Middle East Development Plan
880.2553: Middle East petroleum

Iraq

110.15–RO: Rountree's trip to Iraq
611.87: U.S. policy and relations with Iraq
682.87: Turkish-Iraqi relations
786.00: Arab Union of Jordan and Iraq
786.5621; 786.5622: Military supply for Arab Union
787.00: General political conditions in Iraq; main file for overthrow of Iraqi Hashemite monarchy

787.02: Recognition of Iraqi regime
787.5; 787.5–MSP; 787.56; 7687.5622: Iraqi national defense, military assistance and supply for Iraq

Iran

611.88: U.S. policy and relations with Iran
661.88: Iranian-Soviet relations
688.00: General Iranian international relations
788.00: General political conditions in Iran
788.11: Shah of Iran
788.5; 788.5–MSP; 788.56: Iranian national defense, military assistance and supply for Iran
888.00: General economic conditions in Iran
888.00–Seven Year: Iran's Seven Year economic plan
888.10: Iranian financial matters
888.2553: Iranian petroleum

Saudi Arabia

611.86A: United States-Saudi Arabian relations
641.8600: British interests in Southeastern Arabia
641.86A: United Kingdom-Saudi Arabian relations
686A.86B: Saudi Arabian-United Arab Republic relations
786.00: Political developments among Arab states
786A.00: General political conditions in Saudi Arabia
786A.11: King Saud
786A.5 and 786A.5–MSP: Saudi Arabian national defense, military assistance and supply for Saudi Arabia
786A.5311: U.S. military base at Dhahran
786A.58: Military missions in Saudi Arabia
886A.00: General economic conditions in Saudi Arabia
886A.10: Saudi Arabian financial matters
886A.2553: Saudi Arabian petroleum

British Protectorates and Muscat and Oman

611.80: General U.S. relations with the region
786D.00: General political conditions in Kuwait
786D.5; 786D.5–MSP: National defense of Kuwait, and military assistance for Kuwait
786E.56: Military supply for Muscat and Oman

Yemen

120.286H: Diplomatic representation in Yemen
746C.00: General political conditions in Aden
786H.00: General political conditions in Yemen
811.0086: U.S. economic assistance for Yemen
886H.00: General economic conditions in Yemen
886H.2612: People's Republic of China interest in roads in Yemen

Lot Files. These are the special decentralized files of the policymaking level of the Department of State, including the Executive Secretariat, overseas Foreign Service posts, and U.S. special missions. A list of the lot files used or consulted for this volume follows.

Conference Files: Lot 63 D 123

Collection of documentation on official visits to the United States by heads of government and foreign ministers, and on major international conferences attended by the Secretary of State for 1955–1958, as maintained by the Executive Secretariat of the Department of State.

Conference Files: Lot 64 D 559 and Lot 64 D 560

See entry under Washington National Records Center.

INR–NIE Files

Files retained by the Bureau of Intelligence and Research containing copies of National Intelligence Estimates and Special National Intelligence Estimates, including NIEs and SNIEs for 1958–1960.

INR Files: Lot 58 D 776

Top Secret/Noforn Intelligence files for 1945–1957, as maintained by the Bureau of Intelligence and Research. Consolidated with Lots 58 D 500, 58 D 159, 60 D 664, 61 D 167, and 62 D 42.

NEA Files: Lot 59 D 582

Files on Lebanon and Israel for 1953–1958, including reports, memoranda and correspondence, as maintained by the Division of Israel-Lebanon Affairs of the Office of Near Eastern Affairs of the Bureau of Near Eastern, South Asian, and African Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA Files: Lot 61 D 43

Geographic files for Near Eastern countries and chron files, including correspondence and memoranda of all types, pertaining to the Near East area for January–December 1959, as maintained by the Bureau of Near Eastern and South Asian Affairs.

NEA Files: Lot 62 D 435

Geographic files for Near Eastern countries and chron files, including correspondence and memoranda of all types, pertaining to the Near East area for January–December 1960, as maintained by the Bureau of Near Eastern and South Asian Affairs.

NEA Files: Lot 61 D 43

Geographic files for Middle Eastern countries, including correspondence and memoranda, for January–December 1959, as maintained by the Bureau of Near Eastern and South Asian Affairs.

NEA/GTI Files: Lot 60 D 4

Files on Iran for 1958, as maintained by the Office of Greek, Turkish, and Iranian Affairs of the Bureau of Near Eastern and South Asian Affairs.

NEA/GTI Files: Lot 60 D 533

Files on Iran for 1951–1958, as maintained by the Office of Greek, Turkish, and Iranian Affairs of the Bureau of Near Eastern, South Asian, and African Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA/GTI Files: Lot 61 D 407

Files on Iran for 1959, as maintained by the Office of Greek, Turkish, and Iranian Affairs of the Bureau of Near Eastern and South Asian Affairs.

NEA/GTI Files: Lot 64 D 493

Country files and chronological files on Iran for 1960, as maintained by the Office of Greek, Turkish, and Iranian Affairs of the Bureau of Near Eastern and South Asian Affairs.

NEA/GTI Files: Lot 66 D 173

Miscellaneous files on Iran for 1956–1961, as maintained by the Office of Greek, Turkish, and Iranian Affairs of the Bureau of Near Eastern, South Asian, and African Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA/NE Files: Lot 60 D 458

Files pertaining to Saudi Arabia and Yemen for 1958, as maintained by the Office of Arabian Peninsula Affairs of the Bureau of Near Eastern and South Asian Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA/NE Files: Lot 61 D 48

General office files pertaining to Aden, Bahrain, Kuwait, and Muscat for 1958, as maintained by the Office of Arabian Peninsula Affairs of the Bureau of Near Eastern and South Asian Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA/NE Files: Lot 63 D 81

Files pertaining to Bahrain, Persian Gulf, Kuwait, and Yemen for 1960, as maintained by the Office of Near Eastern Affairs, Bureau of Near Eastern, South Asian, and African Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA/NE Files: Lot 63 D 89

Files pertaining to Saudi Arabia and the entire Arabian Peninsula for 1958–1960, as maintained by the Office of Near Eastern Affairs, Bureau of Near Eastern and South Asian Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA/NE Files: Lot 63 D 90

General files pertaining to petroleum and economic matters in Saudi Arabia, Egypt, Jordan, Lebanon, Israel, and Syria for 1959–1960, as maintained by the Office of Near Eastern Affairs, Bureau of Near Eastern and South Asian Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA/NE Files: Lot 65 D 365

Files pertaining to the Baghdad Pact for 1958, as maintained by the Office of Near Eastern Affairs, Bureau of Near Eastern and South Asian Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

NEA/NR Files: Lot 66 D 8

Subject files on CENTO for 1956–1963, as maintained by the Office of Near Eastern, South Asian Regional Affairs of the Bureau of Near Eastern, South Asian, and African Affairs (Bureau of Near Eastern and South Asian Affairs as of August 20, 1958).

OCB Files: Lot 60 D 661

Files pertaining to the Operations Coordinating Board of the National Security Council 1950–1959, as maintained by the Policy Plans and Guidance Staff of the Bureau of Public Affairs.

OCB Files: Lot 61 D 385

Master set of the administrative and country files of the Operations Coordinating Board for 1953–1960, as maintained in the Operations Staff of the Department of State.

OCB Files: Lot 62 D 430

Master files of the Operations Coordinating Board for 1953–1960, as maintained by the Executive Secretariat of the Department of State.

Presidential Correspondence: Lot 66 D 204

Exchanges of correspondence between the President and Secretary of State and heads of foreign governments and foreign ministers for 1953–1964, as maintained by the Executive Secretariat of the Department of State.

Presidential Memoranda of Conversation: Lot 66 D 149

Cleared memoranda of Presidential conversations with foreign visitors, 1956–1964, as maintained by the Executive Secretariat of the Department of State.

Secretary's Memoranda of Conversation: Lot 64 D 199

Chronological collection of the Secretary of State's memoranda for 1953–1960, as maintained by the Executive Secretariat of the Department of State.

Secretary's Staff Meetings: Lot 63 D 75

Chronological collections of the minutes of the Secretary of State's Staff Meetings for 1952–1960, as maintained by the Executive Secretariat of the Department of State.

S/P Files: Lot 67 D 548

Subject files, country files, chronological files, documents, drafts, and related correspondence of the Policy Planning Staff for 1957–1961.

S/P–NSC Files: Lot 62 D 1

Serial and subject matter file of the National Security Council documents and correspondence for 1948–1961, as maintained by the Policy Planning Staff of the Department of State.

S/S–NSC Files: Lot 63 D 351

Serial master file of National Security Council documents and correspondence, and related Department of State memoranda for 1947–1961, as maintained by the Executive Secretariat of the Department of State.

S/S–NSC (Miscellaneous) Files: Lot 66 D 95

Administrative and miscellaneous National Security Council files, including NSC Records of Action, for 1947–1963, as maintained by the Executive Secretariat of the Department of State.

State–JCS Meetings: Lot 61 D 417

Top Secret records of meetings between representatives of the Department of State and the Joint Chiefs of Staff for 1951–1959, as maintained by the Executive Secretariat of the Department of State.

Washington National Records Center, Suitland, Maryland

Record Group 59, General Records of the Department of State

Conference Files: FRC 83–0068

Lot 64 D 559: Collection of documentation of official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for 1960, as maintained by the Executive Secretariat of the Department of State.

Lot 64 D 560: Collection of documentation of official visits by heads of government and foreign ministers to the United States and on major international conferences attended by the Secretary of State for 1959, as maintained by the Executive Secretariat of the Department of State.

Dwight D. Eisenhower Library, Abilene, Kansas

Dulles Papers

Records of John Foster Dulles, 1952–1959, including General Memoranda of Conversation, Meetings with the President, General Telephone Conversations, and White House Telephone Conversations.

Herter Papers

Papers of Christian A. Herter, Under Secretary of State and then Secretary of State, 1957–1961.

President's Daily Appointments

From White House Office Files, Records of the Office of the Special Assistant for Executive Appointments, 1952–1961.

Staff Secretary's Records

Records of the Office of the Staff Secretary, 1952–1961, including records of Paul T. Carroll, Andrew J. Goodpaster, L. Arthur Minnich, Jr., and Christopher H. Russell.

White House Office Files

Several White House office collections, including files of the Office of the Staff Secretary, and Project Clean Up collection, which includes records of Gordon Gray, Robert Cutler, Henry R. McPhee, and Andrew J. Goodpaster, 1953–1961.

Whitman File

Papers of Dwight D. Eisenhower as President of the United States, 1953–1961, as maintained by his personal secretary, Ann Whitman. The Whitman File includes the following elements: Name Series, Dulles–Herter Series, Eisenhower Diaries, Ann Whitman (ACW) Diaries, National Security Council Records, Miscellaneous Records, Cabinet Papers, Legislative Meetings, International Meetings, Administrative Series, and International File.

Princeton University Library, Princeton, New Jersey

Dulles Papers, Dulles Daily Appointment Book

Daily log of the meetings and appointments of Secretary of State John Foster Dulles for 1953–1959.

List of Abbreviations

AEC, Atomic Energy Commission
AF, Bureau of African Affairs, Department of State
AFL/CIO, American Federation of Labor/Congress on Industrial Organizations
AmEmb, American Embassy
ARAMCO, Arabian-American Oil Company .
ARMISH-MAAG, United States Military Mission with the Iranian Army–Military Assistance Advisory Group
ASRP, Arab Socialist Resurrectionist Party (Syrian)
AU, Arab Union (Jordan and Iraq)
B/D, barrels per day
BNA, Office of British Commonwealth and Northern European Affairs
BP, British Petroleum; Baghdad Pact; Industrial Business Practices Division, Bureau of Economic Affairs, Department of State
C, Office of the Counselor, Department of State
CARE, Cooperative for American Remittances to Everywhere
CENTO, Central Treaty Organization (renamed Baghdad Pact Organization after August 21, 1959)
ChiComs, Chinese Communists
CIA, Central Intelligence Agency
CIC, Counter Intelligence Corps
CINCEUR, Commander in Chief, Europe
CINCNELM, Commander in Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean
CMPS, Combined Military Planning Staff, CENTO
COMIDEASTFOR, Commanding Officer, Middle East Forces
Condes, Consulate despatch
CONUS, Continental United States
COS, Chief of Staff
CP, Communist Party
CPI, Communist Party of Iraq
DAF, Dhahran Airfield
DD/P, Deputy Director, Plans, CIA
Deptel, Department of State telegram
DLF, Development Loan Fund
DMO, Director of Military Operations
DOD, Department of Defense
DRN, Division of Research and Analysis for Near East, South Asia, and Africa, Bureau of Intelligence and Research, Department of State
DS, Defense Support
E, Bureau of Economic Affairs, Department of State
EAL, Eastern Airlines
Embtel, Embassy telegram
ENI, Ente Nazionale Idrocarburi (Italian oil company)
EUR, Bureau of European Affairs, Department of State
EURATOM, European Atomic Energy Community
Ex-Im, Export-Import
Eximbank, Export-Import Bank
FAO, Food and Agricultural Organization of the United Nations
FBI, Federal Bureau of Investigation
FBIS, Foreign Broadcast Information Service
FM, Foreign Minister
FY, fiscal year
FYI, for your information
G, Deputy Under Secretary of State for Political Affairs
GNP, gross national product
GOI, Government of Iran; Government of Iraq
GOT, Government of Turkey
GOY, Government of Yemen
GTI, Office of Greek, Turkish, and Iranian Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State
H, Office of the Assistant Secretary of State for Congressional Relations
HKJ, Hashemite Kingdom of Jordan

HMG, Her Majesty's Government (U.K.)
IAC, Intelligence Advisory Committee
IBRD, International Bank for Reconstruction and Development
ICA, International Cooperation Administration
ILO, International Labor Organization
INR, Bureau of Intelligence and Research, Department of State
IO, Bureau of International Organization Affairs, Department of State
IO/UNP, Office of United Nations Political and Security Affairs, Bureau of International Organization Affairs, Department of State
IPC, Iraq Petroleum Company
IRBM, intermediate-range ballistic missile
JCS, Joint Chiefs of Staff
L, Office of the Legal Adviser, Department of State
L/E, Office of the Assistant Legal Adviser for Economic Affairs, Department of State
LSM, landing ship, medium
MAAG, Military Assistance Advisory Group
MAP, Military Assistance Program
MATS, Military Air Transport Service
ME, Middle East
ME Res., Middle East Resolution
MIG, A.I. Mikoyan i M.I. Gurevich (Soviet fighter aircraft named for designers Mikoyan and Gurevich)
MSA, Mutual Security Agency/Act/Assistance
MSP, Mutual Security Program; military support program
NATO, North Atlantic Treaty Organization
NDP, National Democratic Party (Iraq)
NE, Near East; Office of Near Eastern Affairs, Department of State
NEA, Bureau of Near Eastern, South Asian, and African Affairs until August 20, 1958; thereafter Bureau of Near Eastern and South Asian Affairs, Department of State
NE/E, Officer in Charge of Economic Affairs, Office of Near Eastern Affairs, Department of State
NIE, National Intelligence Estimate
NSC, National Security Council
OAS, Organization of American States
OCB, Operations Coordinating Board
O/CI, Office of Current Intelligence, CIA
OCMD, Office of Civil and Defense Mobilization
OEEC, Organization for European Economic Cooperation
OPEC, Organization of Petroleum Exporting Countries
P, Assistant Secretary of State for Public Affairs
PL, Public Law
PMDG, Permanent Military Defense Group, CENTO
PMRG, Permanent Military Representatives Group
PODST, Principal Officer's Daily Summary Telegram
POL, petroleum, oil, and lubricants
PRF, Popular Resistance Force, Iraq
PX, Post Exchange
RAF, Royal Air Force
RIAF, Royal Iraqi Air Force
SA, Saudi Arabia
SAC, Strategic Air Command
SAG, Saudi Arabian Government
Savak, Iranian National Security and Information Service (Sazeman-e Ettela'at va Amniyat-e Keshvar)
SCS, Supreme Chief of Staff (Iran)
SEATO, South East Asia Treaty Organization
SNIE, Special National Intelligence Estimate
SOA, Office of South Asian Affairs, Bureau of Near Eastern, South Asian, and African Affairs, Department of State
SOCAL, Standard Oil of California
SONJ, Standard Oil of New Jersey
S/P, Policy Planning Staff, Department of State
S/S, Executive Secretariat of the Department of State
TAPLINE, Trans-Arabian Pipeline Company
TOICA, series indicator for telegrams to the International Cooperation Administration
TWA, Trans World Airways
UAR, United Arab Republic

UAS, United Arab States (UAR and Yemen)
U/CEA, Special Assistant to the Under Secretary of State for Communist Economic Affairs
UK, United Kingdom
UN, United Nations
UNEF, United Nations Emergency Force
UNGA, United Nations General Assembly
UNRWA, United Nations Relief and Works Agency for Palestine and the Near East
UNTSO, United Nations Truce Supervisory Organization
USAF, United States Air Force
USG, United States Government
USIA, United States Information Agency
USIB, United States Intelligence Board
USIS, United States Information Service
USMILREPME, United States Military Representative for the Middle East (proposed)
USMTM, United States Military Training Mission (Saudi Arabia)
USOM, United States Operations Mission
USRO, United States Mission to the North Atlantic Treaty Organization and European Regional Organizations
USSR, Union of Soviet Socialist Republics
VOA, Voice of America
W, Deputy Under Secretary of State for Economic Affairs
WE/EUR, Office of Western European Affairs
WFTU, World Federation of Trade Unions

List of Persons

Abdulillah, Crown Prince of Iraq until his assassination on July 14, 1958
Abdullah ibn Salim Al Sabah, Sheikh, Ruler of Kuwait
Ahmad ben Yahya, Iman of Yemen
Ala, Hussein, Minister of Court of the Shah of Iran
Allen, George V., Director, United States Information Agency
Anderson, Robert B., Secretary of the Treasury
Ansari, Masud, Iranian Ambassador to the Soviet Union, 1959
Aram, Abbas, Foreign Minister of Iran
Ardalan, Ali Qoli, Iranian Ambassador to the United States until March 1960
Arif, Abd al-Salim Muhammad, Iraqi Deputy Prime Minister, Deputy Commander in Chief, Minister of Interior, July–October, 1958; Iraqi Ambassador to West Germany, October–November, 1958; returned to Iraq, arrested
Arif, Mohammad Rafiq, General, Iraqi Army; Chief of Staff of the Armed Forces until July 14, 1958
Azzam, Adul Rahman, Special Representative of King Saud
al-Badr ben Ahmad, Crown Prince Muhammad, Prime Minister, Foreign Minister, and Defense Minister of Yemen

Bakdash, Khalid, head of Iraqi Communist Party
Bakhtiar, General Timur, Chief of Savak, Iran Secret Police
Barnes, Robert G., Special Assistant for Mutual Security Coordination
Bartlett, Frederic P., Director, Office of South Asian Affairs, Department of State until August 1960
Becker, Earl R., Chief of the Fuels Division, E
Becker, Loftus, Legal Adviser, Department of State, until August 15, 1959
Bell, John O., Special Assistant for Mutual Security Coordination from December 1958
Ben Gurion, David, Prime Minister of Israel
Bennsky, George M., Jr., Office of Near Eastern Affairs, Department of State
Berding, Andrew H., Assistant Secretary of State for Public Affairs
Bergin, Rear Admiral Charles K., USN, Regional Director, Near East, South Asia and Africa, Office of the Assistant Secretary of Defense for International Security Affairs
Bergus, Donald C., Officer in Charge of Israel-Jordan Affairs, Office of Near Eastern Affairs, Department of State
Berry, J. Lampton, Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Near Eastern and South Asian Affairs after August 20, 1958), until October 1958
Bevilacqua, Charles K., Office of Near Eastern Affairs, Bureau of Near Eastern, South Asian, and African Affairs (Near Eastern and South Asian Affairs after August 20, 1958), Department of State
Bissell, Richard M., Jr., Deputy Director for Plans, CIA, from 1959
Black, Eugene, President, International Bank for Reconstruction and Development
Boggs, Marion, Executive Director, National Security Council Secretariat
Brewer, William D., Officer in Charge of United Arab Republic, Sudan Affairs, Bureau of Near Eastern, South Asian, and African Affairs (Near Eastern and South Asian Affairs after August 20, 1958), Department of State
Burke, Admiral Arleigh A., USN, Chief of Naval Operations

Caccia, Sir Harold, British Ambassador to the United States
Cabell, Lieutenant General Charles P., Deputy Director of Central Intelligence
Carpenter, William T., Jr., Officer in Charge, Politico-Military Affairs, Office of Near Eastern and South Asian Regional Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State
Chaderchi, Kamel, head of the National Democratic Party of Iraq
Chamoun, Camille, President of Lebanon
Chapin, Selden, Ambassador to Iran until June 1958
Chehab, General Fuad, Commander in Chief, Lebanese Army, until September 1958; thereafter President of Lebanon
Clark, Lieutenant General Albert P., USAF, Commander of USMTM, Saudi Arabia, until 1959
Coon, Carleton S., Office of the Under Secretary of State's Assistant for Communist Economic Affairs from October 1959
Crawford, William R., Jr., Consul to Yemen until March 1959
Cumming, Hugh S., Jr., Director of the Bureau of Intelligence and Research, Department of State
Cutler, Robert, Special Assistant to the President for National Security Affairs

Davies, Rodger P., Chargé at the Embassy in Iraq, from June 1959
Decker, General George H., USA, Vice Chief of Staff, U.S. Army, 1959–1960
Dennison, Admiral Robert L., USN, Commander-in-Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean
Dillon, C. Douglas, Deputy Under Secretary of State for Economic Affairs through June 1958; Under Secretary of State for Economic Affairs, July 1958–June 1959; thereafter Under Secretary of State
Dimechkie, Nadim, Lebanese Ambassador to the United States from February 1958
Dorman, John R., Deputy Director, Office of Dependent Area Affairs, Bureau of International Organization Affairs, Department of State, December 1958-September 1960
Dulles, Allen W., Director of Central Intelligence
Dulles, John Foster, Secretary of State until April 1959

Eban, Abba, Israeli Ambassador to the United States
Ebtehaj, Abol Hassan, Iranian banker and administrator; managing director, plan organization
Eilts, Hermann F., Officer in Charge, Baghdad Pact/CENTO Affairs, Department of State, until April 1958
Eisenhower, Dwight D., President of the United States
Eisenhower, John S.D., Major, USA, Assistant Staff Secretary to the President; promoted to Lieutenant Colonel in May 1960
Elting, Howard, Jr., Deputy Director, Bureau of Intelligence and Research, Department of State, from August 1960
Eqbal, Manuchehr, Prime Minister of Iran until August 29, 1960

Faisal ibn abd al-Aziz, Crown Prince of Saudi Arabia; Saudi Prime Minister and Minister of Foreign Affairs
Faud, Prince, Minister of Defense of Saudi Arabia
Fawzi, Mahmoud, Foreign Minister of Egypt until February 1958; thereafter Foreign Minister of the United Arab Republic
Fritzlan, A. David, Counselor of Embassy in Iraq
Furnas, Howard, Alternate Assistant to the National Security Council Planning Board, Department of State

Gallman, Waldemar J., Ambassador to Iraq until December 14, 1958
Gannett, Michael R., Officer in Charge, Baghdad Pact–CENTO Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State, from February 1960
Gates, Thomas S., Jr., Secretary of the Navy to June 1959; Deputy Secretary of Defense, June–December 1959; thereafter Secretary of Defense
Gleason, S. Everett, Deputy Executive Secretary of the National Security Council until July 1959
Goodpaster, Brigadier General Andrew J., USA (ret.), Staff Secretary to the President
Grantham, Rear Admiral Elonzo B., Jr., USN, Director for Near East, South Asia, and African Affairs, International Security Affairs, Department of Defense
Gray, Gordon, Special Assistant to the President for National Security Affairs from July 1958
Greene, Joseph N., Jr., Special Assistant to the Secretary of State
Gromyko, Andrei A., Foreign Minister of the U.S.S.R.

Hadid, Muhammad, Iraqi Minister of Finance after July 1958
Hager, Eric H., Legal Adviser, Department of State, from September 1959
Halla, Philip J., Member of the National Security Council Staff and de facto Secretary of the Iraq special committee of the Inter-agency group on Iraq
Hammarskjöld, Dag, Secretary-General of the United Nations
Hanes, John W., Jr., Deputy Assistant Secretary of State for International Organization Affairs until January 1959; thereafter, Administrator, Bureau of Security and Consular Affairs, Department of State
Hare, Raymond A., Ambassador to the United Arab Republic from January 1957 to December 1959; thereafter Deputy Under Secretary of State for Political Affairs
Harr, Karl G., Jr., Deputy Assistant Secretary of Defense for International Security Affairs until March 1958; thereafter Special Assistant to the President and Vice Chairman of the Operations Coordinating Board
Hart, Parker T., Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs from October 19, 1958
Hassan, Prince Saif al-Islam, brother of the Iman of Yemen
Hayter, Sir William, Deputy Under Secretary, British Foreign Office
Heath, Donald R., Ambassador to Lebanon until January 4, 1958; thereafter Ambassador to Saudi Arabia
Hedayat, General Abdollah, Chief of Staff of the Iranian Armed Forces
Hekmat, Ali Asghar, Foreign Minister of Iran, 1958-1959
Henderson, Loy W., Deputy Under Secretary of State for Administration from January until August 1955
Hendryx, Frank, aide to Saudi Minister of Oil
Herter, Christian A., Under Secretary of State; succeeded Dulles as Secretary of State on April 21, 1959
Herzog, Ya'acov, Minister of the Embassy of Israel in the United States
Holman, Eugene, Standard Oil Company of New Jersey
Howe, Fisher, Director of the Executive Secretariat, Department of State, until October 1958
Hoyer Millar, Sir Frederick, British Foreign Office
Hussaini, Jamal Bey, Adviser to King Saud
Hussein I, King of Jordan

Irwin, John N., II, Deputy Assistant Secretary of Defense for International Security Affairs from September 1958

Jawad, Hashim, Foreign Minister of Iraq from February 7, 1959
Jernegan, John D., Ambassador to Iraq from December 11, 1958

Jomard, Abdul Jabar, Foreign Minister of Iraq from July 14, 1958, to February 7, 1959
Jones, G. Lewis, Assistant Secretary of State for Near Eastern and South Asian Affairs from July 6, 1959
Jones, John Wesley, Deputy Assistant Secretary of State for European Affairs 1957–1958; Ambassador to Libya from February 1958
Jones, Owen T., Director, Office of Greek, Turkish, and Iranian Affairs, Bureau of Near Eastern, South Asian, and African Affairs, Department of State

Karame, Rachid, Prime Minister, Minister of the Interior and National Defense of Lebanon from September 23, 1958; in reorganization on October 15, 1958, became Prime Minister, Defense, Finance, Economic and Information Ministers
Kennedy, Donald D., Deputy Assistant Secretary of State for Economic and Regional Affairs, Bureau of Near Eastern, South Asian, and African Affairs, Department of State,
Kent, Sherman, Assistant Director, National Estimates, Central Intelligence Agency
Khalil, Abdullah, Prime Minister of the Sudan until November 17, 1958
Khrushchev, Nikita S., First Secretary, Communist Party of the Soviet Union; also Chairman, Soviet Council of Ministers from March 1958
Knight, Robert H., Deputy Assistant Secretary of Defense for International Security Affairs
Kohler, Foy D., Deputy Assistant Secretary of State for European Affairs February 1958–December 1959; thereafter Assistant Secretary of State for European Affairs

Kubba, Ibrahim, Iraqi Minister of Economy from July 14, 1958
Lakeland, William C., Officer in Charge of Iraq-Jordan Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State; appointed August 1958
Langley, James M., Ambassador to Pakistan until July 29, 1959
Laskey, Denis S., Counselor of the British Foreign Office; Private Secretary to the Foreign Secretary from 1956
Latham, L. Wade, Director, Office of Near Eastern and South Asian Regional Affairs, Bureau of Near Eastern, South Asian, and African Affairs (Near Eastern and South Asian Affairs after August 20, 1958), Department of State
Lawson, Edward B., Ambassador to Israel until February 1959
Lay, James S., Jr., Executive Secretary, National Security Council
Lemnitzer, General Lyman L., USA, Chief of Staff, United States Army, July 1959–September 1960; thereafter Chairman of the Joint Chiefs of Staff
Linquist, Major General Roy E., Chief, ARMISH, MAAG
Lloyd, Selwyn, British Foreign Minister until June 1960; thereafter Chancellor of the Exchequer
Lodge, Henry Cabot, Representative to the United Nations until September 1960

Macmillan, Harold, British Prime Minister
Macomber, William B., Jr., Assistant Secretary of State for Congressional Relations from October 21, 1957
Malik, Charles, Lebanese Foreign Minister until September 1958
Marcy, Carl, Chief of Staff, Senate Foreign Relations Committee
Martin, Edwin M., Assistant Secretary of State for Economic Affairs from August 27, 1960
Martin, Graham A., Special Assistant to the Under Secretary of State for Economic Affairs from June 30, 1958; thereafter Assistant to the Under Secretary of State
Mathews, Elbert G., Deputy Assistant Secretary of State for Policy Planning from November 3, 1957
McBride, Robert H., Director, Office of Western European Affairs, Bureau of European Affairs, Department of State

McClelland, Roswell D., Officer in Charge of Politico-Military Affairs, Office of Near Eastern and South Asian Regional Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State

McClintock, Robert A., Ambassador to Lebanon from January 15, 1958

McCloy, John J., Chairman of the Board of the Chase Manhattan Bank

McElroy, Neil H., Secretary of Defense until December 1959

McGehee, Major General James C., Commander of USMTM and Commanding General, Second Air Division, Saudi Arabia from 1959

Menderes, Adnan, Prime Minister of Turkey

Merchant, Livingston T., Ambassador to Canada until November 1958; Assistant Secretary of State for European Affairs November 1958–August 1959; Deputy Under Secretary of State for Political Affairs August–December 1959; thereafter Under Secretary of State for Political Affairs

Meyer, Armin H., Deputy Director of the Office of Near Eastern Affairs, Bureau of Near Eastern and South Asian Affairs; after July 1959, Director of the Office of Near Eastern Affairs, Department of State

Mikoyan, Anastas I., First Deputy Chairman of the Council of Ministers of the Soviet Union

Mirza, Major General Iskander, President of Pakistan until October 28, 1958

Miner, Robert G., Director, Office of Greek, Turkish, and Iranian Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State, from September 28, 1960

Morris, Willie, First Secretary of the British Embassy in Washington

Mossadeq, Mohammed, former Prime Minister and Defense Minister of Iran

Mountbatten, Lord Louis, British Chief of the Defense Staff from December 1958

Mouser, Grant E., III, Officer in Charge of Iranian Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State

Mueller, Frederick H., Under Secretary of Commerce November 1958–December 1959; thereafter Secretary of Commerce

Murjan, Abd al-Wahhab, Prime Minister of Iraq until March 3, 1958

Murphy, Robert D., Deputy Under Secretary of State for Political Affairs until August 1959; Under Secretary of State for Political Affairs August–December 1959

Nasser, Gamel Abdel, President of Egypt until February 1958; thereafter President of the United Arab Republic

Nehru, Jawaharlal, Prime Minister of India

Newsom, David D., Officer in Charge of Arabian Peninsula Affairs, Bureau of Near Eastern, South Asian, and African Affairs (Near Eastern and South Asian Affairs after August 20, 1958), Department of State

Noon, Sir Firoz Khan, Foreign Minister of Pakistan September 1956–1957; Prime Minister and Minister of Foreign Affairs 1957–1958

Nixon, Richard M., Vice President of the United States

Nunley, William T., United Nations Adviser, Bureau of European Affairs, Department of State

O'Conner, Jeremiah, Operations Coordinator, Office of the Under Secretary of State for Political Affairs

Pahlevi, Mohammed Reza, Shah of Iran

Parker, Richard B., Office of Near Eastern Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State

Pegov, Nikolai Mikhailovitch, Soviet Ambassador to Iran, 1956–1963

Persons, General Wilton B., USA (ret.), Assistant to the President from October 1958

Picher, Lieutenant General Oliver Stanton, USAF, Director of the Joint Staff, Joint Chiefs of Staff

Powell, Sir Richard R., Permanent Secretary, British Ministry of Defense

Qadir, Manzur, Pakistani Foreign Minister
Qarani, General Valiollah, former Iranian Chief of Military Intelligence; arrested in February 1958 for plotting against the Shah
Qassim, General Abdul Karim, Prime Minister of Iraq from July 14, 1958
Quarles, Donald A., Deputy Secretary of Defense until May 1959

Ramsey, Henry C., member, Policy Planning Staff, Department of State
Raymond, John M., Deputy Legal Adviser, Department of State
Reid, Ogden Rogers, Ambassador to Israel from June 1959
Reinhardt, G. Frederick, Counselor of the Department of State
Richards, James P., Special Representative of the President to the Middle East, 1957
Riddleberger, James W., Director, International Cooperation Administration
al-Rifai, Samir, Prime Minister of Jordan; resigned May 5, 1959
Riggs, General Theodore Scott, USA, U.S. Military Representative to CENTO
Rockwell, Stuart W., Director, Office of Near Eastern Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State until July 1959; thereafter Minister-Counselor of the Embassy in Iran
Rogers, William P., Attorney General of the United States
Rountree, William M., Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Near Eastern and South Asian Affairs after August 20, 1958) until July 1959
Rubayi, Major General Najib, member of the Council of State of Iraq after July 1958

al-Said, Nuri, Prime Minister of Iraq March 3–July 14, 1958
Said bin Taimur bin Faisal, Sultan of Muscat and Oman
Sandys, Duncan, British Minister of Defence
Sanger, Richard H., Director, Office of Research and Analysis for Middle East and Africa, Bureau of Intelligence and Research, Department of State
Saud ibn Abd al-Aziz, King of Saudi Arabia
Schwinn, Walter K., Consul General at Dhahran
Scribner, Fred C., Jr., Under Secretary of the Treasury
Shanshal, Siddiz, Iraqi Minister of News and Guidance from July 14, 1958 to February 7, 1959
Sharif-Emani, Jafar, Iranian Minister of Industries until August 1960; thereafter Prime Minister of Iran
Smith, Gerard C., Assistant Secretary of State for Policy Planning
Smith, James H., Jr., Director, International Cooperation Administration
Soraya, Empress of Iran
Sprague, Mansfield D., Assistant Secretary of Defense for International Security Affairs until August 1958
Stans, Maurice H., Director, Bureau of the Budget
Stoltzfus, William A., Jr., Second Secretary of Embassy in Jidda
Stookey, Robert W., Office of Near Eastern Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State
Strauss, Admiral Lewis L., USN (ret.), Chairman, Atomic Energy Commission until June 30, 1958; Consultant to the President, Secretary of Commerce November 13, 1958–June 30, 1959
Symmes, Harrison M., Special Assistant to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Near Eastern and South Asian Affairs after August 20, 1958)
al-Tariki, Abdullah, Director-General, Saudi Arabian Petroleum Affairs; Minister of Oil and Mineral Resources from December 1960

Taylor, General Maxwell D., USA, Chief of Staff, U.S. Army

Thacher, Nicholas G., First Secretary of the Embassy in Iran until August 1958; from June 1959, Deputy Director, Office of Near Eastern Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State

Trevelyan, Sir Hugh, British Ambassador to Iraq

Tubaishi, Abdullah, Saudi Arabian Keeper of the Privy Purchase

Twining, General Nathan F., USAF, Chairman, Joint Chiefs of Staff until August 1960

Waggoner, Edward L., Office of Near Eastern Affairs, Bureau of Near Eastern, South Asian, and African Affairs (Bureau of Near Eastern and South Asian Affairs after August 20, 1958), Department of State

Wahl, Theodore A., Office of Near Eastern Affairs, Bureau of Near Eastern, South Asian, and African Affairs (Bureau of Near Eastern and South Asian Affairs after August 20, 1958), Department of State

Wailes, Edward T., Ambassador to Iran, June 1958–June 1961

Walmsley, Walter N., Jr., Deputy Assistant Secretary of State for International Organization Affairs until October 1958; thereafter Ambassador to Tunisia

Warren, Fletcher, Ambassador to Turkey March 7, 1956–November 15, 1960

Waugh, Samuel C., President of the Export-Import Bank

White, General Thomas D., Chief of Staff of the United States Air Force

Wilcox, Francis O., Assistant Secretary of State for International Organization Affairs

Wilkins, Fraser, Minister-Counselor of the Embassy in Iran

Wilson, Evan M., member of Policy Planning Staff, Department of State, from October 1959

Wisner, Frank, Deputy Director for Plans, Central Intelligence Agency until 1959

Wright, Sir Michael, British Ambassador to Iraq

Wright, Thomas K., Counselor of the Embassy in Jordan January 1958–August 1959; thereafter Director of the Office of Near East and South Asian Regional Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State

Yassim, Yusuf, adviser to King Saud

Yost, Charles W., Ambassador to Syria until February 28, 1958; Ambassador to Morocco from July 16, 1958

Zorlu, Fatin Rustu, Foreign Minister of Turkey

NEAR EAST REGION

JANUARY–JULY 1958: THE UNITED STATES AND RADICAL ARAB NATIONALISM; LONG-RANGE U.S. POLICY; THE CRISES OF JULY 1958

1. Editorial Note

On January 1, 1958, U.N. Secretary-General Dag Hammarskjöld and Secretary of State John Foster Dulles discussed over lunch the question of economic development in the Middle East. On January 6 Hammarskjöld sent Dulles—as well as British Foreign Secretary Lloyd and French Foreign Minister Pineau—an "informal" aide-mémoire setting out the main points of his thinking on the idea. Hammarskjöld felt that the creation of a Middle East Economic Development Fund was needed and that it should primarily be an Arab undertaking with the United Nations and the World Bank providing a liaison function. The Fund's objective would be to negotiate credits for projects for economic development. Initially these credits would come from the oil companies, but Hammarskjöld anticipated that the Arab "haves" could eventually channel part of their income to the Arab "have nots." The Secretary-General mentioned the five potential projects cited in Document 8 and listed the advantages of the plan: balanced economic development throughout the region, encouragement of credits from the outside, depoliticization of economic development, Arab unity, and amelioration of the refugee problem. Hammarskjöld noted that the idea was in the preliminary stage and asked the Foreign Ministers to avoid public comment. (Letter from James W. Barco of USUN to Dulles, January 7, enclosing a letter from Hammarskjöld to Dulles, January 6, with an enclosed aide-mémoire; Department of State, Central Files, 880.0000/1–758)

Dulles called John J. McCloy, Chairman of Chase Manhattan Bank, on January 2 at 6 p.m., to inform him of his discussion with Hammarskjöld on January 1. According to the transcription of their telephone conversation, Dulles said that: "Arab unity may make it more difficult for the oil companies to maintain a decent position there [the Middle East]. The Sec would not want to dissuade M[cCloy] from doing it but throws out this warning. M said it has a lot of imponderables and he does not like to be associated with something so vague. The Sec said he would prefer M to do it rather than someone else. M said there is a problem with the bank—the oil companies are customers and he mentioned it had some business with Israel. He gathers Israel is not disposed

to have too much Arab unity. M will talk to Black about it. He wants to get more together and go to Hammarskjöld and say this is his idea now—he might be prepared to talk to people about it but does not want to say anything definitive. M won't do anything until he talks to the Sec again." (Eisenhower Library, Dulles Papers, General Telephone Conversations)

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2. Telegram From the Department of State to the Embassy in the United Kingdom

Washington, January 17, 1958, 9:10 p.m.

5038. Deliver following from Secretary to Lloyd: "Dear Selwyn: I have received from Harold Caccia your January 17 message[1] about the forthcoming Baghdad Pact meeting.[2]

I entirely agree that it is necessary to find something else to put in our bags before we get to Ankara. For this reason I can tell you in strictest confidence that we are making a special effort to see if we can provide some more economic assistance. I am hopeful that we can come up with $10 million or so, perhaps to be applied to the telecommunications project.[3] Meanwhile, although I appreciate the difficulties for you, if

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Source: Department of State, Central Files, 396.1–AN/1–1758. Top Secret; Verbatim Text. Drafted by Rockwell; cleared by Rountree, Owen Jones, and J. Wesley Jones of EUR; and approved and signed by Dulles.

[1] In a personal message to Dulles, transmitted by British Ambassador Caccia on January 17, Lloyd wrote of his concern that the Baghdad Pact meeting would fail to live up to the expectations of its members, especially their expectation of "visible and concrete evidence that the United States is behind the Pact." Lloyd feared that the United States and United Kingdom would also disappoint the members on the question of Palestine and promotion of Western influence in Syria. He noted that the only suggestion his government had so far received from the United States was a survey of the possibility of the United States supplying aircraft to Iraq. As the traditional supplier of the Iraqi Air Force, Lloyd continued, such a proposal gave the British problems. Lloyd suggested that if the United States had aircraft to spare, it should give them to Iran "who is always asking for more, and would be the better candidate." Lloyd concluded his letter with the observation that Dulles' presence at the meeting precluded any possibility that it could be considered "a routine and business-like meeting." (*Ibid.*, Presidential Correspondence: Lot 66 D 204)

[2] The fourth meeting of the Ministerial Council of the Baghdad Pact was held at Ankara, Turkey, January 27–30, 1958. Secretary Dulles attended as Chief of the U.S. Observer Delegation.

[3] On January 21, Dulles sent a memorandum to Eisenhower informing him that at the Ministerial Meeting of the Baghdad Pact "further evidence of U.S. support for the Pact will be expected." Since formal U.S. adherence to the pact and further military assistance to its members had been ruled out, Dulles stated that the best alternative was a $10 million grant to construct a Baghdad Pact-approved telecommunications system linking the capitals of Iraq, Iran, Turkey, and Pakistan. Dulles asked for authorization to announce it at the meeting. (Department of State, Central Files, 780.5–MSP/1–2158)

you were also able to contribute something additional on the economic side it would, I feel, be a big help. As you say it is going to be difficult to meet expectations.

I continue to believe that we should seek to avoid consideration of the Palestine issue in the deliberations of the Pact Ministerial Council. It will probably be brought up, but we should not contribute to diverting the attention of the Pact representatives to this matter, especially since, for the US part at least, we have little to say that would be received with enthusiasm.

As for Syria, we have the impression that the Turks may not press so hard on this as they did in Paris, at least publicly. The difficulties in Nuri's approach are known to both of us.

You mentioned the discussions in Washington on military assistance to Iraq. These were initiated by us not in the framework of the Baghdad Pact or in connection with the relative merits of candidates for US military aircraft but in light of the increased importance of our aid program in Iraq, and of our belief that adjustments are desirable in the US-UK procedures with regard to handling military assistance to the Iraqi Government. The survey mission will be a fact-finding one, designed to provide information to help us form a judgment as to whether we should provide assistance to the Iraqi Air Force, and if so in what form. We are anxious that the Mission proceed quietly, but in view of your request it will not go forward until we have had an opportunity to discuss the matter in Ankara.

Incidentally, our military people believe that Iran has received all the jet aircraft it can at present effectively use.

With best regards,

Sincerely,

Foster"

Text of Lloyd message pouched today.

Dulles

3. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, January 21, 1958.

SUBJECT

NSC 5801: "Long-Range U.S. Policy Toward the Near East"[1]

Discussion:

NSC 5801 is intended to replace NSC 5428[2] which was approved by the President on July 23, 1954. NSC 5801 represents a new effort to set forth our policy toward the Near East and attempts to reflect the many changes which have taken place in the area over the past four years. Significant changes of emphasis in the paper may be summarized as follows:

1. *General:* NSC 5801 attempts to reflect the undisputed position of Free World leadership in the area held by the United States and our greater involvement in intra-area affairs. The presence and position of the USSR is also recognized.

2. *Arab Unity:* The paper is based on the assumption that it is to the U.S. interest to encourage constructive efforts in the area to create indigenous strength in what is now a divided and weak Arab world. Accordingly, it recommends courses of action such as proclamation of U.S. support for the ideal of Arab unity and quiet efforts to strengthen the ties among Jordan, Iraq, and Saudi Arabia.

3. *The Palestine Problem:* A difference of opinion arose within the Planning Board as to the tactics of handling the Palestine problem which is reflected in paragraph 30.[3] A group led by Defense insists upon the importance of a U.S. initiative at this time. State has proposed language designed to provide necessary flexibility for the U.S. to deal with the Palestine problem in a manner and under circumstances consonant with our interests in the area and in the light of the developing situation. The substance of a Palestine settlement recommended is based on your speech of August 26, 1955.[4] At the suggestion of other agencies a suggestion (paragraph 30f, page 19)[5] has been added that a settlement should

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Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5801 Memoranda. Top Secret. Drafted by Bergus and concurred in by Dillon, Walmsley (who wrote he had "no objection to UN aspects"), and Jones.

[1] Dated January 10. (*Ibid.*) For the paper as approved, see Document 5.

[2] See *Foreign Relations*, 1952–1954, vol. IX, Part 1, pp. 525–536.

[3] See Document 4.

[4] For text, see Department of State *Bulletin*, September 5, 1955, pp. 378–380.

[5] The text of paragraph 30f of NSC 5801 is identical to the text of 30f of NSC 5801/1.

include some limitation of Israel immigration. This is couched in such permissive terms as not, we believe, to cause us future difficulty. A further difference arose within the Planning Board as to the future roles and missions of UNTSO and UNEF. State felt that these should be expanded, if circumstances favored it. JCS feels that if a successful initiative to solve the Palestine problem were taken, it would be unnecessary to expand these United Nations roles (paragraph 31).[6]

4. *East-West Conflict:* NSC 5428 was couched in terms of U.S. efforts to organize the entire area for defense against Communist aggression and subversion. NSC 5801 recognizes that there is substantial public opinion within the area which makes this objective probably unattainable for a very considerable period. The paper reflects our policy of supporting present indigenous defense arrangements but recommends against adhering to the Baghdad Pact at the time. It suggests that we resist Soviet efforts to obtain acknowledgment of their interests in the area and consider Soviet proposals for the area only if they would result in a substantial limitation of Soviet activity and no more than comparable U.S. concessions. This paragraph (No. 43), as presently drafted, appears self-contradictory, and we recommend clarifying language below.

5. *"Neutralism":* The paper recognizes the emergence of "neutralism" in the area over the past four years, suggests that it will be a permanent factor in the Near East political arena, and makes recommendations as to how we can best come to terms with it in the pursuit of U.S. objectives in the area.

6. *Economic and Military Aid:* The economic aid recommendations differ from the previous document primarily in their emphasis on promoting regional development. It is recommended that we be prepared to increase economic aid if necessary. With respect to military aid, the emphasis is more on holding such programs to the absolute minimum acceptable level. The possibility of extending reimbursable military aid to a "neutralist" country, where this is consonant with our overall interests, is left open.

Recommendations:[7]

1. That you recommend that the Council adopt NSC 5801.

2. That you support the State versions of paragraphs 30 and 31 on the Palestine dispute.

3. That you suggest that the first sentence of paragraph 43 be redrafted to read: "Resist Soviet proposals for agreements designed to obtain explicit and formal acknowledgment of the Soviet presence and interests in the area."

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[6] See Document 4.

[7] Dulles did not indicate approval or disapproval of any of the recommendations.

4. Memorandum of Discussion at the 352d Meeting of the National Security Council

Washington, January 22, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda item 1.]

2. *Long-Range U.S. Policy Toward the Near East* (NSC 5428;[1] NIE 30–2–57;[2] Memo for NSC from Acting Executive Secretary, subject: "Military Implications of Joint Resolution 117 on the Middle East", dated June 27 [*26*], 1957;[3] Memo for NSC from Executive Secretary, subject: "Military Implications of Joint Resolution 117 on the Middle East", dated July 16, 1957;[4] NSC Action No. 1753;[5] Memo for NSC from Acting Executive Secretary, subject: "U.S. Military Capabilities to Meet Situations Arising in the Middle East", dated August 5, 1957;[6] NSC Action No. 1771;[7] NSC 5801;[8] Staff Study on NSC 5801;[9] Memo for NSC from Executive Secretary, subject: "Long-Range U.S. Policy Toward the Near East", dated January 20, 1958[10])

General Cutler briefed the Council at very great length and in great detail on the contents of the proposed new statement of policy toward the Near East. (A copy of General Cutler's briefing note is filed in the minutes of the meeting, and another copy is attached to this memorandum.)[11]

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on January 23.

[1] See footnote 2, Document 3.

[2] See *Foreign Relations*, 1955–1957, vol. XII, pp. 594–611.

[3] See *ibid.*, p. 935, footnote 8.

[4] See *ibid.*, footnote 9.

[5] See *ibid.*, p. 573.

[6] See *ibid.*

[7] See *ibid.*

[8] See footnote 1, Document 3.

[9] Prepared by the Department of State, entitled "Long-Range Policy Toward the Near East," January 15, 1958. (Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5801 Memoranda)

[10] This memorandum from Lay to the NSC transmitted the views of the Joint Chiefs of Staff, January 17, on NSC 5801. (*Ibid.*)

[11] Printed below. The minutes of all National Security Council meetings are in the National Archives and Records Administration, RG 273, Records of the National Security Council, Official Meeting Minutes File.

Thereafter, General Cutler called attention to the most significant split in views in NSC 5801, which occurred at the beginning of paragraph 30, reading as follows:

"Defense–ODM–JCS Proposal

"30. As a matter of priority, take action toward achieving an early resolution of the Arab-Israeli dispute. To this end develop proposals, for submission by the United States directly or through the UN or through a third party, under which the parties to the dispute can work toward a peaceful and equitable settlement of their differences."

"State Proposal

"30. Constantly explore the prospects and possibilities of an effort by the United States directly, or by a third party inspired or encouraged by the United States, to persuade the Arab states and Israel to work toward a settlement along the lines of the Secretary of State's speech of August 26, 1955."

The President inquired, with respect to the State proposal, whether the subparagraphs of paragraph 30, which outlined the specific terms of a proposal to resolve the Arab-Israeli dispute, were in general consonant with the settlement proposed by the speech of the Secretary of State on August 26, 1955. General Cutler replied in the affirmative, and then explained why the Joint Chiefs of Staff favored the left-hand version of the introduction to paragraph 30, and why the State Department felt that its proposal was more realistic.

The President agreed that the version on the left-hand side was certainly more affirmative in tone, but he expressed the opinion that if the subparagraphs of paragraph 30 were acceptable, as they appeared to be, to both sides, he would prefer the State version rather than the Defense–JCS proposal, because the State version provided the greater flexibility in any attempt to resolve the Arab-Israeli dispute.

General Cutler then called on General Twining to express any further views of the Joint Chiefs of Staff. General Twining replied that he had nothing to add to the written views of the Joint Chiefs in favor of the version of paragraph 30 on the left-hand side. General Cutler then called on Secretary Quarles.

Secretary Quarles said he must admit that in paragraph 30 the Defense Department appeared to be meddling in the affairs of the State Department. Nevertheless, the Defense Department felt that it was so urgent to settle the Arab-Israeli dispute that a strong initiative by the United States was required. Our national policy on the Near East should be shaped by the concept that this was an area where World War III could very well commence. Moreover, our military authorities cannot guarantee to hold military actions in the Near East to small limited operations once war began. If everyone is prepared to accept this general

concept, Defense would agree to the version of paragraph 30 favored by the Department of State.

Secretary Dulles asked if he might speak to the general problem of Arab-Israeli tensions. Certain considerations on this subject were of such a nature that they were not presented to the NSC Planning Board. Thus the state of Israel was in fact the darling of Jewry throughout the world, and world Jewry was a formidable force indeed. The views of the Joint Chiefs of Staff and of the Department of Defense on the subject of a settlement, as well as the letter which Secretary Dulles had received from Secretary Quarles in December (peremptory in tone), were simply not realistic. This Administration had gone further in trying to moderate the policy and position of Israel, and to show greater sympathy for the Arabs, than any previous U.S. Administration. On the other hand, there were certain courses of action which simply could not be followed, from the domestic political point of view. When the state of Israel had been established, both the Department of State and the Department of Defense had been in agreement that the establishment of Israel, in the circumstances, would inevitably lead to the situation in the Near East which now confronts us. Nevertheless, the warnings and advice of the Departments of State and Defense had been ignored.

The best proof of the potency of international Jewry is that the Soviet Union, while constantly hinting to the Arab states that it will agree to help the Arabs to dismember Israel, has never actually come out publicly with such a statement of support. The Soviets rely on hints, and they are playing the game very cautiously despite the great prize which they could win in the Near East if they supported the destruction of Israel. Accordingly, if the USSR doesn't dare to tackle this situation forthrightly, other nations must approach the problem with care too. Among all of our allies, not a single one would support the policy toward Israel which the Arabs are demanding. There is no situation in the world to which this Administration has given more thought than the Arab-Israeli dispute. There are very grave problems to be faced. There is no greater danger to U.S. security. Perhaps, indeed, the USSR will ultimately get control of the Near East; but, in any event, there has been no tendency whatsoever to minimize this danger in the State Department over the last ten years. Secretary Dulles went on to say that he had searched his mind for a formula for ending Arab-Israeli hostility which had some prospect of sticking. In fact, he had presented one such formula in his speech of August 26, 1955. Neither side—the Arabs or the Israelis—would budge one inch from its position in order to approach the terms of this particular formula. The situation was tragic and disturbing. We are confronted with a clear threat to the security of the United States, and we cannot present a clean-cut practical solution. Accordingly, we are in fact reduced to following the old British formula of "muddling

through". For this formula it can at least be said that it has worked after a fashion and has enabled us to maintain friendly relations thus far with Saudi Arabia, Iraq, Jordan and Lebanon. In short, while the situation was precarious, it was not presently desperate.

Secretary Dulles then commented that Hammarskjöld had just come back from the Near East with a thesis for settling Arab-Israeli hostility which Secretary Dulles said he would like very much to be able to believe in, but found it hard to do so. Hammarskjöld argues that if we can bring about a union of the Arab states and end the insecurity in which the Arabs continually feel they live, then a mood of confidence would arise and the problem of Israel would become a secondary matter of a mere boundary dispute rather than a primary matter—that is, a threat to the security of the Arab nations. Secretary Dulles repeated that he found it extremely hard to accept the validity of Hammarskjöld's reasoning. If, indeed, the Arab nations did achieve unity, would the consequences be those suggested by Hammarskjöld? Or, on the contrary, would a united Arab state feel itself strong and secure enough to destroy Israel? Moreover, a unification of the Arab states might make Western Europe's situation with respect to oil even more serious than it now was. If the policy on the supply of oil from the Arab states to Western Europe were made uniform as a result of the unification of the Arab states, [*2 lines of source text not declassified*] the threat to the vital oil supply of Western Europe from the Near East would become critical. There were thus dangers in Hammarskjöld's thesis, though he is continuing to work on it.

Secretary Dulles went on to point out that one cannot always predict Soviet actions. It would appear that the Soviets have a free and open field in the Near East into which they could rush; but in point of fact, they have not moved in on the Near East as rapidly as they are capable of. They joined in the foundation of Israel and for a considerable time thereafter the Soviets backed the Israelis. Then they modified their policy and assumed a neutral position between Israel and the Arab states. Then, three or four years ago, they changed again, and adopted an out-and-out pro-Arab position. In brief, the situation in the Near East was too uncertain to permit us to say that we are doomed because at this time we cannot perceive a clear-cut and immediate course of action to settle this great problem of Arab-Israeli hostilities.

General Cutler explained the Planning Board's view of Arab unity, pointing out that the Planning Board recommendation would apply to unification only of the Arab states within the Arab peninsula. The Planning Board felt that if we could achieve such a unification, the interests of the United States would be better served if and when the present pro-Western Arab regimes fell. Secretary Dulles replied that he was not saying that the State Department opposed moves in the direction of Arab

unity; but the State Department wanted to be very careful that we did not end up by uniting the Arab states against the United States and the West.

The Vice President commented that he thought that the State Department version of paragraph 30 was adequate. On the other hand, anyone who has visited the Near East or studied the area must certainly have reached the conclusion that the major immediate problem there was the problem of the Arab refugees. On this problem the Vice President said he urged a new look and the allocation of new resources and money if they were needed. Solution of the refugee problem, the Vice President thought, was the thing to concentrate on at the moment.

Secretary Dulles replied that in point of fact the Under Secretary of State was giving his special attention currently to trying to devise an answer to the Arab refugee problem, and he accordingly invited Secretary Herter to comment. Secretary Herter observed that every approach thus far made to the Arabs on ways and means to solve the problem elicited no response whatsoever. While the Israelis had indicated a willingness to make some concessions to start solving this problem, they naturally do not want to put all their cards on the table at once.

Mr. George Allen said that he well understood the frustrating character of all attempts to solve Arab-Israeli tension. Nevertheless, he had one suggestion to throw out, which the members of the Council, he feared, might find rather shocking at first sight. The question of further Jewish immigration into Israel was perhaps an even more difficult aspect of Arab-Israeli hostility than the question of the Arab refugees. Could we consider, accordingly, a position that the United States will not support any further immigration into Israel except in instances where religious persecution of Jews is shown to exist? The Zionists of the world would not be happy with such a U.S. position, but middle-of-the-road Jews throughout the world would probably give this position considerable support. Most of the Jews who at the present time desire to emigrate and go to Israel come either from Morocco and Tunisia or else from areas behind the Iron Curtain. There is no religious persecution of Jews in Morocco and Tunisia, and the Jews within the Soviet Union at least suffer no more religious persecution than Christians. Accordingly, Mr. Allen thought his proposal worth consideration. If we took up a policy of opposing further immigration of Jews into Israel we would, of course, have to follow up this policy by refusing tax exemption to contributions made by Americans in support of organized immigration into Israel.

Secretary Dulles expressed the belief that we could not end such tax exemptions without recourse to an Act of Congress, and he and his State Department colleagues believed that there was no possibility of the Congress passing an act to end tax exemption on contributions made on

behalf of emigrants desiring to settle in Israel. This proposal, in point of fact, had been studied for a long time in the State Department. Secretary Dulles then pointed out that the Israelis have recently applied to the Export-Import Bank for a large loan designed for developmental purposes in Israel. The Bank has advised the State Department that the Israeli loan request is a borderline case, and the Bank will be prepared to grant the loan if the State Department says that such a course of action is advisable. On the other hand, Secretary Dulles had told Ambassador Eban that the State Department thinks it unwise to help Israel to develop additional lands and resources if the newly-available land is to be devoted to helping new immigrants into Israel rather than helping refugees already there. If the Israelis would agree that such a loan would be used to assist the existing population, it would probably be in the interests of the United States to grant the loan. Ambassador Eban has stated that he would talk to Prime Minister Ben-Gurion about our views on this loan, but we expect a negative response from Ben-Gurion. In short, the State Department would like to make this loan conditional on the adoption by Israel of a new over-all immigration policy with perhaps some help to the Arab refugees. On the other hand, we doubt very much whether our hopes are a real possibility in an election year.

In response to Secretary Dulles' expression of pessimism, the Vice President pointed out that if the Administration made a real issue of this matter, it would win in Congress in the long run. The Vice President expressed himself as opposed to granting the Export-Import Bank loan to Israel unless it were part and parcel of a new over-all immigration policy by Israel.

Admiral Strauss asked if he might comment. He stated at the outset that he was not a Zionist and, on the contrary, he had opposed the creation of the state of Israel. He still made no contributions to the support of Israel, his contributions being confined to assisting the Arab refugees in Israel. Nevertheless, he believed that perhaps the Secretary of State was under the misapprehension that all Jews in the world were strongly behind the Israeli state. This was not so. The creation of Israel had managed to save the lives of two or three million Jews. Mr. Allen's point—that Jews desiring to emigrate to Israel came from countries where Jews were not persecuted for their religion—was not quite accurate. It overlooked the fact that in countries like Morocco and Tunisia economic persecution of Jews stemmed directly from the fact that they were Jews. Thus, if we try to limit immigration into Israel and to impede philanthropy in support of this immigration, we would not only lose the support of all Zionists, but we would also lose the broad support of all philanthropic people as well, unless we could find alternate havens of refuge for persecuted Jews. At the moment, Admiral Strauss said he could see no such alternate havens.

Mr. Allen pointed out that his proposal did not contemplate merely preventing further immigration of Jews into Israel. This course of action would be balanced by other courses of action to make an acceptable package.

(At this point in the meeting—10:10 a.m.—General Cutler pointed out that Secretary Quarles would have to leave the meeting presently to go to Capitol Hill, and that before Secretary Quarles left he would like to read to the Council the record of action on "Priorities for Ballistic Missiles and Satellite Programs" which the President had recently approved. For discussion of this item, see the next agenda item.)

General Cutler then asked the Council to direct its attention to the two other splits in NSC 5801. The first of these occurred in the first sentence of paragraph 31, which he read as follows:

"Seek to maintain the United Nations Truce Supervisory Organization (UNTSO) and the United Nations Emergency Force (UNEF) [and possibly expand their missions]*[12] until such time as major differences between Israel and her neighboring states have been resolved and the likelihood of armed conflict has been significantly reduced.

"* JCS proposes deletion."

General Cutler explained briefly why the Joint Chiefs of Staff were opposed to an attempt to expand the missions of the United Nations Emergency Force, and why the State Department believed that such an expansion would be desirable. In further explanation of the views of the Joint Chiefs, General Twining pointed out that the nations which had originally been interested in the UNEF at the time of the Suez controversy did not seem interested any more. Secretary Dulles commented that he doubted whether any significant expansion of the mission of UNEF was likely or that it would be likely to undertake new tasks. On the other hand, it might be desirable to expand the mission of UNEF to the point that the UNEF could be stationed on both sides of hostile borders rather than being confined, as now, to the Arab side of the border. Secretary Dulles paid tribute to the valuable service which the UNEF had performed in the past. General Cutler suggested language which met the Secretary of State's point and which was agreeable to the other members of the Council.

General Cutler next directed the Council's attention to the remaining difference of view, which occurred in paragraph 44, reading as follows:

"When pro-Western orientation is unattainable, accept neutralist policies of states in the area even though such states maintain diplomatic, trade and cultural relations with the Soviet bloc (including the receipt of military equipment) so long as these relations are reasonably

[12] Brackets in the source text.

balanced by relations with the West. Be prepared to provide economic and [reimbursable]*[13] military assistance to such states in order to develop local strength against Communist subversion and control and to reduce excessive military and economic dependence on the Soviet bloc.

"*Defense and Treasury proposal."

After General Cutler explained the opposition of Defense and Treasury to providing grant military assistance to the states of the Near East, the President commented that in point of fact we do give military assistance to certain nations with whom we have no military agreements. To that extent, at least, we provide grant military assistance to neutral nations.

On the other hand, Secretary Dulles stated that he was inclined to agree with the proposal made by the Joint Chiefs of Staff that we decide to provide such aid on a case-by-case basis. We should remember, for example, that we might want to provide small amounts of grant military aid to Yemen if doing so offered a chance of changing the present direction of Yemen's policy.

The President then suggested revised wording for paragraph 44.

The National Security Council:[14]

a. Discussed the draft statement of policy on the subject contained in NSC 5801; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of January 20, 1958.

b. Noted the statement by the Vice President as to the urgency of dealing with the Arab refugee problem.

c. Adopted the statement of policy in NSC 5801, subject to the following amendments:

(1) *Page 18, paragraph 30:* Include the State proposal in the right-hand column.

(2) *Page 20, paragraph 31:* Substitute for the bracketed phrase and the footnote thereto, the following: ", with possibly a limited expansion of their missions,".

(3) *Page 24, paragraph 43:* Revise the first sentence to read as follows: "Resist Soviet proposals for agreements designed to obtain explicit and formal acknowledgment of the Soviet presence and interests in the area."

(4) *Page 24, paragraph 44:* Substitute for the last sentence and the footnote thereto, the following: "Be prepared to provide assistance, on a case-by-case basis, to such states in order to develop local strength against Communist subversion and control and to reduce excessive military and economic dependence on the Soviet bloc."

Note: NSC 5801, as amended by the action in c above, subsequently approved by the President; circulated as NSC 5801/1 for implementa-

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[13] Brackets in the source text.

[14] Paragraphs a–c and the Note that follows constitute NSC Action No. 1845, approved by the President on January 24. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

tion by all appropriate Executive departments and agencies of the U.S. Government; and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

[Here follow agenda items 3–6.]

S. Everett Gleason

[Attachment][15]

Briefing Note by the President's Special Assistant for National Security Affairs (Cutler)

Washington, January 21, 1958.

NEAR EAST (JANUARY 22, 1958)

1. The Planning Board has been studying the Near East area (involving 11 nations) since September, at ten meetings. In no case that I remember have we been at more pains to inform ourselves. We have made full use of eight National and Special Intelligence Estimates, have prepared and discussed comprehensive economic and military compilations, and have considered an excellent Staff Study prepared by the State Department against this background (and which has been issued under a separate cover).

2. Current trends in the Near East are unfavorable to Western interests; US and Western influence has declined, while Soviet influence has greatly increased. Let me summarize from the General Considerations the beliefs generally held by Arabs today:

(1) (*Para. 2.*) Many Arabs believe that the US is seeking to protect its interest in Near East oil by supporting the status quo and by opposing political or economic progress.

(2) (*Paras. 2, 8.*) Many Arabs believe that the US seeks to maneuver the Arab states into a position where they will be committed to fight in a world war against the Soviet Union, in the face of traditional Arab reluctance to any sort of commitment.

(3) (*Para. 2.*) Many Arabs believe that the *USSR*, on the contrary, favors the goals of Arab nationalism and is willing to support the Arabs in their efforts to attain these goals without a quid pro quo.

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[15] Top Secret.

(4) (*Para. 6.*) Many Arabs believe that their interests are best served by a competition between the Free World and the Soviet bloc, rather than by the exclusion of either.

(5) (*Paras. 6, 3.*) Many Arabs believe that *Israel* poses a greater threat to Arab interests than Communist imperialism; and that *Israel* must be, if not destroyed, at least contained and isolated.

(6) (*Paras. 3, 4.*) Many Arabs believe that, while the *Soviets* support the Arabs against Israel, the US gives Israel more aid through public *and* private channels than it gives to all Arab states, thus making it possible for Israel to maintain a powerful military machine; that the US supports the Israeli position on the Arab refugees and on immigration of Jews into Israel.

(7) (*Paras. 5, 8.*) Many Arabs believe that, in the face of the Arab ideal for Arab unity, the US desires to keep the Arab world disunited in order to dominate the area, and is committed to work with "reactionary" elements to that end. Both the Baghdad Pact and the American Doctrine are interpreted as having this motivation.

(8) (*Para. 11.*) Many Arabs identify the US with the "colonial" and "ex-colonial" powers in the area. (The UK in the Persian Gulf and Aden; France in Israel and Algeria.)

(9) (*Para. 13.*) Many Arabs believe that unfair arrangements with the oil companies and a Western desire to keep the Arab world as a source of raw materials and as a market for Israel prevent achievement of higher Arab living standards; that the US has the resources to perform economic miracles in the Arab countries if only it desired to do so.

3. Against such a background of mistaken and prejudicial Arab beliefs, these primary problems stand out in this ancient crossroad of civilization:

a. How and where to find enough indigenous strength—political, economic and military—upon which to build an effective resistance to Communist penetration; and how to deal with the Communist penetration which has already occurred in the area?

b. How to resolve the overriding Arab-Israeli dispute?

c. And, related to this last question, how to solve the Palestine refugee problem?

4. Our draft statement of policy recognizes these primary problems. While it goes further than the old policy in trying to meet them, some may think that it does not go far enough.

5. As to the *first* problem—how to find strength in the area upon which to build in order to counter Communist penetration and how to deal with the penetration which has already occurred—the policy guidance mentions three basic elements:

a. US support for the ideal of Arab unity, with discreet encouragement for *ultimate* union of Arab countries in the Arabian peninsula.

b. Greater emphasis upon the political and economic aspects of our policy, less upon the military.

c. Resistance to agreements with the USSR which would explicitly recognize the Soviet presence and interest in the area; but qualified acceptance of neutral policies on the part of Arab states.

You will find these matters covered on pages 15–17, where I wish to call your attention to paras. 21, 23, 24, 25, 26. Also on pages 24 and 25, from which I will read paras. 43, 44, 45.

The Bloc has recently offered further credits to Yemen, raising to $61 million its total bid for control of Yemen. In view of this situation, I should like to read the paragraph on Yemen which is included in the country paragraphs at the end of the paper (para. 52 on page 28).

6. As to the *second* problem—how to resolve the Arab-Israeli dispute—you will find *general* guidance on principles and a general proposal on procedure, but *not action steps* to solve the problem. Turn to page 18, where I ask you to look with me at paras. 30, 36, 38, 39 and 40.

7. As to the *problem* of the Palestinian refugees, the guidance suggests the continuance of existing programs and *further study* rather than a decisive course of present action. Turn to page 22, where I call attention to para. 37.

(A recent issue of the London *Economist*, commenting on the failure of certain UN governments to provide, or even promise, bare minimum funds needed to continue the Palestine Arab refugee program, gloomily prophesies—"for want of less than $1 million, a virtually guaranteed explosion in the Near East this year.")

8. That the Planning Board has in some cases been able only to recommend the *need* for a solution, and a *procedure* to follow, instead of a *substantive policy* guiding to a solution, is frustrating. We recognize the difficult problems in the area and the difficulties involved in finding new answers to them—including the difficulty of changing policies to which we have been committed. But I wonder whether we must not soon seek out new measures in the political and economic fields which would take more account of the aspirations and beliefs of the *Arab* peoples rather than reflect too much *our* fears for them of the Communist threat (great as that threat is).

9. Mr. Randall finds the proposed policy satisfactory from the standpoint of foreign economic policy.

The Department of Agriculture has no objection to the two paragraphs (56–57) on agricultural surplus disposal.

5. National Security Council Report

NSC 5801/1 Washington, January 24, 1958.

NOTE BY THE EXECUTIVE SECRETARY TO THE NATIONAL SECURITY COUNCIL ON LONG-RANGE U.S. POLICY TOWARD THE NEAR EAST

REFERENCES

A. NSC 5428[1]
B. NIE 30–2–57[2]
C. NSC Action No. 1771[3]
D. NSC 5801; Staff Study on NSC 5801[4]
E. Memo for NSC from Executive Secretary, same subject, dated January 20, 1958[5]
F. NSC Action No. 1845[6]

The National Security Council, Mr. Fred C. Scribner, Jr., for the Secretary of the Treasury, and the Director, Bureau of the Budget, at the 352nd Council meeting on January 22, 1958, adopted the amendments to NSC 5801 set forth in NSC Action No. 1845–c.

The President has this date approved the statement of policy in NSC 5801 as amended, adopted, and enclosed herewith as NSC 5801/1; directs its implementation by all appropriate Executive departments and agencies of the U.S. Government; and designates the Operations Coordinating Board as the coordinating agency.

NSC 5801/1 supersedes NSC 5428.

James S. Lay, Jr.[7]

[Here follows a table of contents.]

Source: Department of State, S/S–NSC Files: Lot 63 D 351, 5801 Memoranda. Top Secret. The statement of policy and a related staff study were prepared by the Department of State and submitted to the NSC Planning Board, where they were discussed and revised. The texts of those drafts and revisions are *ibid.* A two-page annex, "Summary of Publicly Announced United States Policy on Near Eastern Questions," and a four-page financial appendix to NSC 5801/1 are not printed.

[1] See footnote 2, Document 3.

[2] See footnote 2, Document 4.

[3] See footnote 7, Document 4.

[4] See footnotes 8 and 9, Document 4.

[5] See footnote 10, Document 4.

[6] See footnote 14, Document 4.

[7] Printed from a copy that bears this typed signature.

[Enclosure]

STATEMENT BY THE NATIONAL SECURITY COUNCIL OF LONG-RANGE U.S. POLICY TOWARD THE NEAR EAST[8]

General Considerations

1. The Near East is of great strategic, political, and economic importance to the Free World. The area contains the greatest petroleum resources in the world and essential facilities for the transit of military forces and Free World commerce. It also contains the Holy Places of the Christian, Jewish, and Moslem worlds and thereby exerts religious and cultural influences affecting people everywhere. The security interests of the United States would be critically endangered if the Near East should fall under Soviet influence or control. The strategic resources are of such importance to the Free World, particularly Western Europe, that it is in the security interest of the United States to make every effort to insure that these resources will be available and will be used for strengthening the Free World. The geographical position of the Near East makes the area a stepping-stone toward the strategic resources of Africa.

2. Current conditions and political trends in the Near East are inimical to Western interests. In the eyes of the majority of Arabs the United States appears to be opposed to the realization of the goals of Arab nationalism. They believe that the United States is seeking to protect its interest in Near East oil by supporting the status quo and opposing political or economic progress, and that the United States is intent upon maneuvering the Arab states into a position in which they will be committed to fight in a World War against the Soviet Union. The USSR, on the other hand, has managed successfully to represent itself to most Arabs as favoring the realization of the goals of Arab nationalism and as being willing to support the Arabs in their efforts to attain those goals without a quid pro quo. Largely as a result of these comparative positions, the prestige of the United States and of the West has declined in the Near East while Soviet influence has greatly increased. The principal points of difficulty which the USSR most successfully exploits are: the

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[8] Includes Egypt, Yemen, Jordan, Saudi Arabia, Lebanon, Syria, Iraq, Israel, Sudan, and the Arabian Peninsula Sheikdoms. Takes into account as appropriate, the importance of Iran, Turkey and Pakistan to the Near East, but does not attempt full coverage of U.S. policies toward Iran, Turkey and Pakistan, which are included in other NSC reports (NSC 5703/1, NSC 5708/2, and NSC 5701). [Footnote in the source text. NSC 5703/1, "U.S. Policy Toward Iran," approved February 8, 1957, is in *Foreign Relations*, 1955–1957, vol. XII, pp. 900–910; NSC 5708/2, "U.S. Policy on Turkey," June 29, 1957, is *ibid.*, vol. XXIV, pp. 720–727; and NSC 5701, "U.S. Policy Toward South Asia," approved January 10, 1957, is *ibid.*, vol. VIII, pp. 29–43.]

Arab-Israeli dispute; Arab aspirations for self-determination and unity; widespread belief that the United States desires to keep the Arab world disunited and is committed to work with "reactionary" elements to that end; the Arab attitude toward the East-West struggle; U.S. support of its Western "colonial" allies; and problems of trade and economic development.

3. The U.S. role in the United Nations and elsewhere in the circumstances surrounding the emergence of the State of Israel, subsequent U.S. official and private economic assistance to Israel, and U.S. political support of Israel, are the primary bases for criticism of the United States in the Arab world. Extremist Arabs call for the extinction of Israel by force, but the containment and isolation of Israel is the general Arab objective, because the fear of Israeli expansionism pervades the Arab world. Israel seeks to establish itself as a permanent entity in the Near East, viable both territorially and economically, in the context of the fulfillment of its self-ordained mission to maintain a sovereign Zionist state, and to "ingather the exiles", and bringing a majority of the Jews of the world to live in Israel. Since about 1952, the USSR has been a partisan of the Arabs against Israel. In 1950 the United States joined with Britain and France in a Tripartite Declaration to the effect that the three Governments would seek to prevent an arms race in the area and that, should the three Governments find that any of the Near East states was preparing to violate frontiers or armistice lines, the three Governments would, consistent with their obligations as members of the United Nations, immediately take action, both within and outside the United Nations, to prevent such violation.[9] The United States has adhered to the principles of that Declaration, but the British and French in fact disavowed it at the time of the Suez invasion.

4. The United States supports the continued existence of Israel and also supports the territorial integrity of the Arab states against Israeli aggression. The United States strongly desires to see a settlement of the Palestine problem. Specific points of friction between the Arabs and the United States on the Arab-Israeli problem include:

a. *Israeli military superiority.* Even though the United States has not been a major supplier of arms to Israel, the Arabs contend that it is only because of massive United States support that Israel is able to maintain a powerful military machine.

b. *The problem of the Arab refugees.* The Arabs contend that the 900,000 Arab refugees should be permitted to return to their former homes in Israel; the Israelis maintain that they would pose an unsurmountable security problem to Israel and should be resettled in the Arab states. The Arabs believe that the United States supports Israel in this position.

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[9] For text, see *American Foreign Policy, 1950–1955: Basic Documents*, vol. II, p. 2237.

c. *United States public and private aid to Israel.* The Arabs believe that the United States Government has given more aid to Israel with a population of 2 million than it has to the Arab states with a population of 40 million. The Arabs complain that United States Government action in permitting gifts to the United Jewish Appeal to be deducted as charitable contributions in calculating United States income tax constitutes a further subsidy on the part of the United States Government to Israel.

d. *Israeli immigration policies.* The Arabs believe that the Israeli policy of encouraging Jews from all over the world to settle in Israel is bound to result in further Israeli demands for lebensraum in the area. The Arabs believe that the United States supports Israel in this position.

e. *Israeli use of the Suez Canal and the Gulf of Aqaba.* The United States supports the right of Israel to use the Suez Canal on the basis of the Constantinople Convention of 1888 and the UN Security Council decision of 1951.[10] The U.S. aide-mémoire of February 11, 1957,[11] recognizes a right of innocent passage through the Straits of Tiran and the Gulf of Aqaba. The Arabs look upon both these U.S. positions as U.S. support for Israel in its efforts to circumvent the effects of the Arab economic boycott, and our views on Aqaba are considered a reward for Israeli aggression against Egypt in 1956.

5. The Arab countries display a jealous and exaggerated concern over their present sovereignty. The majority of Arab opinion feels that the Arab place in the sun cannot be achieved in the context of the present situation, where human and physical resources are divided among eleven separate national entities and parts of the Arab world are still under the control of Western Powers. While there are probably decisive historical, ethnic and cultural obstacles to Arab unity in the sense of an Arab empire reaching from Casablanca to the Persian Gulf, it has become a widespread aspiration, particularly among the growing semi-educated urban element. Historically speaking, it might well be argued that the tendency of the area is toward fragmentation. Nevertheless, the *mystique* of Arab unity has become a basic element of Arab political thought. Our economic and cultural interests in the area have led not unnaturally to close U.S. relations with elements in the Arab world whose primary interest lies in the maintenance of relations with the West and the status quo in their countries—Chamoun of Lebanon, King Saud, Nuri of Iraq, King Hussein. These relations have contributed to a widespread belief in the area that the United States desires to keep the Arab world disunited and is committed to work with "reactionary" elements to that end. The USSR, on the other hand, is not inhibited in proclaiming all-out support for Arab unity and for the most extreme Arab

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[10] For a translated text of the Constantinople Convention, see Department of State, *The Suez Canal Problem, July 26–September 22, 1956* (Washington: U.S. Government Printing Office, 1956), pp. 16–20. For text of the 1951 U.N. Security Council resolution, see *American Foreign Policy: Current Documents, 1957*, pp. 907–909.

[11] For text, see *ibid., 1950–1955: Basic Documents*, vol. II, pp. 2251–2252.

nationalist aspirations, because it has no stake in the economic or political status quo in the area.

6. Communism in both its domestic and international guises has appeared in the area as the latest of a series of foreign ideologies. The area's indigenous institutions and religions lack vigor (partly as a result of the impact of nearly 200 years of Western culture), and native resistance to Communism per se has, therefore, been disappointing. Furthermore, Communist police-state methods seem no worse than similar methods employed by Near East regimes, including some of those supported by the United States. Many Arabs incline to the belief that their own interests are best served by a competition between the Free World and the Soviet bloc for Arab favor. The Arabs are confident of their ability to play such a game. The Arabs sincerely believe that Israel poses a greater threat to their interests than does international Communism. The USSR freely endorses Arab aspirations for the elimination of all Western influence from the area, particularly Arab-Western military arrangements, which cause concern to Soviet leaders. The USSR repeatedly calls attention to its propinquity to the areas as against the remoteness of the West.

7. The Joint Resolution of March 9, 1957,[12] states that "the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any such nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism . . . ."[13] The Resolution also authorized the President to extend economic and military assistance to carry out the purposes of this Resolution. After passage of the Resolution, Ambassador James P. Richards visited the area for discussions with the Governments of the Near East states. As a result of this trip, and other developments, Iraq, Israel and Lebanon have formally accepted the Joint Resolution. Jordan has welcomed military and economic assistance extended under the Joint Resolution but has publicly rejected formal adherence. While Saudi Arabia has not formally accepted the Joint Resolution, it has publicly endorsed its underlying principles. Syria, Egypt, Yemen, and the Sudan have rejected the Resolution.

8. Certain Arab states have surplus agricultural commodities which compete with our own in world markets but which the Soviet bloc is willing to purchase. Where the United States and its friends seek a level of stability in the area to permit peaceful economic and social

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[12] For text, see *ibid.: Current Documents, 1957*, pp. 829–831.

[13] Ellipsis in the source text.

progress, nationalist Arabs and the Soviets need continuing chaos in order to pursue their separate aims. Many Arabs remain unconvinced of their stake in the future of the Free World. They believe that our concern over Near East petroleum as essential to the Western alliance, our desires to create indigenous strength to resist Communist subversion or domination, our efforts to maintain existing military transit and base rights and deny them to the USSR, are a mere cover for a desire to divide and dominate the area. Both the Baghdad Pact and the American Doctrine are interpreted as having this motivation. There is also opposition to them based on the fear that they increase the risk of bringing World War III to an area which escaped the horrors of and indeed profited from World War II. The "stand up and be counted" character of the American Doctrine is incompatible with traditional Arab reluctance to be committed.

9. The Soviet Union has been quick to exploit this situation. It has formed de facto alliances with Egypt and Syria, while seeming to support their professed policy of non-alignment. It has provided these countries with substantial military and economic credits and technical assistance. It has given public indications of its willingness to come to their aid if they should be involved in hostilities. It is acquiring an increasing stake in the area—in terms of influence and prestige. It may well be willing to incur substantial risks to maintain that stake. This willingness, coupled with bitter disputes between its de facto allies and other states in the area, creates a continuing risk that instability in this area may eventually give rise to widening hostilities.

10. Of the countries covered by this paper, only Iraq had received U.S. military grant aid prior to FY 1957 ($48.2 million programmed, FY 1954–57). During the past year the United States has agreed to provide $35 million in military assistance to Saudi Arabia, $10 million to Jordan and $3.8 million to Lebanon. Percentages of national budgets devoted to military purposes range from 59 per cent for Jordan and 28.6 per cent for Iraq to 18 per cent for Israel and nine per cent for the Sudan. All countries of the area have forces capable of maintaining internal security (in the case of the Sudan, just barely). Israel, Iraq and Egypt could defend themselves against invasion by their neighbors, except that Egypt could, at best, hold Israel at the Suez Canal. Only Israel would be capable of effective delaying action against a major power; Iraq would be capable of some minor harassing action. Should Soviet military support continue at roughly the present level—as is likely—and should Western assistance remain limited, the military power of Egypt and Syria will constitute a growing pressure on their neighbors and a threat to Israel.

11. Since the British-French-Israeli invasion of Egypt in November 1956, the United States has been the undisputed leader of Free World interests in the area, and there has been tacit recognition of that fact by

our British and French allies in all areas except the Persian Gulf and the Aden area. The continuing and necessary association of the United States in the Western European Alliance makes it impossible for us to avoid some identification with the powers which formerly had, and still have, "colonial" interests in the area. The United Kingdom is convinced that its continued predominance in the Persian Gulf is essential to guarantee the flow of oil necessary to maintain the British domestic economy and international position. Saudi Arabia undoubtedly over the long run envisions the reduction or elimination of British influence in the Gulf and the reduction of British-protected rulers to a position of Saudi vassals. The Persian Gulf States and the Aden Colony and Protectorate are considered by Arab nationalists as *terra irridenta* in the Eastern Arab world. The Western alliance makes the United States a target for some of the animus which this situation generates. The continuing conflict in Algeria excites the Arab world and there is no single Arab leader, no matter how pro-Western he may be on other issues, who is prepared to accept anything short of full Algerian independence as a solution to this problem. There is fertile ground for Soviet and Arab nationalist distortion of the degree of U.S. and NATO moral and material support to the French in Algeria.

12. There has been a substantial increase in production in the area since the close of World War II and a significant rise in living standards except in Egypt. This rise has only served to whet the mass appetite for more progress and more material advantages. The rise in living standards has in many cases had the effect of moving people from a settled tribal or village environment into an urban realm of potential conflict with new forces and new ideas. Even with this rise in living standards, the economic levels throughout most of the area continue to be very low and extremes of wealth and poverty remain.[14]

13. The tendency in the area is to ascribe the blame for the gap between the present living standard and popular desires with respect to economic progress and development to external factors such as "colonialism", unfair arrangements with the oil-producing companies, and a desire on the part of the West to keep the Arab world relatively undeveloped so that it may ultimately become a source of raw materials and the primary market for Israeli industry. The Arabs have failed to realize what is involved in the planning of major development programs either on a national or regional basis, or in establishing orderly processes of capital formation within the area. U.S. economic and technical assist-

[14] The country with the highest gross national product, Israel, with roughly $607 per capita had a higher per capita GNP than any Latin American country except Venezuela. On the other hand, the per capita GNP's of countries such as Jordan are extremely low. [Footnote in the source text.]

ance programs have contributed substantially to the economic development of the area. However, we have become victims of our own reputation for rapid, skillful and imaginative execution of major engineering works, and the Arabs feel that we have the resources with which to perform miracles in their countries if only we desired to do so.

14. A further problem is created by the fact that certain of the agricultural commodities produced by the area have become surplus to and competitive with the needs and products of the West. This is particularly true with respect to Egyptian and Sudanese cotton and is periodically true of such crops as Syrian grains, Iraqi cereals and dates, and Lebanese fruit.

15. The United States is not without assets in the area. Our long tradition of philanthropic and educational efforts in the Near East; the respect which is engendered by our military power; our own revolutionary tradition and our identification with the principle of self-determination; the abundance of our wealth; the advancement of our science and technology; all contribute to our position in the area. There are no basic impediments of personality, background or culture to the establishment and maintenance of close personal friendships between the peoples of the Near East and Americans. Nevertheless, we must recognize that unless we are willing to work actively toward a solution of the political, economic and military problems of the area, particularly with respect to Arab-Israeli differences, we cannot exclude the possibility of having to use force in an attempt to maintain our position in the area. Yet we must recognize that the use of military force might not preserve an adequate U.S. political position in the area and might even preserve Western access to Near East oil only with great difficulty.

Objectives

16. Availability to the United States and its allies of the resources, the strategic positions and the passage rights of the area, and the denial to the Soviet bloc of strategic positions and control over such resources.

17. Stable, friendly and progressive governments in the area, consolidated into politically and economically viable units where consonant with our interests; aware of the threat to their own independence and integrity posed by international Communism.

18. An early resolution of the Arab-Israeli dispute.

19. Prevention of the further extension of Soviet influence in the area and reduction of existing Soviet influence.

General Policy Guidance

20. Provide Free World leadership and assume, on behalf of the Free World, the major responsibility toward the area; acting with or in consultation with other Free World countries, particularly the United

Kingdom, to the greatest extent practicable, but reserving the right to act alone.

21. In all relations with the peoples of the area, demonstrate our peaceful intentions, strengthen our influence, and reduce the risk of turmoil and conflict by:

a. Emphasizing U.S. concern for the economic, social and cultural advancement of the peoples of the area, without minimizing the dangers of Communism and Soviet aggression.

b. Emphasizing the political and economic aspects of our policy over its military aspects.

c. Making clear to the peoples of the area that the United States and the Free World generally (as contrasted with the USSR and international Communism) desire to see established in the area conditions of peace, stability, and economic and human development.

d. Demonstrating to the Arab states that we are prepared to support political measures looking toward a system of strong and independent sovereign states in the area, including the union of two or more Arab states.

22. Rather than attempting merely to preserve the status quo, seek to guide the revolutionary and nationalistic pressures throughout the area into orderly channels which will not be antagonistic to the West and which will contribute to solving the internal social, political and economic problems of the area.

23. Encourage the economic development of the area through:

a. Measures of national self-help.

b. Soundly-conceived regional Arab economic development projects supported to the maximum extent possible by indigenous revenues.

c. Attempting to increase the availability of Free World resources for the economic development of the area.

d. Continuing U.S. economic assistance, while encouraging its gradual replacement by loans from indigenous sources, the IBRD and the Export-Import Bank, and by private enterprise.

e. Continuing U.S. technical assistance for country and regional programs at a level within the capacity of the recipients effectively to utilize.

24. Be prepared, if the situation requires, to increase U.S. aid for special economic problems and for economic development (especially regional).

25. Continue to study the possibility of establishing an Arab economic development institution (supported by indigenous revenues and external contributions) to finance country and regional projects, determining at the appropriate time the extent of U.S. contribution and participation.

26. Provide military aid to friendly countries to enhance their internal security and governmental stability and, where necessary, to

support U.S. plans for the defense of the area. To the extent consistent with U.S. security interests, limit military aid to the economic capabilities of the recipient countries. Endeavor to reduce the current preoccupation of area states with fancied needs for growing military establishments.

27. Encourage those indigenous regional defense arrangements which serve to increase the stability and strengthen the security of the area against Communist aggression. Participate in such arrangements to the extent that U.S. interests, taking into account the political climate in the area, make such participation practical and desirable from the U.S. point of view.

28. Support leadership groups which offer the best prospect of orderly progress toward the objectives of this policy. Seek to discredit groups which promote pro-Soviet thinking. Seek to increase the participation of urban "intellectuals" in Western-oriented activities.

29. Strengthen U.S. training, cultural, educational, information, and personnel exchange programs, and stimulate private U.S. activities in the area, and continue technical assistance programs for these purposes. Seek to create a climate favorable to the United States through the maximum encouragement of effective direct relations between U.S. citizens and peoples of the area.

Specific Policy Guidance

Arab-Israeli Dispute

Resolution of Arab-Israeli Dispute

30. Constantly explore the prospects and possibilities of an effort by the United States directly, or by a third party inspired or encouraged by the United States, to persuade the Arab states and Israel to work toward a settlement along the lines of the Secretary of State's speech of August 26, 1955.[15] Such a settlement should include the following elements:

a. Adjustment of Israeli-Arab boundaries by mutual agreement; the United States to participate if necessary to obtain agreement in formal treaty arrangements to prevent or thwart any effort by either side to alter the boundaries by force.

b. A satisfactory solution of the refugee problem which might include (1) repatriation to Israel to the extent feasible and resettlement in Arab states or other areas of refugees not repatriated; (2) compensation by Israel to the refugees, partly financed by an international loan; (3) U.S. participation in financing rehabilitation projects for refugee resettlement.

c. A United Nations review of the Jerusalem problem, involving a possible United Nations General Assembly decision recognizing Israeli

[15] See Summary in Annex. [Footnote in the source text.]

and Jordanian sovereignty over portions of Jerusalem but reserving an international interest in the Holy Places themselves.

d. An agreed and equitable division of the waters of the Jordan River system between Israel and the interested Arab states, including action with respect to segments of such a system where practicable, and the establishment of any necessary control authority.

e. Relaxation of the secondary and, if feasible, the primary boycott by Arab states. Lifting of the Arab blockade of the Suez Canal. Establishment of Arab transit rights across Israel and vice versa.

f. Agreed limitation of annual immigration into Israel. Examination with other Free World countries of means of accepting immigrants who are excluded from Israel by such limitation.

Be prepared to accept, if necessary, a settlement short of formal peace and addressed to only some rather than all of the outstanding issues, and with only some rather than all of the Arab states.

Thwarting of Aggression

31. Seek to maintain the United Nations Truce Supervisory Organization (UNTSO) and the United Nations Emergency Force (UNEF), with possibly a limited expansion of their missions, until such time as major differences between Israel and her neighboring states have been resolved and the likelihood of armed conflict has been significantly reduced. Seek full compliance with the Armistice Agreements of 1949 by the parties thereto. Remain alert to the possibilities of constructive UN action in such fields as Arab-Israeli tensions or other intra-area disputes.

32. Continue limitations on shipments of arms to Israel except for the minimum numbers and types necessary for maintenance of internal law and order, and on a realistic basis for legitimate self-defense. Solicit the assistance of other Free World nations in implementing this policy.

33. In the event of major Israeli-Arab armed conflict not coming within the American doctrine, the United States should be prepared to take the following concurrent actions against the state or states which are determined by a United Nations finding or, if necessary, by the United States, to be responsible for the conflict or which refuse to withdraw their forces behind the Palestine Armistice line of 1949:

a. Raise the matter in the United Nations with a view to halting the aggression.

b. Discontinue U.S. Government aid.

c. Embargo U.S. trade.

d. Prevent the direct or indirect transfer of funds or other assets subject to U.S. control.

e. Seek a United Nations resolution calling on all states to desist from sending military matériel and personnel to such state or states.

34. Take the following actions either before or concurrent with measures outlined in paragraph 33:

a. Urge other countries, as appropriate, to take action similar to that of the United States.

b. Make every effort to secure United Nations sanction and support for all such actions.

35. Because the actions in paragraph 33 above may not be sufficient to end the hostilities promptly, be prepared to take military action (including a blockade) against the aggressor.

Immediate Steps

36. Make clear as appropriate that, while U.S. policy embraces the preservation of the State of Israel in its essentials, we believe that Israel's continued existence as a sovereign state depends on its willingness to become a finite and accepted part of the Near East nation-state system, and be prepared to extend economic assistance at a reduced level.

37. a. Without advance commitment, be prepared to support and contribute not more than 70 percent maximum to the budget of the United Nations Relief and Works Agency for Refugees in the Near East (UNRWA) throughout the remaining period of its mandate, which terminates on June 30, 1960. If during the remainder of its mandate budgetary difficulties force UNRWA to discontinue vocational training and permanent resettlement programs, consider the establishment of bilateral programs by the United States and friendly governments (e.g., Lebanon, Jordan, and Iraq) for the maintenance of such activities.

b. While opposing extension of UNRWA's mandate under its present terms of reference, develop and put forward in the near future proposals for handling of the refugee problem by the international community upon termination of that mandate.

38. Support Israel's legal right to use the Suez Canal but discourage Israel from asserting that right for the time being.

39. Seek to prevent resort to force by any party over the question of use of the Gulf of Aqaba by Israeli or Israel-bound shipping. If circumstances require, arrange an initiative in the United Nations to obtain a determination of the rights of the parties and the maritime community by the International Court of Justice.

40. Support the development of segments of the Jordan River system when not in conflict with the unified plan for development of the Jordan River basin.

The East-West Conflict

41. Implement the policy established by the American doctrine to counter Communist military aggression.

42. Support, but do not join at this time, the Baghdad Pact participating actively in the work of the Economic Committee and Counter-Subversion Committee, and of the Military Committee to the extent required by our own plans for the defense of the area.

43. Resist Soviet proposals for agreements designed to obtain explicit and formal acknowledgment of the Soviet presence and interests in the area. Be prepared to consider arrangements (such as a verifiable arms embargo) advanced by the Soviets only if they provide for substantial restrictions on Soviet activities in the area and no more than comparable U.S. concessions.

44. When pro-Western orientation is unattainable, accept neutralist policies of states in the area even though such states maintain diplomatic, trade and cultural relations with the Soviet bloc (including the receipt of military equipment) so long as these relations are reasonably balanced by relations with the West. Be prepared to provide assistance, on a case-by-case basis, to such states in order to develop local strength against Communist subversion and control and to reduce excessive military and economic dependence on the Soviet bloc.

Arab Nationalist Aspirations

45. Proclaim U.S. support for the ideal of Arab unity. Discreetly encourage a strengthening of the ties among Saudi Arabia, Jordan and Iraq with a view to the ultimate federation of two or all of those states; but promote area understanding of the special status of Lebanon and Israel as minority enclaves in the Arab world.

Egypt

46. a. Seek to counterbalance Egypt's preponderant position of leadership in the Arab world by helping increase the political prestige and economic strength of other more moderate Arab states such as Iraq, the Sudan, Saudi Arabia, and Lebanon.

b. Seek to determine whether Nasser's neutralist policy and his desire to remain free of great power domination provides the basis for understanding and cooperation, e.g., in the limitation of Communist influence and control in the area and in the reduction of Egyptian dependence upon Soviet trade and military assistance. Cooperate with Egypt in circumstances where there is a clear-cut quid pro quo for the Free World (e.g., reducing Communist control in Syria; the Suez Canal).

Syria

47. Seek [*less than 1 line of source text not declassified*] in Syria a pro-Western or, if this is not possible, a truly neutral government. Seek to demonstrate to the Syrians that their future lies in close collaboration with Jordan, Iraq, and Saudi Arabia rather than with the USSR, and in freedom from domination by Egypt.

Saudi Arabia

48. a. Maintain friendly relations with King Saud and continue endeavors to persuade him to use his influence for objectives we seek

within the Arab world, being careful not to over-estimate his capacity to influence political trends. Make clear to Saud, under appropriate circumstances and with due respect for the sensitivities involved, our belief that the future of his regime depends very heavily on a program of judicious financial, economic and social reform.

b. Maintain military assistance programs, primarily in the form of procurement assistance arrangements and training for the Saudi Arabian armed forces, at levels adequate to ensure internal security and continuing U.S. rights at Dhahran Airfield.

c. Seek to increase U.S. influence and understanding among groups in Saudi Arabia from which elements of leadership may emerge, particularly in the armed forces and the middle-level Saudi Arabian Government officials.

d. Encourage efforts to bring about British-Saudi understanding with respect to Buraimi and other Persian Gulf questions. Encourage King Saud to take a more active part in Yemen affairs and assist him in establishing a useful degree of influence there.

Jordan

49. In order to maintain the present orientation of Jordan, provide necessary aid for economic development, defense support and, to the extent required to retain the loyalty of the Army to the King, military assistance. While maintaining support for the present regime in Jordan, continue efforts to strengthen Iraqi and Saudi influence there, with a view to increasing political, economic and military ties between the three countries. Seek the continuing acquiescence of Israel in these moves and make clear to Israel U.S. support therefor.

Iraq

50. Maintain support of the present regime in Iraq. Maintain military assistance programs at a level adequate to ensure internal security and continuing Iraqi support of the Baghdad Pact. Encourage trends favoring a peaceful change from the present system of government to a more broadly-based moderate progressive government. Stress the theme of Iraq's growing economic strength and increasing capability to exercise constructive leadership within the Arab world.

Lebanon

51. Provide Lebanon with political support, and with military assistance for internal security purposes. Reduce grant economic assistance as feasible and emphasize Lebanon's capacity to borrow from international lending institutions for purposes of economic development. Stress within and outside Lebanon the theme of Lebanon as a highly successful experiment in which many peoples of diverse religion

and culture work together amicably and effectively for the advancement of their country.

Yemen

52. Seek to create a position of influence for the United States in Yemen through the establishment of resident diplomatic representation, the rapid implementation of a few sound development projects with high impact value, and the encouragement of U.S. private economic activity. Seek through cooperation with other friendly Western Powers to restrict Soviet penetration. Seek to lend good offices to the extent possible to improve United Kingdom–Yemen relations.

Sudan

53. Respond to reasonable requests for economic and technical assistance. Be prepared to consider a small program, if requested, directed at increasing the internal security capabilities of the Sudanese security forces. Work to keep the Sudan uninvolved in Arab quarrels and free of Egyptian domination. Seek to strengthen Sudanese relations with friendly African states, especially Ethiopia. Give recognition to the Sudan's interests in international development of the Nile.

Roles of Other Powers

54. a. Keep the United Kingdom currently informed and work with it through both overt and covert channels on area problems to the extent compatible with U.S. area objectives. Endeavor to influence peaceful and equitable solutions to questions in which Britain is interested, such as Buraimi and Saudi Arabia; the Yemen-Aden Protectorate frontier; the Persian Gulf Sheikdoms, islands and seabed. Support an important British role in Iraq so long as it is constructive and effective, but exercise U.S. responsibility as the situation demands. Seek to establish open cooperation in military assistance matters among the United States, the United Kingdom and Iraq.

b. Inform the French generally and with caution of our activities in the area, always bearing in mind France's increasing alliance with Israel. Consult and exchange views with other Free World countries interested in the Near East, including Turkey, Iran, Pakistan, Italy, and the German Federal Republic.

Oil

55. Be prepared, when required, to come forward, as was done in Iran, with formulas designed to reconcile vital Free World interests in the area's petroleum resources with the rising tide of nationalism in the area. Encourage broad diversification of means of transporting oil from the area as the best method of assuring these resources to the Free World.

Agricultural Surplus Problems

56. Seek to find appropriate means whereby Free World countries, particularly the NATO countries, can work together to obtain markets for critical surpluses of the area and encourage adjustment of production of such commodities to probable markets.

57. In carrying out U.S. surplus disposal programs:

a. Give particular attention to the economic vulnerabilities of Near East states and, unless political considerations dictate otherwise in a particular case, avoid, to the maximum extent practicable, detracting from the ability of these countries to market their own exportable produce.

b. Give particular emphasis to the use of such surpluses to promote multilateral trade and economic development.

Psychological

58. Further and explain U.S. policies and objectives, stressing U.S. support for major goals of the Arab people, including:

a. Freedom and independence of Near East nations.
b. Self-determination of area peoples.
c. Local responsibility for local problems.
d. The ideal of Arab unity.
e. Opposition to external dominance and infringement on local sovereignty.

Also stress the U.S. desire to contribute to local economic development and U.S. support for the United Nations.

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6. Editorial Note

Secretary of State Dulles attended the Baghdad Pact Ministerial Meeting, January 27–30, 1958, as head of the United States Observer Delegation. Dulles' "hectic" arrival at Ankara was described for President Eisenhower in Dulte 12, January 27: A snowstorm forced two unsuccessful passes by the Secretary's aircraft at the runway and then a diversion to Istanbul. Rather than face the 13-hour ferry/night train ride to Ankara, Dulles convinced the pilot to return to Ankara for one final attempt to land. The snows cleared and the landing at 5:05 p.m. proved uneventful. The first day of the conference, Dulles told Eisenhower, was "ushered in at midnight with two attempts to blow up the American Embassy Chancery and the American Library." Dulles related to the

President that he slept through the commotion and quoted Turkish Prime Minister Menderes' view that the bombs, which caused little damage and no personal injury, were a Communist demonstration against the Pact and Dulles himself. Dulles described the opening public sessions as "for the most part good in substance and tone," but he thought Iraqi Prime Minister Nuri Said went on "excessively" about Israel and Algeria. Dulles described the afternoon restricted closed session as really "interesting discussions" about the capabilities of the Soviet Union and the threat it posed to the Middle East. Dulles told the President that he warned Pact members against the Soviet Union's tactic of stirring up differences between "free world countries." Dulles thought his presentation was well received, except by Nuri Said "who is pretty tough." (Department of State, Conference Files: Lot 63 D 123, CF 974)

The most complete set of briefing papers, records of meetings, telegrams, and memoranda of side conversations at the Baghdad Pact meeting is *ibid.*, CF 959–970 and 973–977.

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7. Telegram From Secretary of State Dulles to the Department of State

Ankara, January 29, 1958, 10 p.m.

Dulte 18. Eyes only Acting Secretary for President from Secretary.

Dear Mr. President:

Our conference is drawing to a close in an atmosphere dominated by concern over the union of Syria with Egypt.[1] It is the unanimous view of the Middle East members that this is an unhappy development which can presage much trouble. It does not seem to be entirely clear whether it is promoted by the Communists or whether the Communists are going along with Nasser's ambition to unify the Arab world under his leadership. Under either contingency the development is viewed with lively concern.

Source: Department of State, Central Files, 396.1–AN/1–2958. Top Secret. Drafted by Dulles.

[1] The Union was proclaimed on February 1, 1958.

We have had a series of highly restricted meetings and also I have met privately with the Iraqi delegation, headed by Nuri-Said,[2] who is the key to the situation. I have maintained that if there is any reaction it must be initiated by Arab and not Turkey or Western powers; that Iraq should try to have cooperation with other Arab states (Saudi Arabia, Jordan and Lebanon) so as not to stand alone in the Arab world; also that the Arab position must be quickly arrived at so that the rest of us can concert our policies. Accordingly Nuri asked that I should communicate with Saudi Arabia and Jordan urging their cooperation with Iraq to take account of the Syrian-Egyptian situation, and I agreed to do so.

This morning we dealt with the economic phase of the pact. I made a statement which among other things attempted to measure "aid" by the same formula that the Soviets use, including trade and lumping several years together. By this formula I could come up with a round figure [of] highly impressive proportions.[3]

I gave Lloyd the message about the summit conference.[4] We still remain on friendly terms, and he is seeking and getting some help from me on Cyprus, where the situation continues very messy.

I am about to go out to my third formal dinner. The dinner hour is from nine until twelve, which is a bit strenuous as there is usually some work to be done after I get home. However, I shall have a chance to make up on lost sleep on the plane tomorrow.

Faithfully yours,

Foster

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[2] Dulles met with Nuri Said at 3:15 p.m., January 28. No other record of this meeting has been found. (Princeton University Library, Dulles Papers, Dulles Appointment Book)

[3] A longer summary of Dulles' statement during the fifth closed plenary session, January 29, is in Secto 38, January 29. (Department of State, Conference Files: Lot 63 D 123, CF 976)

[4] Not found.

8. Memorandum of Conversation

Ankara, January 30, 1958, 4 p.m.

SUBJECT

Middle East Development Plan

PARTICIPANTS

The Secretary
William Rountree
Frederick Reinhardt

The British Foreign Secretary
Sir William Hayter
Mr. Dennis Lasky

Mr. Lloyd said he thought Hammarskjold's Middle East Development Plan[1] played into Egypt's hands. Hammarskjold had told him there were five important development projects in the area: (1) Tigris River, (2) Jordan, (3) Nile Valley, (4) Suez Canal, and (5) Syrian Plains. The first project was out because the Iraqi had means of their own and the second was politically impossible for the present. Accordingly, said Mr. Lloyd, that left the last three projects and it would not make sense for us to get into this thing if they were to be the objectives. Hammarskjold had however produced a good argument that the plan might be able to do something with the refugee problem. Mr. Lloyd went on to say that he had told Hammarskjold that he would not mind the establishment in the Middle East of a regional branch of the International Bank. On his arrival in Ankara he had spoken to Nuri Said who had expressed strong opposition to the plan. Finally, said Mr. Lloyd, he was interested in Mr. McCloy's connection with the plan.

The Secretary replied that he had the impression that Mr. McCloy had many doubts about the plan because of the inherent dangers for the oil companies in which his bank was interested.[1]

Mr. Rountree observed that before getting into this it would be well to re-read Nasser's "Theory of Revolution."

Mr. Lloyd suggested it was important for the U.S. and the U.K. not to seem to be against the plan.

Source: Department of State, Central Files, 880.0000/1–3058. Secret. Drafted by Reinhardt.

[1] See Document 1.

9. Memorandum From Acting Secretary of State Herter to President Eisenhower

Washington, January 30, 1958.

SUBJECT

Message to King Saud on Egyptian-Syrian Union[1]

During the Ankara meeting of the Baghdad Pact which has just ended, the delegations present expressed deep concern over the dangerous implications of the projected Egyptian-Syrian union. Nuri Said, the head of the Iraq Delegation, declared that the union was being pushed by the Russians and by Nasser and that the object of the latter was to obtain domination over the Arab world. The Turks, the Iranians and the British agreed that the union was dangerous and concurred with the Iraqis that it should be opposed. The question was, how?

The Secretary agreed that the union was dangerous. He said that there was a strong possibility it was supported by the Russians and that if it materialized it would create a great danger that Jordan and Lebanon would be absorbed, putting Iraq and Saudi Arabia in peril. What would be involved would not be domination by Nasser so much as domination by the Soviets. The Secretary added that the United States would like to be helpful to its Arab friends in this matter but that it was difficult for it to do so in the absence of a unified position on their part. He suggested that Iraq attempt to concert such a position with Lebanon, Jordan and Saudi Arabia and said that the United States was prepared to send messages to these three countries urging that they collaborate with Iraq in this. The other states present in Ankara agreed to send similar messages.

The Secretary has suggested to us that the communication to Saudi Arabia might take the form of a message from you to the King.

There is accordingly attached for your consideration a suggested message which you might wish to send via our Embassy in Jidda to King Saud, as suggested by the Secretary. We have sent appropriate telegrams to Jordan and Lebanon.

Christian A. Herter[2]

Source: Eisenhower Library, Herter Papers, Chronology File. Top Secret. Drafted by Rockwell.

[1] The message was sent in telegram 1047 to Jidda, February 1. (Department of State, Central Files, 786.00/2–158)

[2] Printed from a copy that bears this stamped signature.

10. Memorandum of Discussion at the 354th Meeting of the National Security Council

Washington, February 6, 1958.

[Here follows a paragraph listing the participants at the meeting.]

1. Report by the Secretary of State on His Recent Trip to the Near East

Secretary Dulles stated that the Baghdad Pact meeting had been satisfactory. While it had been shaky at the start, we had ended stronger than we began. If the United States had not undertaken a very active part in the proceedings and accepted a very positive role, the whole thing would have fallen apart. Secretary Dulles said he had cut out all references to the role of the United States as an observer at the meeting and, indeed, had taken a stronger part than had ever before been played by the United States. He had pointed out to the Pact members that the commitments of the United States were at least as strong as the commitments of the Pact members themselves. He had emphasized the Eisenhower Doctrine as the chief raison d'etre of our presence there. These points of view had been well received by the other delegates.

Secretary Dulles pointed out that the shakiness in the Baghdad Pact meeting, to which he had initially alluded, came primarily from two sources: Iran and Iraq. In Iran, factors of personality, particularly the personality of the Shah, gave rise to serious complications. The Shah considers himself a military genius, and is insistently demanding a further military build-up in Iran. In arguing for assistance to this end from the United States, the Shah compares the situation of Iran very unfavorably with that of its stronger military neighbors, Pakistan and Turkey. He sums up a picture of the Russians pouring into the gap (Iran) between the two strong powers of Pakistan and Turkey.

Moreover, continued Secretary Dulles, the Shah has not been willing to play the role of constitutional monarch. This refusal makes for severe internal complications in Iran because the rest of the government does not agree with the Shah's estimate of his proper role. Many of the leaders in the Iranian Government are seeking for more economic development and less military build-up, and they want something approaching a balanced budget. However, we have refused U.S. assistance to help Iran's budgetary difficulties, because we feel that the country has enough natural resources and wealth to handle their own budget. Thus there is a confused internal situation. The Shah was actually talking

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on February 7.

about getting out of the Baghdad Pact if the United States did not join it when Secretary Dulles arrived in the Near East, but he had taken a different view by the time the Secretary left. Secretary Dulles indicated that he had invited the Shah to come to Washington to talk over Iran's military problems with the President, who was so obviously qualified to discuss such things. Accordingly, it is quite possible that the Shah will come to this country about next June.

Turning to Iraq, Secretary Dulles pointed out that this country was in an awkward position because it is the only Arab nation in the Baghdad Pact. There have been heavy pressures on Iraq from the other Arab states, who play up the theme of Arab unity as opposed to the Baghdad Pact, which they regard as a barrier to Arab unity.

Secretary Dulles felt that the Baghdad Pact meetings had been particularly useful in one respect—namely, that there had been so many opportunities for restricted private conversations. In one of these, the Iraqi delegates requested the rest of the conferees to give a great lead in a campaign to bring all the Arab nations back into a position of sympathy toward the West. In pursuit of this theme, several delegations pointed out that the only areas in the Near East which seemed capable of initiating anything were Egypt and Israel. In reply to these arguments, Secretary Dulles had pointed out to the other delegations how difficult it was for the United States to take such an initiative as had been suggested. It was up to some other Arab state, like Iraq, to take the initiative, which the United States would then back up to the hilt. Experience had taught us, continued Secretary Dulles, that if the United States takes some such initiative as was being requested, it would find that the Arab states would repudiate our initiative in the name of Arab unity or some other Arab interest. We could not afford to be put into such a situation again as had happened in the past.

The dominant theme in the private conversations at Ankara was the union between Syria and Egypt. There had been practically no solid intelligence at Ankara as to how this union had actually come about. Intelligence material available in the Near East does not compare in quantity or quality with what is available to us here in Washington, and the U.S. Delegation accordingly felt very isolated and very much in the dark. Nevertheless, there had been a strong feeling in all the different delegations that the Egyptian-Syrian union was a bad development and that it would strengthen Nasser's hand. There was strong pressure on the United States to speak out against the union. Again, said Secretary Dulles, he had taken the position that we wanted first to know where friendly Arab states stood vis-à-vis the Egyptian-Syrian union. Once they determined their position, the United States would back them up; but we would not take the initiative.

Secretary Dulles added that there was a general impression at Ankara that he wanted the National Security Council to be aware of. He thought that we had not developed an adequate military doctrine for the Near East, and particularly for Iran. We must in the future pay more attention to this problem, and we must have available larger forces for the defense of Iran than we now have. We must get rid of the pervasive fear in Iran of a Soviet invasion. This fear amounts almost to an obsession. General Taylor had had some good ideas on this subject.

General Cutler pointed out that in our latest revision of our policy toward Iran, the defense line had been moved further north in Iran than had been the case in previous policies, although we had cut down the force levels in Iran. Secretary Dulles commented that the Military Committee of the Baghdad Pact seemed to think that we needed some 16 divisions in Iran, and there were actually only six. The great question was where the rest were to come from.

The National Security Council:[1]

Noted and discussed an oral report by the Secretary of State on his recent trip to the Near East, including attendance at the Baghdad Pact meeting.

2. *Significant World Developments Affecting U.S. Security*

[Here follows Allen Dulles' briefing on unrelated subjects.]

Mr. Dulles said that the details with respect to the union of Egypt and Syria were far from clear, although it was sure that Nasser was to be the boss of the new Arab state. Public reaction in Syria to the union had been slow and not very enthusiastic. Syrian businessmen were pessimistic at the prospects, and Syrian labor was unenthusiastic because it feared large-scale immigration of unemployed Egyptians into Syria. Even in Egypt, enthusiasm was lacking in a good many circles, and the government had had some difficulty in organizing mass demonstrations in favor of the union. The plebiscite which is to occur on February 21 would be a mere formality. Prince Badr of Yemen has finally arrived in Cairo, where he will discuss not the union of Yemen with Syria and Egypt, but some looser form of federation.

While, said Mr. Dulles, the union has caused considerable apprehension in the Baghdad Pact states, the intelligence community does not believe that the USSR was behind the move toward union, as the Turks all seem to believe. Indeed, the evidence that we have indicates opposition to the union by the Syrian Communists. Moscow has been puzzled

[1] The following paragraph constitutes NSC Action No. 1855, approved by the President on February 7. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

as to what attitude to take. Accordingly, the union of Egypt and Syria may actually produce opportunities for weakening these two countries. On the other hand, it would put Iraq in a tough position for a time, at least, and Iraq must be strengthened by nations friendly to it.

Secretary Dulles commented that King Saud had not been very receptive to the proposal for a meeting of himself with Kings Hussein and Feisal.

[Here follow discussion of unrelated subjects and agenda items 3–6.]

S. Everett Gleason

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11. Special National Intelligence Estimate

SNIE 30–58 Washington, February 20, 1958.

PROSPECTS AND CONSEQUENCES OF ARAB UNITY MOVES

The Problem

To estimate the prospects and implications of the Syrian-Egyptian union and the Iraq-Jordan federation.

Summary and Conclusions

1. Both the Syro-Egyptian union and the Iraq-Jordan federation, although influenced by long-range developments and plans, came into being to meet immediate political needs. Nasser probably agreed to go forward with the union at this time because he was convinced that it was necessary in order to forestall a Communist takeover in Syria, as well as because he saw a propitious moment for realization of long-laid plans on his own terms. The federation was created to counter the

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Source: Department of State, PPS Files: Lot 67 D 548, Near and Middle East 1958. Secret. A note on the cover sheet indicates that this SNIE, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the Intelligence Advisory Committee (IAC) concurred with this estimate except the representatives of the AEC and the FBI who abstained on the grounds that the topic was outside their jurisdiction.

anti-conservative pressures generated by the union throughout the Arab world.[1] (Paras. 8, 24–25)

2. The persistent and widespread appeal among Arabs of the concept of Arab unity was the foundation upon which both the union and federation were constructed. Of the two, the union, under Nasser, the leader and symbol of Arab radical nationalism, almost certainly has a greater popular appeal in the whole area, and will exert a continuing attraction upon the radical elements in the conservative states. The creation of the two groupings emphasizes the polarization of the area between radical and conservative forces and the contest for area leadership between Egypt and Iraq will be stimulated. Since both groupings proclaim the idea of Arab unity, surface cordiality may be maintained, but at least covert hostile activities are likely between them. (Paras. 11–12, 20–21, 32)

3. Nasser will face formidable problems in keeping the union together and maintaining stability within the two component states, but we believe that the union can carry through for at least a year or so on its present momentum. If Nasser were removed from the scene within this period, Egypt and Syria would probably revert to their independent status. It is unlikely that conservative forces would then succeed to power in either state and any successor regimes would be likely to adopt a neutralist foreign policy. (Paras. 13–19)

4. The Iraq-Jordan federation will also have serious internal problems principally due to the radical Arab nationalist orientation of Jordan's ex-Palestinian population and to Jordan's economic problems. If the federation survives its initial difficulties, however, and is able to capitalize on the economic resources of Iraq, its long term prospects would be favorable. (Paras. 28–30)

5. The creation of the two Arab groupings increases Israel's apprehensions with respect to the eventuality of military action. (Para. 38)

6. [*2-1/2 lines of 2-column source text not declassified*] We believe that, although the Soviets suffered tactical reverses in Syria, they will adapt their policy to the situation and seek to use the union as a bridge to Africa and a means of weakening the conservative states. While the Soviets are likely to take much the same attitude toward the federation as do the leaders of the union, they will covertly seek to undermine the conservative regimes. (Paras. 39–40)

7. The success of the Iraq-Jordan federation will probably depend heavily upon US diplomatic and material support. Overt US hostility to

[1] The word "union" will hereinafter be used to refer to the Syro-Egyptian union, officially known as the United Arab Republic. The word "federation" will refer to the Iraq-Jordan federation. [Footnote in the source text.]

the Syro-Egyptian union would almost certainly strengthen the union. On the other hand, public expression of US support for the idea of Arab unity, coupled with a relaxation of overt pressures upon Nasser, might influence Nasser to bring the Syro-Egyptian union into a more truly neutral position and might produce a more favorable area reaction to discreet US support of the Iraq-Jordan federation (Paras. 41–44)

[Here follows the "Discussion" section comprising paragraphs 8–44.]

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12. Memorandum From the Deputy Assistant Secretary of Defense for International Security Affairs (Irwin) to Secretary of State Dulles

Washington, February 28, 1958.

SUBJECT

U.S. Foreign Policy and Military Assistance in the Middle East

United States policy[1] in the Middle East has for some time placed considerable emphasis on the desirability of developing the so-called "northern tier" concept of regional defense. The Baghdad Pact is today the principal manifestation of this concept. What is more, it is the only avowedly pro-Western political grouping in the Middle East. Although not a member of the Pact, the United States was largely responsible for its formation and has consistently given it strong moral and material support. In April, 1956 the United States agreed to participate in the Pact's Economic and Counter-Subversion Committees. Following the passage of the Joint Congressional Resolution on the Middle East in March of 1957, the United States accepted an invitation to participate in the work of the Pact's Military Committee.[2] That resolution also enunci-

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Source: Department of State, Central Files, 780.5/3–658. Top Secret. Copies were sent to Reinhardt, Gerard Smith, and Rountree. In a brief covering memorandum Irwin indicated that this memorandum reflected his "principal impressions" after his visit to Tehran and Ankara.

[1] As expressed in NSC 5801 and related documents and statements. [Footnote in the source text. NSC 5801 as approved by the President is printed as Document 5.]

[2] On January 13 Secretary Dulles, with the concurrence of Allen Dulles and CIA, approved U.S. informal membership in the Baghdad Pact's Liaison Committee. In a Staff Note to the President, January 22, which Eisenhower initialed, the Department of State informed the President of this action. (Eisenhower Library, Whitman File, Eisenhower Diaries)

ated the willingness of the United States to come to the aid, on request, of any Middle East state subjected to overt aggression by international Communism.

Prior to the establishment of the Pact,[3] the United States gave military assistance on a bilateral basis to Turkey, Iraq, Iran and Pakistan. The United States has continued its Military Assistance Program (MAP) to these nations on a bilateral basis but has indicated that such assistance as it gives to each Pact member will be within the force objectives approved by the Pact. The primary emphasis of the MAP with respect to Iraq and Iran (and to a lesser degree with Pakistan) has been to increase the internal security capability of the recipient and thereafter to improve its ability to contribute to defense against external aggression. From a United States military point of view, there has been little need for these nations to have a military capacity much beyond that necessary for internal security. This view is based, perhaps in part on United States global strategy, but also on recognition of local inability to stand up to a Soviet aggression in any case and on the likelihood that incursions from other nations were either remote or possible only on a small scale. In the event of Soviet aggression, the Pact nations have been advised that they could rely on the strategic retaliatory power of the United States. At the Pact meeting in Ankara in January, 1958, the United States, in effect, guaranteed to use that power if any Pact member were the subject of communist aggression. However realistic the United States view may be in the light of our own political and strategic concepts, it is clear that it is not the view of the Pact members. In fact, in their minds the United States has already associated itself with their view by engaging in defense planning on a regional basis.

The Pact members are concerned over the possibility of external aggression, in whatever form it may take. Iran, for example, points out that Soviet power on its border could overrun a large part of Iran before or even after United States airpower devastated Russia unless stopped or delayed by power immediately available to the Pact members. Iran questions the ability of United States power, as presently deployed, to come to its aid quickly and effectively enough to prevent invasion. The fact that Iran may be eventually liberated after invasion occurs gives as little comfort to the Iranian government as similar prospects would to our NATO allies. All Pact members are aware that NATO considers the

[3] As used in this memorandum, the use of "Pact" or the phrase "Pact nations" refers primarily to Turkey, Iraq, Iran, and Pakistan. The dual pact status of Turkey (NATO) and Pakistan (SEATO) must be taken into account but that fact does not affect the premise of this memorandum. Although this memorandum refers only to the Middle East, a similar approach could, and perhaps should, be made with respect to the members of SEATO and to Viet-Nam, Republic of China, and Korea and, possibly at some time, to Japan. [Footnote in the source text.]

"Shield" as essential as the "Sword" in deterring aggression or preventing invasion.

This concern of the Pact members is accentuated and twisted by the play of each member's national interests. In addition, all Pact governments are weak economically and politically, and each wishes to increase its economic development and political longevity at the same time that it builds military strength.

For such reasons the Pact members will undoubtedly continue to press the United States for more military assistance. I believe the United States will be susceptible to such pressure for several reasons: because of the entry of the USSR into the Middle East and the volatile political situation throughout the area; because of our encouragement of and increasing participation in Pact military planning and our pledged support of the Pact; and because of the counter-attraction of neutralism if we appear to falter in our support.

The heavy financial drain which large military establishments in Pact countries would entail is not desired at this time by the United States, nor can Pact nations afford it without substantial assistance. Once large forces are created, our experience indicates it is extremely difficult to effect reductions even when the situation warrants a reduction. For example, the United States is now engaged in an effort to reduce the size of Korea's army and has considered a like possibility with Turkey's. The only way such force reductions appear to be feasible in either country is to guarantee an increased firepower to smaller forces. [*2-1/2 lines of source text not declassified*] Similarly, it may be necessary to provide increased firepower to the forces of Pact nations in order to offset further pressures from their governments for larger forces or to counter demands for deployment of United States forces in the area on a permanent or rotational basis. Alternately, it may be desirable that the United States undertake further military commitment in the area as to the most efficient means to satisfy local concern and thereby reduce demands for increased local capability. Such alternatives, of course, would entail heavy costs, but the political and military return for the money spent might be greater.

It would, therefore, seem helpful, both politically and militarily, to consider fully the alternatives now, rather than to continue to proceed under a policy of developing the internal security capability of the Pact nations. Otherwise each year we may be pushed to support forces above and beyond those needed to maintain such a capability, particularly when the United States is actively assisting the Pact in planning a coordinated military defense against invasion.

The general abilities and the technical capacity of the Pact members, especially Iran and Iraq, mean that only slow progress can be made toward modernizing their armed forces sufficiently to constitute an

effective "Shield" against external aggression. However, the fact that the United States would work with them toward such a goal, however distant, would go far to bolster their morale and determination to remain allied to the West.

[*2 lines of source text not declassified*]; but the United States has already delivered 8" howitzers to all Pact nations, Honest Johns and F–100 aircraft are programmed for delivery to Turkey in FY 1959, and IRBMs may be deployed to Turkey within the next several years. [*6-1/2 lines of source text not declassified*]

These factors [*1-1/2 lines of source text not declassified*] pose problems respecting training, utilization and maintenance of technical equipment as well as serious political questions concerning neighboring countries in the area and the USSR.

Looking further into the future it may be desirable militarily and politically to deploy IRBMs to Middle Eastern countries other than Turkey: militarily, to disperse the targets for USSR missiles; politically, to increase the United States bargaining power vis-à-vis Russia, at the same time creating in those countries the thought of United States confidence in them and thus increasing further their pro-Western orientation.

In view of the above, I recommend that the Departments of State and Defense study[4] the alternatives open to the United States in the Middle East respecting the forces of Pact nations and military assistance policy for these forces. The United States should review again the applicability of its present military policies toward Pact nations, re-examine existing force objectives, and in light of these studies determine whether within the next few years weapons modernization [*less than 1 line of source text not declassified*] would advance United States interests. Even though it be determined that present policies should not be changed, consideration should be given to the preparation of contingency plans because of the habit of events changing policies overnight.

John N. Irwin II[5]

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[4] Any study should cover the possibility of a member of the Pact withdrawing and of a reorganization or termination of the Pact. [Footnote in the source text.]

[5] Printed from a copy that bears this typed signature.

13. Memorandum of Discussion at the 358th Meeting of the National Security Council

Washington, March 13, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda item 1.]

2. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters.]

With respect to developments in the Near East, Mr. Dulles indicated that King Saud's position had become critical as the result of his implication in the plot to assassinate Nasser.[1] Nevertheless, Saud was such a wily individual that Mr. Dulles thought he would probably pull through. He faced many problems, however. There were still some ten thousand Egyptians in Saudi Arabia in various professions and occupations. Another problem was posed by the fact that King Saud is not in full accord with his several brothers. He therefore couldn't even trust his own household in the present difficulties.

Developments in Saudi Arabia had made the position of Jordan and Iraq even more shaky. Mr. Dulles emphasized to the President that the situation in the Near East generally was very grave indeed from the Western point of view. It was plain that Nasser had caught the imagination of the masses throughout the entire area.

The President inquired whether, if King Saud asked for Western assistance and we responded with military forces, the situation could be stabilized.

Mr. Dulles replied that this question hinged on the applicability of the Eisenhower Doctrine. Secretary Herter commented that the Eisenhower Doctrine could be invoked if there were a finding that International Communism constituted a threat to Saudi Arabia; but such a finding would have to be made.

The President stated that even so, we simply could not stand around and do nothing and see the whole area fall into the hands of Communism. Secretary Anderson commented that, whether or not the Eisenhower Doctrine was thought to be applicable to the present situation in the Near East, the loss of Near Eastern oil to the West, particularly to Europe, would be catastrophic. He thought that perhaps we should make it clear to the world that the United States or NATO would not tolerate the prospect of the loss of Middle Eastern oil to the West.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on March 14.

[1] See Document 307.

Secretary McElroy supported Secretary Anderson's position, especially in view of what we might have to face in Sumatra in the near future.

General Taylor asked whether the United States should undertake to replace in Saudi Arabia the Egyptian military mission which had been withdrawn. Should we also undertake to replace other Egyptian contributions? Mr. Dulles thought that to do this would be a mistake if we acted before we had determined our whole policy approach to the area.

The President asked the State Department to get busy at once and examine with the Department of Defense just what it was that these countries wanted by way of support and assistance from the United States and what our Government ought to do next. Secretary Herter commented that we would have to find a good excuse to intervene.[2]

Note: The following actions, numbered 2 and 3, were separated into two actions, instead of being one action on the DCI's briefing.

The National Security Council:[3]

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to developments in the Soviet ballistic missiles program; the situations in Indonesia and North Africa; the recent election in the Sudan; and recent developments in the Middle East.

3. *Possible U.S. Actions in Support of Pro-Western Nations in the Near East*

The National Security Council:[4]

Noted the President's request that the Department of State in consultation with the Department of Defense, as a matter of urgency, explore what types of U.S. support might be given to the governments of Iraq, Jordan, Lebanon, and Saudi Arabia if required in the immediate future, and examine possible actions which the United States might take if requested to give such support.

Note: The above action, as approved by the President, subsequently transmitted to the Secretaries of State and Defense.

[Here follows agenda item 4.]

S. Everett Gleason

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[2] On March 15 Herter sent Dulles a memorandum summarizing this briefing by Allen Dulles and relating a conversation he had after the NSC meeting with Neil McElroy, Allen Dulles, and Max Taylor. McElroy thought that "we ought to 'buy into Nasser'; that we ought to try to recapture whatever remaining potential of good will that there was there and turn it to our own purposes. Allen agreed this should be studied at once." Herter discussed this with Rountree and asked him to prepare a "fresh look at the various situations and see whether there is not something we can do." (Department of State, Central Files, 611.80/3–1558)

[3] The following paragraph constitutes NSC Action No. 1874, approved by the President on March 15. (*Ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[4] The following paragraph and Note constitute NSC Action No. 1875, approved by the President on March 15. (*Ibid.*)

14. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, March 24, 1958.

SUBJECT

Assessment of Current Situation in the Near East

Discussion:

On March 13, the National Security Council discussed the Near Eastern situation.[1] Following this meeting and a discussion with Governor Herter, it was considered desirable for NEA, in consultation with CIA and Defense, to prepare an assessment of the current situation in that area (Tab E).[2] We now forward this assessment for your consideration and for possible discussion with the President. Defense and CIA have concurred.

The assessment consists of:

A summary (Tab A).
Conclusions and Recommendations (Tab B).
Political, Economic and Military Actions in Progress or Under Active Consideration to Meet U.S. Policy Objectives in the Middle East (Tab C).
Estimate of Situation (Tab D).[3]

Recommendations:

1. That you review the attached assessment of the situation in the Near East.

2. That you consider discussing it with the President.

Source: Department of State, Central Files, 780.00/3–2458. Top Secret. Drafted by Rockwell. A note on the source text indicates that Secretary Dulles saw this memorandum. According to a memorandum from the Director of the Executive Secretariat, Fisher Howe, March 24, this paper was "probably too sensitive for Planning Board general review and that such is not needed in light of CIA and Defense concurrence." Howe recommended that Secretary Dulles "take it up directly with the President." (*Ibid.*, 611.80/3–2458)

[1] See Document 13.

[2] Tab E, which was not attached, is a copy of item 3, Document 13.

[3] Tabs C and D are not printed.

[Tab A][4]

ASSESSMENT OF CURRENT SITUATION IN THE NEAR EAST

1. *Impact of Recent Events*

The relative calm which existed in the area just prior to the emergence of the United Arab Republic and the Arab Federation has been rudely broken. Intra-Arab tensions and rivalries have reached a new peak. Iraqi officials have publicly attacked the UAR, and King Saud's name has become associated with a plot to detach Syria from Egyptian control. Nasser has strongly attacked the pro-Western regimes, concentrating on the Arab Federation and Saudi Arabia, and has attempted to assert Egyptian sovereignty over a border area long administered by the Sudan. From the latter effort he has temporarily backed away in the face of Sudanese determination to resist. Nasser's constant references to the eventual overthrow of pro-Western Arab leaders in the area can only be interpreted as an invitation for assassination and civil commotion. He has made some of the usual speeches about the ultimate redemption of the Palestine homeland, but it seems clear at this stage that his primary targets are Arabs rather than Israel.

This conduct of Nasser's is the more disturbing because he is at a pinnacle of popularity. The appeal of Arab unity has thus far served to minimize and play down the difficulties and strains involved in the absorption of Syrian sovereignty by Egypt. Nasser continues to represent the answer to the prayers of many Arabs, particularly urban elements, who have for so long suffered economic, social, political, and psychological frustrations. There is no pro-Western Arab leader who can begin to match his popular appeal. It seems possible, however, that Nasser's drive for domination will engender problems and obstacles which will slow down this drive.

The impact of these events in the Arab countries of the area has been strong. Israel seems to be taking them most calmly, confident in her defense capability, and aware that so long as there is serious internecine strife among the Arabs their ability to threaten Israel is reduced. King Saud, one of Nasser's major targets, has thus far reacted in a confused and ineffective manner, [*3 lines of source text not declassified*]. There is no doubt that King Saud has suffered a serious loss of prestige and that respect for him both in the area and in his own country has declined. The withdrawal from Saudi Arabia by Nasser of about 250 Egyptian military advisers and technicians indicates that a patching up of the

[4] Top Secret.

Saud–Nasser quarrel will not be easily achieved. While the loss of this technical personnel is a serious matter for Saudi Arabia, through it Nasser is deprived of an avenue of subversion.

[*2 lines of source text not declassified*] However, there is in some quarters a wait-and-see attitude toward the Arab Federation based on hopes of economic opportunity in Iraq. While Nasser can and is contributing to a major internal security problem in Jordan, the situation is at present under control and it seems clear that an effort to overthrow the regime will, as has for some time been the case, require something more, either: 1) the assassination of King Hussein, or 2) a shift in allegiance of major elements in the Jordan Army. There is, of course, another aspect in the picture, that a breakdown of authority in Jordan would almost inevitably cause Israel to react. Whether this is an inhibiting factor on Nasser is not known.

Iraq has managed to maintain internal security and appears to maintain its capabilities in this regard. At the same time, Nuri's return to power served to point up to the Iraqis their isolation from the main currents of Arab nationalism and the identification of their regime with policies and pro-Western connections which have little popular appeal. The possibility of Jordan's becoming a financial burden on Iraq has served to dim the luster of the Arab Federation. Ruling circles in Iraq are displaying nervousness as to the future.

Lebanon is also highly nervous. Nasser's popularity has served to accentuate Moslem-Christian differences. Nasser's policies have also been seized upon as a rallying point by Lebanese politicians eager to prevent President Chamoun's re-election.

In the Sudan alone have pro-Western, anti-Egyptian elements made a good popular showing. The success of Prime Minister Khalil and his Umma party at the polls portends that the Sudan will continue to pursue a policy of jealous safeguarding of its sovereignty from Egyptian influence. However, Nasser's set-back in the Sudan seems certain to sting him to new attempts at subversion and penetration.

2. *Possibilities for the Future*

The above paints a gloomy picture so far as the outlook for pro-Western interests is concerned. There is rampant in the area a force of radical Arab nationalism inimical to our interests and which the United States has limited capacity to control. The present prospects of successful indigenous resistance to it are poor. An analysis of present United States and Western assets in the area does not in itself give confidence that we can hope, in the framework of present commitments and policies, to stem the tide. The question we face is whether the present force of Nasser can be contained until it has been blunted by obstacles created by itself or placed in its path, and the long-term interest of the area and

its peoples in close relations with the West can be reasserted. Increased efforts, both on our part, and by our friends in the area are required, but the United States capacity to be effective, already limited by circumstances in the area, is further weakened by United States association with Israel and the Western position on problems of intense interest to the Arab world, such as Algeria.

3. *Conclusions and Recommendations*

A. Short Term

1. Nasser is currently riding the crest of his popularity and is widely identified in the area as the leader of Arab unity and nationalism against Western imperialism.

2. Nasser can be expected to adopt a flexible policy when confronted by determined local resistance.

3. It would seem unrealistic to believe we could reach a full understanding with Nasser. However, certain of our remaining restrictions toward the UAR, in such fields as exports, cultural exchanges, CARE, et cetera may have outlived their usefulness. Their gradual relaxation might have beneficial results.

4. We must stiffen the spines of friendly countries in the area through military and economic assistance. We should encourage them to collaborate in resisting Nasser's expansionism.

5. We should avoid at present any move which would publicly indicate our opposition to Nasser as this would alienate his widespread following.

6. We should avoid any use of military force unless we were committed to such action by the Tripartite Declaration, the Eisenhower Doctrine, or current commitments to friendly countries in the area.

7. While continuing to provide staunch and continuing support to our friends in the area, we should at the moment seek to avoid, insofar as possible, further dramatic and overt United States intervention in defense of a particular pro-West regime, as this has political repercussions unfavorable to the regime in question.

8. We should work closely with the United Kingdom where appropriate.

B. Long Term

1. Control of the Near East by radical nationalism of the Nasser brand would be inimical to United States interests.

2. The current success of Nasser has reduced or neutralized many of the assets which the United States could formerly count on in the Middle East, and the United States is not now in a position to influence decisively, in a manner consistent with United States interests, the trend of

events in the area. At the same time Nasser is not totally invulnerable and in his ambitions he may create future problems for himself. We must be alert to the possibilities of developing new assets which may reside in such an eventuality.

3. The United States should seek to assist its friends in the area to make the necessary adjustments from their present conservative regimes to meet the needs of constructive nationalism.

4. Given the situation in the area, United States policy should seek as far as possible to avoid becoming inextricably identified with and attached to specific individuals.

5. United States and Western capabilities in the area are and will continue to be greatly handicapped in their efforts to contain radical nationalism by our relationship with Israel and the policy differences we have with the Arabs with respect to Algeria, Tunisia, Buraimi, and the Gulf of Aqaba. Modification of United States policy in the above problems, to be most effective, should be made against a background of internal economic and political reforms in the friendly Near East states of a character which would generate popular support for moderate alternatives to Nasser.

[Tab B][5]

CONCLUSIONS AND RECOMMENDATIONS

A. Short Term

1. Nasser is currently riding the crest of his popularity and is identified almost unanimously throughout the United Arab Republic and to a considerable degree among certain elements in Iraq, Jordan, Lebanon, Saudi Arabia, the Sudan, and the North African states as the leader of Arab unity and nationalism in the struggle against Western imperialism.

2. Nasser can be expected to adopt a flexible policy when confronted by determined local resistance, as was most recently evidenced by the alteration of his tactics in connection with the recent Sudan frontier incident.

3. It would seem unrealistic to believe we could reach a full understanding with Nasser. However, we consider that certain of our remain-

[5] Top Secret.

ing restrictions toward the United Arab Republic, such as those pertaining to exports, cultural exchanges, and the activities of voluntary agencies, may have outlived their usefulness and that their gradual relaxation might have beneficial results.

4. We must stiffen the spines of friendly countries in the area through economic and military assistance. We should also encourage them to collaborate in resisting Nasser's expansionism.

5. We should avoid at present any move which would publicly indicate our direct opposition to Nasser or the United Arab Republic since this would alienate those peoples to whom Nasser today is the personification of all their aspirations.

6. We should avoid any use of United States military force, which would irretrievably affect our position in the area, in the eyes of our allies, and in the United Nations unless we were committed to such action by the Tripartite Declaration, by the Eisenhower Doctrine, or by current commitments to friendly countries in the area.

7. While continuing to provide staunch support to our friends in the area, we should at the moment seek to avoid insofar as possible, further dramatic and overt United States intervention in defense of a particular pro-West regime, since such actions generate political repercussions unfavorable to the regime in question. The kind of intervention we have in mind is typified by emergency air-lift of military equipment.

8. We should work closely in these matters with the United Kingdom where appropriate.

B. Long Term

1. The establishment of the United Arab Republic and the charges by Nasser of plots by King Saud against the UAR have given impetus to the advance of radical nationalism in the Middle East and have enhanced the ability which the nationalists have been demonstrating to weaken the positions of the conservative, pro-Western regimes. The current success of Nasser and nationalism have reduced or neutralized many of the assets which the United States formerly could count on in the Middle East. At the same time, in his drive for domination of the area Nasser may well be creating problems which will hinder him in the future and contribute to blunting the force of the current nationalist wave. The United States must be alert to the possibilities of developing new assets which may reside in such an eventuality.

2. Unless the conservative regimes can manage to adjust themselves to the nationalist current they may be removed from power as a result of their inability to resist the force of nationalism directed against them, both by Nasser and by domestic nationalist elements. The United States should seek to assist its friends in the area to make the necessary adjustments to meet the requirements of constructive nationalism.

3. Given the situation in the area and the likely future advances of nationalism, United States policy should seek as far as possible to avoid becoming inextricably identified with and attached to specific individuals, whose departure from the scene would mean that the whole basis of the United States position in a particular country would disappear overnight.

4. Control of the Near East by radical nationalism of the Nasser brand would be inimical to United States interests. Radical nationalism has shown itself entirely willing to facilitate the penetration of the Near East by international Communism and openly proclaims its desire to eradicate Western positions and influence from the area. In a Near East under the control of radical nationalism, Western access to the resources of the area would be in constant jeopardy.

5. In addition to the ingredients of success which radical nationalism finds already contained in situations in the area having no connection with the positions and activities of foreign nations, policies of the West such as that of the United States with regard to Israel and that of the United Kingdom and France at Suez have given great impetus to the progress of radical nationalism. The continuation of such policies by the West gives ammunition to the nationalist forces in their increasingly successful fight against the West and the friends of the West in the area, and facilitates the strengthening of the Soviet position in the Middle East. Tab C outlines steps we are taking or are considering with a view to strengthening the United States position in the area and in order to support conservative, pro-West elements, but in our view the effectiveness of these steps is weakened from the start by the handicaps under which United States policy is working in the Middle East. As long as we maintain our close relationship with Israel and continue our extensive aid to that country, and as long as our positions do not move closer to those of the Arabs on Algeria, Tunisia, Buraimi, and the Gulf of Aqaba, we believe that the situation of the United States in the Middle East will continue to deteriorate, and that the effectiveness of the United States in helping its friends in the area will be limited.

To have the greatest chances for success in strengthening friendly governments in the area, modification of United States policy in the above problems should be made against a background of internal economic and political reforms in the friendly Middle East states of a character which would generate popular support for moderate alternatives to Nasser. The United States and the United Kingdom, where appropriate, might consider steps which should be taken to encourage such reforms.

15. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, April 16, 1958.

SUBJECT

Actions Required to Accomplish Certain Political Objectives in the Near East

There are listed below four undertakings which we believe are necessary to help us accomplish certain of our objectives in the Middle East. In each case the undertaking involves coordination with ICA or Defense or both. We have experienced considerable difficulty in securing favorable or expeditious action from Defense or ICA in three of these cases and anticipate further difficulties in all four in the absence of high-level directives emphasizing the urgency involved in each case. We consider that your personal intervention is necessary if we are to proceed with the speed called for in order to meet the various political exigencies involved. The four undertakings are the following:

1) *The Grant of Modern Jet Aircraft to the Lebanon, Jordan and Iraq.*

The governments of the Lebanon, Jordan and Iraq have separately asked for a limited quantity of modern jet aircraft on a grant basis for their air forces. These requests are stimulated by the delivery to Syria over the past year of a substantial number of Soviet jet aircraft, and the states concerned also wish to demonstrate publicly that states cooperating with the United States and the West will be assisted by the United States in achieving legitimate defensive positions. We have informed the Lebanese and Jordanians that we are prepared to supply an unspecified number of jet aircraft on a grant basis. We have told the Iraqis that we are giving urgent and sympathetic consideration to their request. On January 17 Mr. Herter approved a recommendation, in which Defense had concurred, that we supply 6 British Hawker Hunter Mark VI jet fighters to Lebanon and 12 to Jordan. We subsequently informed the British of this decision. In view of the formation of the Arab Union, the question of jets for Jordan has now become involved with Iraqi air force requirements. Defense has indicated that it would prefer to supply U.S. F–86 jets to Iraq and Jordan and possibly the Lebanon. Their stated reasons are that the F–86's are in surplus supply and are considerably cheaper, and that there are domestic political objections to offshore procurement of British aircraft. While we understand the reasons which

Source: Department of State, Central Files, 611.80/4–1658. Secret. Drafted by Waggoner, Bergus, and Bennsky.

bring Defense to this position, we believe it necessary that we adhere to our original decision to supply British aircraft to Jordan and the Lebanon, and that we decide to provide a squadron of the same planes to Iraq, for the following reasons.

(a) We wish to maintain the British in their present position as primary suppliers of military aircraft to the Lebanon, Jordan and Iraq, particularly the latter. Not only would the British strongly resent any action which would displace them from their present position in the aircraft field in Iraq, with the attendant political implications, but also we do not wish to undertake the responsibility for further supply and training in these countries involved in the Palestine dispute. You will recall that at Bermuda the President told Prime Minister Macmillan that we desired to see the British maintain their position in the Middle East as far as possible.

(b) Considerations arising from the Arab-Israel dispute make it most advisable that we not supply American fighter aircraft to Israel's neighbors, particularly in the light of our past refusal to supply them to Israel.

Differences of opinion over the type of aircraft to be supplied and other questions have already delayed the fulfillment of our commitments to supply these aircraft and we foresee further delay, with unfortunate political consequences, in the absence of an immediate decision to proceed with the supply of these aircraft. We hope you will agree to inform Defense that we attach the utmost urgency to this matter, that we believe that the decision to supply aircraft is one which can no longer be put off, whatever the arguments to the contrary may be, and that the planes should be British.

Recommendation[1]

That you direct that Defense be advised that political circumstances are such that we can no longer delay the decision to supply aircraft to the Lebanon, Jordan and Iraq, that we have determined that the aircraft to be supplied should be British aircraft, and that we request Defense to take the necessary steps to implement this decision.

2) Economic Assistance to the Lebanon.

For the past several months, Foreign Minister Malik of the Lebanon has pressed us for grant economic aid out of Fiscal 1958 funds. We have been discouraging in our responses, pointing out that some funds already granted the Lebanon remain to be allocated and that in any event it would be necessary for the Lebanon to submit detailed projects for our consideration. We have also urged that the Lebanese consider financing portions of their economic development through U.S. loan rather than

[1] There is no indication on the source text that the Secretary saw the memorandum or approved any of the recommendations, but see Document 16.

grant funds. Despite this, on April 9, Dr. Malik submitted a formal note to the Embassy in Beirut requesting $15 million grant economic aid to the Lebanon out of Fiscal Year 1958 funds. He has sent a strong instruction to the Lebanese Ambassador here urging him to pursue this request by all possible means. Mr. Dimechkie saw me yesterday and pleaded at considerable length for an affirmative answer to Dr. Malik's request. The Ambassador admits that there are funds yet to be allocated in the Lebanon and that detailed projects have not been submitted. He stresses in some detail, however, the need for the present pro-Western regime in the Lebanon to receive a further indication of U.S. support in the form of grant aid if it is to remain in power and triumph over the efforts of disruptive pro-Nasser elements. The Lebanese have never been very interested in loan assistance from the U.S. since loan agreements require parliamentary ratification which they believe would be impossible to achieve. We believe, on balance, that the political stakes in the Lebanon are of such importance as to warrant our making a further gesture at this time. The pro-Western elements headed by President Chamoun are under very heavy pressure and we think that we should do everything within our power to demonstrate to the Lebanese the advantages of close relations with the West. We feel very strongly that our interests in the area require us to make every effort to make $10 million in grant economic assistance from FY 1958 funds available to the Lebanon as quickly as possible.

We recognize that uncommitted funds for the remainder of this year are extremely limited and understand that, after taking account of the Tunisian requirement, there is but little over $7 million in unprogrammed funds available under MSP 1958. We feel, however, that this need in the Lebanon is so imperative that it warrants re-examination of existing firm programs, both military and economic, to ascertain whether sufficient reduction in these requirements can be made to fulfill this need.

Recommendation

That you approve in principle the concept of providing $10 million in economic assistance to the Lebanon from this year's MSP funds and that you direct that there be a re-examination of existing firm programs, both military and economic, to determine the sources for such funds.

3) FY 1958 Development Project Aid to Jordan.

The United States committed in late November 1957 $10 million of FY 1958 SEA funds to Jordan for economic development activity. During the intervening five months ICA, in conjunction with the Jordan Government, has drawn up projects amounting to $8 million. However, ICA will not obligate this amount until a program approval and project agreements are completed, i.e., implementation awaits completion of

administrative details. Because of a drought which has deepened the generally depressed economic situation in Jordan, the Jordan Government is most anxious to get this development aid from the talk to the construction stage, and we entirely agree. In addition, we think the situation calls for considerably more effort to obligate the remaining $2 million to worthwhile projects prior to June 30.

Of the $8 million above, $2.5 million has been set aside for the East Ghor (Yarmouk River) irrigation project. The Department and ICA informed the Jordan Government on February 26, 1958 that the United States would assist in financing the construction of this project. Progress on the project is now being held up by a number of technical problems and considerations which ICA indicates must be settled prior to conclusion of a project agreement, as well as by ICA consideration of Israeli objections to the project. In view of the United States political commitment and the expectations of Jordan, the Department considers that technical considerations should not be allowed to hold up early obligation of funds to the East Ghor project. We believe it will be possible to work out matters with the Israelis as we proceed.

Recommendation

That Mr. Smith of ICA be informed of your desire that obligation of the $10 million for development projects in Jordan, including the East Ghor, be given the highest priority. Regarding the East Ghor, Mr. Smith should be informed that technical considerations should not be allowed to hold up early obligation of funds.

4) Support for the Arab Union.

In May the Governments of Iraq and Jordan are scheduled to announce the establishment of the Arab Union. The economy of Jordan is not viable and the pro-Western government of that country has been maintained during the past year by external assistance (budgetary and military) amounting to $49 million, of which the United States contributed $35 million. The Government of Iraq, while desirous of union with Jordan, is not willing or able to carry the entire burden of Jordan's deficit. The cutting of the IPC pipelines by Syria in 1956 resulted in a significant drain on Iraq's financial reserves. The Iraqi Ministry of Finance, operating virtually without reserves for the first time in some years, anticipated prior to consideration of the Arab Union that the Iraq budget for the current year (beginning April 1, 1958) would run a deficit of about $10 million. Development Board reserves, which by law cannot be diverted to budget purposes, are already considered too low by Iraqi officials. Thus, the reluctance of Iraqi officials to assume the entire additional burden of the Arab Union is likely to result in our being confronted with urgent pleas in the weeks ahead for financial support over and above the $15 million of Fiscal Year 1958 funds presently committed

for budgetary support to Jordan. Prior to the February 14 Iraq-Jordan agreement on union, both parties were assured by the United States that we would give sympathetic consideration to the Union's needs, and in view of the current situation in the Middle East we believe it is important that the Union not founder as soon as it is promulgated. In order that we might possess, prior to the availability of Fiscal 1959 MSP funds, a capability for providing tangible evidence of support in meeting, at least partially, reasonable requests for support, a minimum of $10 million should be earmarked for the Arab Union from any remaining Fiscal 1958 MSP funds.

Recommendation

That you approve in principle the concept of providing $10 million in economic assistance to the Arab Union from this year's MSP funds and that you direct that there be a re-examination of existing programs, both military and economic, to determine the sources for such funds.

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16. Memorandum of Conversation

Washington, April 22, 1958.

SUBJECT

Jet Planes for Lebanon, Jordan and Iraq[1]

PARTICIPANTS

The Acting Secretary
W—Mr. C. Douglas Dillon
NEA—Mr. William N. Rountree
Mr. Mansfield D. Sprague, Assistant Secretary of Defense
Admiral Charles K. Bergin, Department of Defense
NE—Stuart W. Rockwell

The meeting was called by Mr. Herter to discuss the matter of the provision of modern jet planes to the governments of Lebanon, Jordan

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Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Rockwell.

[1] In a memorandum to Deputy Under Secretary of State for Economic Affairs Dillon, April 25, Director of the International Cooperation Administration James H. Smith, Jr., explained that he concurred with considerable reluctance in furnishing jet fighter aircraft to Lebanon, Jordan, and Iraq. He believed that it was undesirable to furnish such sophisticated weapons solely for reasons of prestige and noted that they would be a considerable drain on the available foreign exchange of these countries. (Memorandum from Smith to Dillon; *ibid.*, Central Files, 700.5–MSP/4–2558)

and Iraq. It was agreed that because of the political considerations arising out of the Palestine dispute it would be undesirable for the United States to provide jet planes to the governments of Lebanon and Jordan and thereby become involved in the responsibility of training. It was further agreed that Hawker Hunter Mark VIs, to be obtained in the UK by offshore procurement, should be granted to Lebanon and Jordan, six to the former and twelve to the latter.

In connection with Iraq it was felt that the Palestine political implications were not so serious and mention was made of the Congressional opposition to offshore procurement, of the fact that F–86's would be considerably less expensive than Hawker Hunters, and the fact that if F–86's were provided the Air Force would gain funds which could be used to acquire more modern planes. The political effects in the UK and on the UK position in Iraq, of a U.S. decision to supply F–86's were also discussed. It was stated that the likely result of sending American planes into Iraq would be the requirements that the United States gradually assume responsibility for the maintenance and the training of the Iraqi Air Force. Mr. Sprague said the Defense Department was prepared to accept this responsibility.

The majority present at the meeting favored the supplying of fifteen F–86's to Iraq on a grant basis. Mr. Rountree said that he wished to inform the British as soon as possible of the plans for planes to be supplied to Lebanon, Jordan and Iraq.[2] Mr. Dillon undertook to expedite the preparation of the 401 action with regard to the planes for Lebanon and Jordan.

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[2] On April 23 at Rountree's request, British Minister Lord Hood called at the Department of State. Rountree informed Hood of the decision at the April 22 meeting. Lord Hood raised the issue of the Iraqi Air Force operating efficiently with two types of modern aircraft. Rountree countered that the United States had considered it and did not believe it to be a problem. (Memorandum of conversation, April 23; *ibid.*, 786.5622/4–2358)

In telegram 7717 to London, April 29, the Department informed the Embassy that British Ambassador Caccia had delivered a personal message from Lloyd to Dulles on April 28 expressing concern over the decision to supply U.S. aircraft to Iraq. Lloyd was convinced that the Iraqi Air Force, built up on the basis of British equipment and training, would lose operational effectiveness by the introduction of F–86's. (*Ibid.*, 786.5621/4–2958)

17. National Intelligence Estimate

NIE 36–58 Washington, June 5, 1958.

TRENDS IN THE MIDDLE EAST IN LIGHT OF ARAB UNITY DEVELOPMENTS

The Problem

To estimate trends and developments in the area following the establishment of the UAR[1] and their effect upon US interests, particularly in the Arab states.

Conclusions

1. The formation of the UAR has accelerated the movement toward Arab unity and has sharpened the problems confronting all the participants in the Middle East drama. It has brought the struggle between pro- and anti-Nasser forces in the area, and their supporters among the major powers, into a critical and more complex phase. It has given a new impetus to Nasser's "neutralism" and added to the heavy pressures weighing on the local proponents of association with the West. (Paras. 10, 30)

2. The essential elements in the Middle East situation now seem to be the following: (a) the UAR, with Soviet support, has seized the initiative in the Arab unity movement, which is the most dynamic political force in the area; (b) the conservative Arab governments of the Middle East do not now appear to have the capability without external support for long resisting the subversive pressures of the UAR or of increasing their own strength; and (c) the expansion of the UAR is being blocked by Israel, by Western influence, and for the time being by certain regimes and groups which are antagonistic to Nasser's leadership. (Paras. 25–26, 31–38, 54–56, 59)

3. These elements add up to an explosive situation which could be touched off by: (a) a collapse of Jordan, (b) an Israeli decision to take preventive military action, or (c) a resort to the use of military force by Nasser or by his opponents. We do not rate these developments individually as probable. However, we believe that the development of the

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Source: Department of State, INR–NIE Files. Secret. According to a cover sheet, the following intelligence organizations participated in the preparation of this estimate: CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the IAC concurred in this estimate on June 5, except the representatives of the AEC and FBI who abstained, the subject being outside their jurisdiction.

[1] "UAR: The United Arab Republic, the union of Egypt and Syria; UAS: United Arab States, the loose federation of the UAR and Yemen." [Footnote in the source text.]

overall situation will increase their chances of coming about and that the cumulative possibilities make it likely that at least one will occur and set off an area conflagration within the next year or so. Several other situations, could evolve in such a way as to bring the hostile forces in the area into open conflict. (Paras. 48, 52–56)

4. Although aware of the dangers involved and apparently desirous of avoiding military involvement with Israel or the West, Nasser will continue to encourage and assist disaffected groups within the other Arab states, particularly within those associated with the West. He will carefully consider the military and political implications of each new application for membership in the UAR or UAS, but he will find it almost impossible to turn down any applicant, even though acceptance might lead to forceful counteraction. (Paras. 25–28)

5. It is unlikely that the military defeat of UAR forces or the death of Nasser would in the long run greatly change basic trends. The Pan-Arab movement would be set back for a time, but we believe that chances favor its persistence as the most dynamic force in the Arab world. (Paras. 57–58)

6. We believe that the Soviets will continue to use the radical Pan-Arab movement in an effort to eject the West from the area and that they will not attempt to interfere in the UAR's internal affairs until this prior aim has been accomplished. However, we believe the Soviets, as a hedge against the unreliability of Nasser, will continue to build relationships in the Middle East which are independent of Nasser and the UAR. (Paras. 45–46, 49)

7. Frictions are likely to grow between Nasser and the USSR over political and economic arrangements in the Middle East and Africa. However, we believe that over the next few years, their common interest in eliminating the special Western position in the area will prevent any serious impairment of their relationship. (Para. 46)

8. The nature of the Soviet reaction to US intervention with military force would vary according to circumstances and the Soviet assessment of opportunities to damage the US position. If the US were to intervene in Lebanon or another friendly Arab country, in order to assist the government to cope with a UAR-supported uprising, the Soviet reaction would probably be confined to vigorous diplomatic and propaganda action. If, in the course of this intervention, the US became involved in military action on UAR territory, the Soviet would react more strongly, possibly increasing military assistance and providing "volunteers." Although the latter course of action would increase the chance of a Soviet-US conflict through miscalculation, we believe it unlikely that the USSR would take action which it estimated would involve serious risk of general war. (Para. 48)

9. Prospects for establishing a relationship of mutual confidence between Nasser and the West appear remote. At the same time, Nasser wants to remain independent and he will seek to stay neutral and to maintain at least tolerable relations with the West. The main problem of both the West and Nasser will be how to maintain such minimal relations despite the fundamental clashes between their goals. (Paras. 61–62)

[Here follows the "Discussion" portion of the estimate (paragraphs 10–62) with sections headed "Introduction," "The UAR," "Other States of the Area," "The Soviet Position," "Area Outlook," and "Reaction to the Western Posture."]

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18. Memorandum for the Record

I–14487/8 Washington, June 11, 1958.

On June 9, 1958, the President telephoned Secretary McElroy asking the reason for the delay (a) in contracting with the British for offshore purchase of Hawker Hunters for Jordan and Lebanon and (b) in delivering F–86s to Iraq. After discussion with Admiral Bergin and General Hutchinson, Air Force, and Mr. Rountree of State, I explained the situation to Secretary McElroy. Later Mr. Sprague and General Twining reported that at the White House meeting,[1] it was agreed that the Air Force would execute a letter of intent with the British for the offshore purchase of Hawker Hunters for Jordan and Lebanon in approximately one week and that we would deliver a few F–86s to Iraq with minimum support and with a few personnel in one week or as shortly thereafter as possible. The remaining aircraft approved for Iraq with normal support and the remaining MAAG and training personnel would be delivered within ninety days.

I telephoned Mr. Rountree, who had been at the White House meeting attended by General Twining and Mr. Sprague, to tell him that Defense was proceeding in accordance with the decisions taken at that

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Source: Washington National Records Center, RG 330, OSD/ISA Files: FRC 62 A 1698, 452.1 Lebanon, Sensitive. Secret; Sensitive; Special Handling. Drafted by Irwin.

[1] Apparent reference to a meeting on June 9 among Eisenhower, Macmillan, Dulles, and others on military aid to Iraq, Lebanon, and Jordan. (Eisenhower Library, Whitman File, International File, President, 6/58–9/30/58)

meeting. However, State Department must accomplish an exchange of notes with Jordan and Lebanon and obtain an amendment to the Bi-lateral Agreements with these two nations. Likewise, the State Department must obtain agreement from Iraq for an increase in the strength of the MAAG and establishment of an Air Section. These State Department negotiations must be completed quickly in order to permit Defense to accomplish its mission within the time period discussed at the White House meeting. Mr. Rountree said that the State Department would accomplish its part in time for the Defense Department to meet its time schedule.

I further informed Mr. Rountree that Defense understood its commitment to Iraq was for 15 airplanes and one [a] year supply of spares; that there was no commitment to replace the airplanes and no commitment beyond the one year supply of spares; and that Gen. Rafiq Ariff, Baghdad, in a conversation with Mr. Sprague in Baghdad on 20 October 1957[2] had agreed that Iraq would pick up the cost of spares and recurring costs at the end of one year. Mr. Rountree accepted this as a correct understanding of Defense's commitment.

John N. Irwin, II[3]

[2] No record of this conversation was found.

[3] Printed from a copy that bears this stamped signature.

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19. Memorandum From the Deputy Under Secretary of State for Economic Affairs (Dillon) to Acting Secretary of State Herter

Washington, June 30, 1958.

SUBJECT

Approval of the Joint US-UK Report on Transport of Oil from the Middle East

Discussion

At Bermuda,[1] the President and the Prime Minister agreed that there should be undertaken as a matter of urgency a study of the present

Source: Department of State, Central Files, 880.2553/6–3058. Confidential. Drafted by Robert M. Carr, Director of the Office of International Resources, Bureau of Economic Affairs, and cleared by Jandrey and Kennedy.

[1] For documentation on the meeting between Prime Minister Macmillan and President Eisenhower at Bermuda, March 21–24, 1957, see *Foreign Relations*, 1955–1957, vol. XII, pp. 462 ff.

situation and probable future developments throughout the Middle East, dealing first with those aspects of the problem bearing upon the supply of oil to the free world.

Officials of the United Kingdom and the United States now have ready a joint Report, including recommendations, which deal with the problem of oil supply if closure of Middle East oil transit facilities should occur. The factual material in the report and in the working papers on which it is based has been checked by appropriately cleared United Kingdom and United States oil industry experts, and the Report itself has been cleared at the Assistant Secretary level by the interested United States agencies (Interior, Justice, Defense, Commerce, Office of Defense Mobilization, and the International Cooperation Administration). It has also been cleared by the interested Bureaus of this Department (E, NEA, EUR, and ARA), and I have read the Report and concur in its recommendations.

I should like to call to your attention the recommendations in Section V of the Report, particularly those contained in paragraph 17(e), recommending that the construction of additional trunkline pipeline capacity from the Persian Gulf to the Eastern Mediterranean be discouraged unless, in a particular case, political considerations are deemed to justify it, and in paragraph 18, recommending that a further joint study be made of the special problems that would be caused by an interference with Middle East production at the source. The other recommendations relate in a large part to activities already underway.

(The United Kingdom, with our concurrence, confidentially informed the Canadian Government of the work being done on the transit study, but no other Governments have yet been so informed.)

The United Kingdom members of the joint study group are scheduled to return to Washington July 9 to proceed with the further study recommended in the Report, upon the assumption that this Report and its recommendations would be approved by the President and British Prime Minister at their recent meeting in Washington. It was not possible however to submit the report to the President and the British Prime Minister for this purpose.

Recommendation[2]

That you authorize me to inform the Anglo-American Study Group when it convenes that the Report and its recommendations are officially approved by the United States.

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[2] Herter approved the recommendation on July 5.

Attachment

Washington, May 12, 1958.

TRANSPORT OF OIL FROM THE MIDDLE EAST[3]

(Joint Report by US–UK Officials)

1. At Bermuda, the President and the Prime Minister agreed that there should be undertaken as a matter of urgency a study of the present situation and probable future developments throughout the Middle East, dealing first with those aspects of the problem bearing upon the supply of oil to the free world, with a view to making recommendations for furthering the common interests of the two Governments in this area. In pursuance of this directive, U.S. and U.K. officials have jointly examined the problem of reducing the vulnerability of the West to interference with the flow of oil supplies from the Middle East through the Suez Canal and the pipelines to the Eastern Mediterranean. In this examination conditions short of war have been assumed.

I. Nature of the Problem

2. The Middle East, with about two-thirds of the free world's known oil reserves, will supply a gradually increasing share of oil requirements of other regions at least during the next five to ten years. The Western Hemisphere will receive only marginal amounts from the Middle East and in an emergency will be able to more than meet its own requirements from unused productive capacity principally in the U.S., Venezuela and Canada. Asia and the Far East will draw heavily upon Middle East oil supplies and have ready access to producing areas via the open ocean routes. Europe and the rest of the Eastern Hemisphere west of Suez can expect to cover less than one-sixth of its oil requirements from internal resources and will depend for nearly three-quarters of its supplies on the Middle East. No significant reduction in this

[3] Prepared by an Anglo-American Study Group and submitted on May 6 by the Bureau of Economic Affairs to the Bureau of Near Eastern, South Asian, and African Affairs for its comment. Rountree suggested that although it might seem inconsistent to encourage the construction of both new pipelines and oil tankers, he believed that the potential increase of demand for Middle East oil by Western Europe and the uncertainty of the political situation in the Middle East argued for the "greatest possible diversification of means for getting Middle East oil to consumers." (Memorandum from Rountree to John F. Shaw of NE/E, May 7; Department of State, NEA Economic Files: Lot 66 D 45, ME General, Oil and Petroleum) Rountree's suggestion was incorporated into the study, and on May 16 the Department of State submitted the draft to Defense Mobilization, Commerce, Interior, ICA, and Defense for their concurrence. The concurrences and comments of these agencies, along with related documentation, are in Department of State, Central Files, 880.2553/5–2158 to 5–3058.

dependence can be expected from increased availability of other sources of energy such as nuclear field, oil shale and tar sands.

3. Virtually all Middle East oil destined for Europe will move via the customary routes, the Suez Canal and the pipelines terminating on the Eastern Mediterranean. The pipelines (existing and new) may, however, be expanded to carry a somewhat greater proportion by the mid-sixties than at the present time.

4. In the absence of a tanker surplus and without emergency supplies from the Western Hemisphere, closure of the Suez Canal and all pipelines would reduce Europe's total oil supplies by one-third of the normal rate. Middle East exports to all destinations would fall by one-third.

5. For the next 3 or 4 years the carrying capacity of the world tanker fleet will be considerably in excess of normal demands upon it. There is at present a tanker surplus amounting to some 4-1/2 million d.w.t. This is expected to increase in the next few years, reaching its peak about 1960 or shortly thereafter. The tanker surplus should then decline and it is expected to disappear by 1965 or perhaps even a year or two earlier, owing to the growth in oil demand, scrapping of old tankers and a possibly reduced rate of new construction. Consequently, in a transit crisis Europe would then be faced with a deficit of one-third in its supplies unless it was able to draw more oil from shorter haul sources in the Western Hemisphere thereby increasing the carrying capacity of the world tanker fleet.

6. The Western Hemisphere could in an emergency, conservatively, supply to Europe an additional one million barrels a day (fifty million tons a year). In 1960 these supplies would more than suffice to cover Europe's marginal deficit. In 1965 they could reduce Europe's shortage from one-third to one-fifth. In lifting the full fifty million tons a year from the West the fall in Middle East exports would be increased to one-half of the normal level and Europe would incur a large additional dollar burden.

7. In an emergency Europe's overall consumption of oil products could possibly be reduced by 10% without serious economic effects. Because of this and of the tanker surplus, it should be possible [by] about 1960 to meet Europe's essential needs without recourse to additional purchases from dollar sources in the Western Hemisphere. Before then and afterwards additional purchases from the Western Hemisphere would be necessary and might be substantial. In 1965 and possibly a little earlier, closure of the Mediterranean transit routes would create a deficit in Europe: the shortage after allowing for a 10% cut in consumption would range between one-quarter—with normal supplies from the

Western Hemisphere—and one-tenth with an extra one million barrels a day (fifty million tons a year) from the Western Hemisphere.

8. Dislocation caused by interruption of Middle East oil supplies would be greatly aggravated in the absence of close co-operation in the West from the outset—on both Government and company levels.

II. Measures for Alleviating the Problem

9. The problem of Europe's vulnerability to interruption in the flow of Middle East oil stems from normal commercial trends in the supply of oil to the Free World. Special measures of insurance of two general types are, however, available to protect Europe: (a) those which make it possible to offset deficiencies in oil supplies due to interference with the flow of Middle East oil, and (b) those which permanently reduce the degree of dependence upon Middle East oil and existing transit facilities.

10. *Offsetting Oil Deficiencies.* This could be achieved by the creation of:

(a) *Emergency stocks and storage capacity and tanker reserve fleets.* Additional stocks and storage capacity (government, oil industry or consumer) could be built up within Europe for use during an emergency. The principal means of establishing such stocks are:

(i) Conventional (onshore, above-ground) storage in steel tanks.

(ii) Unconventional land storage, e.g., salt cavities, the wider use of which would make possible a reduction in the costs of a stockpiling programme.

(iii) Floating storage. Obsolescent tankers which would otherwise be scrapped might be retained by purchase or lease for emergency oil storage. These vessels could also serve as *tanker reserve fleets* to be reactivated for sea duty to relieve shortages in supply in emergency situations.

(b) *Active transport reserves.* Encouragement might be given to the provision of a built-in reserve of transport capacity in active tanker fleets by employing more super tankers on the Cape route or part loaded through the Canal than would ordinarily be used according to strictly commercial considerations. Surplus tankers which would otherwise be scrapped might also be chartered to retain them in active service.

(c) *Emergency plans.* Stand-by plans covering the organizational measures required on a Government to Government and Government to industry basis would be necessary to enable full advantage to be taken of the re-arrangements of oil supplies in a Middle East emergency. Stand-by plans for rationing or other measures to restrict consumption in Europe would also be necessary.

(d) *Emergency coal stocks.* To the extent that coal can be used, as a substitute for oil, an increase in coal stocks would be the equivalent of an increase in or an addition to emergency oil stocks.

11. *Reducing Dependence.* This could be achieved by:

(a) *Changes in the production pattern*

(i) Further exploration and development of alternative sources of supply in the Free World outside the Middle East could be assisted by:

(1) encouraging investment in this activity; and

(2) fostering the maintenance or adoption in promising areas of reasonable legal, financial and concessionary conditions.

(ii) The construction and maintenance in producing areas (Middle East and elsewhere) of spare facilities would aid in the rapid expansion of exports in an emergency.

(b) *Changes in the transportation pattern.* The normal tanker fleet would be enlarged by:

(i) greater use of sea transport from the Persian Gulf to the area west of Suez instead of trunk pipelines to the Levant coast, and

(ii) greater use of the Cape route instead of the Canal route from the Persian Gulf by tankers sufficiently large to do so economically.

III. Crisis in 1960 or 1965

12. In 1960 a deficit of 25 percent (after allowing for 10 percent restriction on consumption) could be overcome almost entirely even in a long drawn out crisis by use of the expected tanker surplus to carry Middle Eastern oil via the Cape route.

13. In 1965 when tankers are not likely to be in surplus, the principal means of dealing with a transit closure of relatively short duration, e.g., six months, could be by the drawdown of a previously established emergency stockpile equivalent to 30 days' normal consumption. A stockpile of this size would, at 1965 consumption rates, cost about £360 million ($1,000 million) for both oil and conventional storage facilities.

14. In a crisis of longer duration, e.g., one year, the 30-day emergency stockpile would, if kept in land storage, satisfy about one-half of the 25 percent deficit (after allowing for 10 percent restriction on consumption). This could be cut down still further if use were made of emergency transport capacity that had been developed either as tanker reserve fleets (holding a portion of the emergency oil stocks and available for reactivation) or in the active tanker fleets.

15. Any remaining deficit could be eliminated by drawing upon additional supplies of Western Hemisphere oil. Such imports would involve high added dollar outlays for Europe. At the full rate of one million barrels a day (fifty million tons a year), the additional burden would be about $1,000 million yearly, of which over three-quarters would fall on the U.K.

IV. Interruption of Production

16. This appreciation has been concerned with problems arising from a possible interruption of the oil transit routes. An interruption, partial or complete, of Middle East oil production at the source would also present a threat to Europe. With emergency supplies from the Western Hemisphere at a rate of one million barrels a day (fifty million tons a year) the effects on European supplies of a partial interruption of production would not be more serious than the closure of the Suez Canal and pipelines at a time when there was no surplus tanker capacity, unless the level of exports from the Middle East available for Europe fell by more than about one-half. The risk of interference with Middle East production at the source does, however, raise problems which are different from those of a transit crisis.

V. Recommendations

17. It is recommended that the two Governments undertake the following measures to reduce the impact on the free world of reduced availability of petroleum caused by a possible future stoppage of Middle East oil transit facilities:

a. Encourage Western European Governments (through the medium of O.E.E.C.) to ensure the provision from internal financial resources of one month's additional oil stock above the average level in terms of days' supply normally available for commercial purposes prior to the Suez Crisis. This additional stock may be stored in conventional or unconventional land storage or in floating storage, for example, surplus tankers. The present tanker surplus reduces the urgency of this provision to meet a transit crisis, but plans should be made forthwith and implemented with reasonable speed because (a) the tanker surplus cannot be expected to persist indefinitely and (b) the additional stock would be especially valuable in a production crisis.

b. Maintain stand-by plans covering the organizational measures required on a Government to Government and Government to industry basis to assure speedy and effective re-adjustment of oil supplies in a Middle East emergency. The Government to Government measures should be implemented primarily through the O.E.E.C., and the Government to industry measures in part through O.E.E.C. and in part by each country in association with its national oil industry.

c. Encourage Western European Governments to maintain stand-by plans for the introduction of rationing or other forms of restricting oil consumption in an emergency.

d. Continue to encourage the exploration and development of alternative sources of supply in the free world, particularly west of Suez, by seeking to obtain in promising areas a favorable investment climate and the maintenance or adoption of reasonable legal, financial and concessionary conditions.

e. Middle East pipelines projects should be considered individually on their merits bearing in mind the advantages of tankers in a transit emergency and the need to diversify transit routes. The construction of additional trunkline pipeline capacity from the Persian Gulf to the

Eastern Mediterranean should be discouraged unless, in a particular case, political considerations are deemed to justify it.

f. Encourage the crude oil-producing companies, through individual approaches, to construct and maintain, consistent with their commercial resources, reserve production and loading facilities in the various producing areas (Middle East and elsewhere) to aid in the rapid expansion of exports in an emergency.

g. Encourage the oil industry to maintain as large tanker fleets in being as possible and to make maximum use of the Cape route. To this end practical studies should be undertaken in consultation with industry representatives, of the means, cost and implications (including the adequacy of port facilities) of maintaining a reserve of tanker capacity.

18. It is also recommended that in the light of recent political developments in the Middle East the two Governments make a joint study of the special problems that would be caused by an interference with Middle East production at the source.

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20. Editorial Note

On July 14 General Abdul Karim Qassim led a military coup which overthrew the government of King Faisal of Iraq. The King, the Crown Prince, other members of the royal family, and Prime Minister Nuri Said were killed. The new provisional Government of Iraq announced that it was leaving the Arab Union. Documentation on the Iraqi coup and the United States response is printed in the compilation on Iraq.

On July 15 the Eisenhower administration sent 3,500 troops into Lebanon in response to a request from President Chamoun for U.S. and British intervention in Lebanon. Documentation on this decision is in volume XI, pages 107 ff.

On July 17 the British Government airlifted two battalions into Jordan at the request of the Jordanian Government. For the U.S. role in that decision, see *ibid.*, pages 264 ff.

21. Memorandum of Telephone Conversation Between President Eisenhower and Secretary of State Dulles

Washington, July 16, 1958, 10:20 a.m.

[Here follows a brief discussion about sending a message to Congress requesting passage of the Mutual Security authorization as originally requested in light of the Middle East situation.]

The President then said that he felt strongly that we should assign first priority to increased military and economic aid for Turkey and Iran. They should have all the assistance they can absorb. The Secretary said we had had trouble with Defense about going further than the 10 divisions for Iran, and the President answered that we should get those 10 divisions fixed up fine.

The President also says we must get Lebanon into condition where it can take care of itself because we cannot keep troops there indefinitely.

Pakistan should have second priority (second because it is so close to Arab world and there is always the problem of India).

The Secretary is coming over later this morning and there will be a conference on this proposed message to Congress re mutual aid bill. The Secretary also has some secret things to talk to the President about.[1]

The Secretary reported that Selwyn Lloyd would be here tomorrow morning.[2]

Source: Eisenhower Library, Whitman File, Eisenhower Diaries. No classification marking.

[1] See Document 22.

[2] See Document 23.

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22. Memorandum of Conference With President Eisenhower

Washington, July 16, 1958.

OTHERS PRESENT

Secretary Dulles, Mr. Murphy, Mr. Reinhardt, Mr. Rountree, Mr. Cummings, Mr. Allen Dulles, Secretary McElroy, General Twining, Mr. Sprague, General Persons, General Goodpaster

Secretary Dulles said he proposed to send Mr. Murphy out to Beirut via jet aircraft, having in mind that he could establish better

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Source: Eisenhower Library, Whitman File, Staff Memos, July 1958. Top Secret.

relations as among our own military and diplomatic people, Lebanese military, and the Lebanese government. The President approved this action. Mr. Dulles thought this was especially important if the Lebanese were to attack U.S. forces. It might be possible for Mr. Murphy to improve the relations between Chamoun and Chehab also.

Mr. Dulles then went on to say that the Jordanian situation is rapidly becoming extremely dangerous. We have information of a planned attack against King Hussein on July seventeenth. A severe petrol shortage exists, because the Jordanians are not getting their normal supplies from Iraq, and have no storage. Mr. Rountree said we are studying the airlift of packaged POL, but are unsure whether we will get Saudi Arabian clearance to fly it in from that direction. We will plan to use the Aqaba base, but this will be slow in developing. The suggestion was made of obtaining POL for Jordan from Israel; he said this would be very dangerous, and would have to be approached most carefully. Mr. Allen Dulles suggested that Israel might turn it over to the United States or United Kingdom who in turn could convey it to Jordan.

The President said he is concerned that, if the Armed Forces we are supporting in the area are unreliable and seditious, we really seem to have nothing on which to base our action. He emphasized the need for one or more good radio stations in the area. Mr. Murphy suggested setting up a "black Iraqi" radio in Turkey. Mr. Rountree thought a shortwave station could be opened in Jordan, and that it might be possible to move the USIA radio ship up to Beirut. The President stressed the need to identify ourselves in the area with nationalism. We need to get some clever and convincing people from the populations and to carry the message that their progress lies in association with the West. Allen Dulles said he would get some of his people to work on this.

The President referred to a report from a Senator earlier in the day that the Voice of America had sought a statement from him, and might well be seeking statements from others opposing the President's action. He thought this was very unwise and asked Secretary Dulles to look into the matter. He stressed that he feels the Voice of America should be used to put out our official story.

Secretary Dulles informed the group that Selwyn Lloyd would be arriving the following day; the question was whether the situation in Jordan would hold until his arrival. He also mentioned that he had received a message from the Shah of Persia. He referred to the President's statement that we must bolster Iran and Turkey, and indicated we must consider going up from ten to sixteen divisions in Iran in response to the Shah's request. The President thought it might be better to stress improvement of the combat capability of the existing divisions. Mr.

Sprague suggested bringing up the status of the divisions in question, which are now at very low strength.

As a step that will give confidence and encouragement to the Turks, General Twining reported the movement of a composite tactical air unit into Adana. Secretary Dulles said he would send messages advising them that we will give them help. The President asked that they go out quickly, and that the aid be quickly provided. To a question by Mr. Sprague as to what the President was thinking of for Turkey, he said he wanted to send whatever would give them confidence. He felt it was of great importance to give the Shah a radio station to counteract hostile propaganda. [*2 lines of source text not declassified*]

General Twining said that if there is any military action contemplated with respect to Jordan, either by ourselves or the British, the Defense Department needs to be advised. The President said he knew of no basis on which we could move in, and Mr. Dulles thought we should wait to see what the British are doing, and talk to Selwyn Lloyd. The President commented that the British may be planning to move in light of the threat to Hussein. Secretary Dulles said this intelligence came from the British who gave a digest of it to Hussein. He said he assumed the British would go in by air, and Mr. Reinhardt confirmed this, adding that they will need logistic reports from us. General Twining thought the British should get their forces in at once, but Secretary Dulles said he had no enthusiasm for British forces going in. Lebanon has not been swept by pan-Arabism, but in Jordan and Iraq, pan-Arabism could sweep the country very quickly. To his question as to whether Jordan would welcome the British, Allen Dulles thought there were ties going back to the old Arab Legion which would tend to create a good relationship, even though the legion has been scattered. (At this point Mr. Macomber and Mr. Dillon joined the group.)

Secretary Dulles next took up the point as to whether we should press Hussein to make a call for the British to come in. Mr. Allen Dulles thought we should not do so. Secretary Dulles believed that if any troops were sent in they should be British, although we might provide air logistical support. [*3 lines of source text not declassified*]

[*3 lines of source text not declassified*] He thought we should strengthen Turkey and Iran but did not feel we could send our troops further than Lebanon. Secretary Dulles said that if Iraq were to drop out of the Baghdad Pact, he thought there would be good reason for our joining. It would be premature to do this today, but the action should be considered soon.

The discussion next turned to the Mutual Security appropriation. The President recalled that one Senator had proposed that we should send a request up for an additional authorization, with the thought that this action would help to get appropriations up to the total of previous

authorizations. We should also tell the committees that if trouble develops we will meet it, perhaps spending more in the first six months of the year than a proportionate amount—and that we would in this case make a deficiency request in January. Mr. Dillon said there is not enough difference between the request we initially submitted and the present authorization to warrant making a new authorization request. He would check at once to see if Senator Knowland and Senator Bridges are willing to press for appropriations amounting to the full authorization.

Referring again to the Mid-East crisis, General Twining recalled that a Marine battalion had been sailed to the Saudi Arabian area at the time of the Suez crisis. He said the Chiefs suggest moving a combat team from Okinawa to the Dhahran area. Secretary Dulles commented that in case of an attempted coup in Saudi Arabia, this force could go into this country; likewise it could go into Kuwait. He asked whether this movement would weaken us too much in Okinawa, and General Twining said that more than 6,000 troops would be left. It would take two or three weeks for the force to reach the Persian Gulf according to General Twining. Secretary Dulles thought the situation in Kuwait may go bad before then, and commented that the British have nothing there. (He commented on the British folly in decreasing their conventional forces in the various areas on which their world position depends in order to create a nuclear force of small size at tremendous expense). Mr. Allen Dulles recalled that Iraq has always claimed Kuwait, which is the biggest oil producer in the Mid-East today. Mr. Rountree thought it would be wise to get the Marines started, and the President approved this movement.

Mr. Murphy inquired as to what part Turkey might take in the present situation. He understood that Turkish operations in northern Iraq are entirely possible. Mr. Dulles referred to the "silence" from Turkey during the last few days. They were set to move at the time of Syria, and were very vocal about it. Their present silence is disturbing. Mr. Rountree said they have put two divisions on the alert in the Far East, and have closed their border with Syria. Mr. Murphy said there is a possibility of forming a shadow Iraqi government in Turkey, and this should be explored. Secretary Dulles commented that the Iraqis have no doubt seized the Baghdad Pact records as well as the Crown Prince's records and Nuri's files.

[*4-1/2 lines of source text not declassified*]. Mr. Sprague suggested we should find out if the British are going to send any troops into Kuwait.

The President concluded by saying that the problem of disloyal troops was an extremely grave part of this whole situation which will require intensive thought.

G.
Brigadier General, USA

23. Memorandum of Conversation

Washington, July 17, 1958, 3:30 p.m.

SUBJECT

Foreign Secretary Lloyd's Visit[1]

PARTICIPANTS

United States	*United Kingdom*
The President	
Secretary of State Dulles	Foreign Secretary Lloyd
G. Frederick Reinhardt	Lord Hood, British Minister

The Secretary reported on the progress of his conversations with Mr. Lloyd.

United Nations—The Secretary said he and Mr. Lloyd had agreed that the United Kingdom and Jordan should make a statement in the Security Council with respect to the British response to King Hussein's request for military assistance but they hoped that it would not be necessary to table a resolution and thus avoid a debate with Egypt.

Propaganda to Arab Countries—There was a discussion of the problem of Arab mass opinion which had so obviously been captured by Nasser. The President observed that we had failed to develop good information and propaganda operations in the Arab countries and had not responded to all their requests for assistance to this end. It was, he said, essential that we be more skillful in identifying the interest of Arab nationalism with the free countries of the world and the western point of view. The Communists had taken over this concept of nationalism and we must do a better job in winning the minds of the Arab peoples.

The Secretary referred to our efforts to set up a large radio station in Cyprus but after two years this project was still far from complete. The President recalled that Ambassador Heath had told him there was a radio station all ready to go in Saudi Arabia if only King Saud's agreement could be obtained. Mr. Lloyd said that there was a small British station at Skant which they were closing down for lack of funds and would be glad to have the U.S. take over. The Secretary said he would have Mr. Allen Dulles look into it.

Jordan—Mr. Lloyd said he had been asked by Mr. Macmillan to say how very grateful they were for U.S. support with respect to Jordan. The Secretary had given something to the press, we were to make a state-

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Source: Department of State, Conference Files: Lot 63 D 123, CF 1050. Top Secret. Drafted by Reinhardt. The meeting took place at the White House.

[1] British Foreign Secretary Lloyd visited Washington July 17–20.

ment in the Security Council, and our experts were looking into the problem of logistical support. This was all to the good but the British Government would be particularly happy if the Jordanian exercise could be a truly joint operation. This would in effect make it a kind of deterrent. The President pointed out that we did not have the advantages of a parliamentary form of government and that our operation in the Mediterranean had been presented as being limited to Lebanon. We would surely stand shoulder to shoulder with the British but as in the Torch Operation there were occasions when it was well to have a division of effort. There was a brief discussion of the progress of the British troop movement into Amman, concerning which information was very meager, as well as regarding the plot against King Hussein. The Secretary reported that he had been called at 2 a.m. because the Israeli insisted that we support the British request for overflight commission. He had agreed to this but the timing has been very late.

Mr. Lloyd said the British were putting 2200 paratroopers into Amman and the Guards Brigade would be behind. They did not want to put in too many forces because of the supply problem which had to be carried out by air.

Persian Gulf—The Secretary reported that he had discussed with Mr. Lloyd the problems of the Persian Gulf and the western oil installations there. This matter would be studied by U.S.-U.K. experts, military and civil. It was Mr. Lloyd's and his belief that subject to the report of the experts, these were positions that we should hold. The British had troops in Bahrein and an agreement with the Sheik of Kuwait for the defense of that area. We of course had no rights in Dhahran where the American installations were located. The Secretary reported that Ambassador Heath thought King Saud might welcome some military presence at the Dhahran airfield which he could use if necessary.

Iran and Turkey—The President believed that both the U.K. and the U.S. should be thinking how to increase the strength of Iran and Turkey. There was more morale in those countries than elsewhere in the Middle East. With respect to Iran, the President believed they should first get 12 divisions in good shape and then if possible perhaps add two more. These people, he said, tried to build up their military forces too fast and if they were permitted to do so, there was the danger that they would tear the heart out of their military establishment.

Jordan—At the end of the meeting Mr. Lloyd again raised with the President British hopes that there might be a U.S. participation in Jordan. The President gave him no encouragement but said that we would of course not permit the British to get into a jam there.

24. Telegram From the Consulate General at Istanbul to the Department of State

Istanbul, July 17, 1958, noon.

45. Verbatim text of message for President (Congentel 41) follows: *Verbatim text.* "The heads of state of Turkey, Iran and Pakistan, in view of the vital importance for the Middle East and the free world of the situation which developed as a result of the events in Iraq and Lebanon, have reached the conclusion that it was necessary for the Baghdad Pact powers to hold a meeting with the participation of the United States immediately and at the highest level and have decided to make a friendly approach to their ally, the United States, so that such a meeting should take place.

"In the opinion of the three governments it is most important that this extraordinary meeting should be held as soon as practicable. The venue of the meeting could be any appropriate place." *End verbatim text.*

In discussions Zorlu mentioned London as possible venue since preparation for BP meeting there already under way but particularly as being more convenient for Secretary Dulles. It was made very clear Dulles presence considered absolutely essential by Turkey, Pakistan and Iran.

Please reply urgently to CG repeating to Ankara.[1]

Hall

Source: Eisenhower Library, Whitman File, International File. Secret; Priority; Presidential Treatment. Repeated to London, Paris, Tehran, Karachi, Ankara, and Baghdad. Eisenhower initialed this telegram.

[1] In telegram 118 to Tehran, July 20, also sent to Karachi and Ankara, and repeated to Baghdad and London, the Department instructed the respective Ambassadors to convey an oral message from Eisenhower to their Head of State expressing gratitude for their support of U.S. actions in Lebanon and British action in Jordan. In response to the request of the three Baghdad Pact members, the Ambassadors were to state that Secretary Dulles would attend the Pact meeting in London. In light of U.N. and other Middle East activities, however, it would be impossible for Dulles and the U.S. Delegation to meet in an emergency session any earlier than the regularly scheduled session of July 28. (*Ibid.*)

25. Minutes of the Cabinet Meeting

Washington, July 18, 1958, 8:35–10:08 a.m.

[Here follows a list of participants.]

Mid East Situation—Sec. Dulles first recounted a statement by Stalin in 1924 to the effect that the Communist road to victory over the West lies in nationalism among the peoples of Asia and Africa.[1] He then noted three things inherently advantageous to the Communists, or disadvantages to the Free World, as regards the Mid East: (1) the fact that the existence of Israel has served as a stimulant to Arab nationalism, especially since the Russians in 1955 [*1952*] switched from supporting Israel to direct aid to the Arabs; (2) the existence of anti-Western feeling which Russians can exploit but we cannot in view of the interests we and our allies have there; and (3) the effective demagoguery of Nasser is something the Russians encourage and exploit, whereas we in good conscience cannot do so.

Although the United States tried for a time to work with Nasser, said the Secretary, it became impossible to do so once Egypt accepted Russian arms in large quantity.

The Secretary called attention to the publication by us recently of approximately 125 specific acts by Syria to aid the rebels in Lebanon during the two months of what was originally a non-serious internal difference. This activity was considerably reduced following Hammarskjold's discussion with Nasser and the establishment of the UN observation team. Consequently, and since the team is very limited in size, it has not reported any evidence of further Syrian activity.

Sec. Dulles told how President Chamoun had some weeks ago sounded out what would be the US response to a request for assistance, and he was informed by us that aid would be forthcoming in any desperate situation. Prior to the Iraq coup it appeared that Chamoun would not have to request aid. The coup, however, frightened President Chamoun and Hussein as to their own positions and they called on the United States and the United Kingdom for assistance in sustaining their governments.

The President's decision to send aid, Mr. Dulles said, was not made under any illusion it would solve the problem; rather, it resulted from the awareness that failure to act would cause many other small nations to mistrust US policy and they would not be able to count on US

Source: Eisenhower Library, Whitman File, Cabinet Series. Confidential. Drafted by L. Arthur Minnich, Jr. Attached, but not printed, was a text of Dulles' remarks, classified Top Secret.

[1]Stalin's lecture on the "Foundations of Leninism."

assistance in time of crisis, hence they would be less willing to make a firm stand for freedom.

Mr. Dulles said that, although the United States went immediately to the Security Council to ask for a stronger UN force in Lebanon so that we might withdraw, the UN outcome is uncertain particularly because many nations have not accepted the fact of Syrian intrigue and look upon the Lebanon struggle as an internal one in which outside nations should not intervene. Mr. Dulles cited specific instances of intrigue originating in Cairo.

In estimating the seriousness of the situation, Sec. Dulles said that one must estimate the relative power of the United States and Russia as a basis for estimating whether Russia would take steps likely to lead to war. He stated that our present estimate is that the United States is *now* in a very strong position, perhaps stronger than in years to come when Russia has operational missiles.

Regarding the Baghdad Pact, Sec. Dulles recalled that the United States had not favored Iraqi membership in the Pact, hence the United States had not joined in it. He believed that the strain placed upon the Iraqi Government by membership in the Pact may have considerably contributed to that government's downfall. He did not see much chance of retrieving the Iraqi situation since there appeared to be very few troops or people loyal to the old government.

Mr. Dulles then directed attention to oil resources, concerning which he believed there would be no problem so long as alternative resources are held in Iran, Kuwait and Saudi Arabia. Iraq would need oil revenues. He indicated also that none of the threats against pipelines crossing unfriendly area have been carried out. He stated that the Subcommittee on oil is keeping abreast of the situation.

In response to Secretaries Benson, Weeks and Anderson, Mr. Dulles noted that India stands opposed to our action whereas Pakistan supports it, that Secretary General Hammarskjold had been unable to persuade the Swedish Government to alter its policy to one of support for us, that the Baghdad Pact was not constituted in such a way that it could properly intervene to retrieve the Iraq situation. Mr. Anderson was most concerned with the rapidity of the coup and the absence of indications in advance of its happening. He also felt that other nations would be concerned with this and would be very worried as to their own future after US troops leave the area.

The President felt that our major effort must be one of getting our whole propaganda effort into a stronger position, which would require

much money[2] and a larger mutual security program. In the meantime, he believed Turkey and Iran must be strengthened, as also Lebanon and Jordan and perhaps also Libya, Tunis, and the Sudan. He repeated his emphasis on the need for money for the Mutual Security Program so as to get on with the job of rehabilitating our position in the area.

Mr. Allen Dulles recalled that the CIA had pinpointed more than a year ago the movement against the Iraq Government and had warned last March about the precarious situation in Iraq, Jordan, and Lebanon, that the President had directed an intensive review be made but that it was almost impossible to predict the exact timing of any coup. He mentioned several happenings which had probably served to trigger the coup earlier than planned.

[Here follows a briefing on the state of the economy.]

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[2] In a July 22 personal and confidential letter to George Humphrey, Eisenhower reiterated his belief that Nasser and the Soviet Union were winning the propaganda war in the Middle East:

"The basic reason for our Mid East troubles is Nasser's capture of Arab loyalty and enthusiasm throughout the region. Foster and I have long struggled with the Congress to get the kind of propaganda campaign established in that area that could counteract anti-Western sentiment as it now pours out of the Cairo —and Soviet—radios. We have never been able to get the money to do a good job, though today we are probably spending more by the month to solve this crisis than it would have cost us by the year to have been more effective in preventing it." (Eisenhower Library, Whitman File, Eisenhower Diaries)

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26. Memorandum of Conference With President Eisenhower

Washington, July 20, 1958, 3:45 p.m.

OTHERS PRESENT

The Vice President, Secretary Dulles, Mr. Herter, Mr. Rountree, Mr. Reinhardt, Mr. George Allen, Mr. Allen Dulles, Secretary McElroy, General Twining, Mr. Irwin, Mr. Hagerty, General Goodpaster

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Source: Eisenhower Library, Whitman File, Staff Memos, July 1958. Top Secret. Drafted by Goodpaster on July 21.

Secretary Dulles began the review of points needing consideration or discussion. We have thought the Japanese resolution[1] in the United Nations could be the basis for our next steps regarding the Middle East situation. If the Soviets veto it, we would still go ahead under action the Secretary General will suggest. He proposed to the President a statement for public release[2] to the effect that we wish, despite Khrushchev's message,[3] to continue with efforts in the United Nations. The President approved the statement with minor editing after considering and dropping as not feasible for inclusion a reference to our desire to remove our forces from Lebanon.

The President said he felt we have not yet seen an avenue out of our over-all problem in the Middle East in light of the Arab sympathies toward Nasser—which are probably greater than we thought existed. Mr. Allen Dulles said that we have an immediate demand upon us to reassure governmental leaders—the mob scene in Baghdad has scared them very badly. The President thought there were many thoughtful comments and observations in Nehru's message to him[4]—even though it reflected an erroneous assumption that there had been no mass infiltration into Lebanon. He had also seen an estimate that 90% of the Christians, but only 20% of the Moslems in Lebanon wished to remain independent. He stressed his view that we should have moved quickly on the Vice President's proposal to establish radios in Libya and Sudan, but these proposals were obstructed through denial of funds by the Congress for USIA. The President asked why we could not get the Cyprus radio operating at once. Mr. Allen Dulles said these are small stations, but Mr. Allen thought that the British were referring to a 50 kw. station which they could make available to us.

Mr. Allen then said that even if we gave the Ethiopians and Libyans radios tomorrow, this action would not make too much difference in their situations, since they would use them for their own purposes. He recalled that the Turks and Iranians had declined radios to use against the USSR. The President commented sharply that we seem to be losing the area now, and could not do worse by giving them radios. He also recalled that they asked for these stations. Mr. Allen next went on to suggest that we should try to live with the new government in Iraq. The President said he has of course considered this, but pointed out that the new government has already concluded a treaty with Nasser. Mr. Allen

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[1] For text of the draft resolution to the Security Council submitted by the Japanese representative, July 18, see *American Foreign Policy: Current Documents, 1958*, pp. 991–992.

[2] For text of the press release by Press Secretary Hagerty, July 20, see *ibid.*, p. 994.

[3] For text, see *ibid.*, pp. 993–994.

[4] Not printed. (Department of State, Presidential Correspondence: Lot 66 D 207, India/Nehru–Eisenhower/Dulles/Herter, 1953–1961)

commented that the Arabs had always distrusted Nuri Said in Iraq. He was not proposing to make a sudden shift, since this would not be dignified, but gradually to approach them. Secretary Dulles said we had not reached any policy decision against recognizing the new government. The President said that he had noted that the new government had said it would like to be friendly with the West, but he and others took this comment with reservation. Mr. Allen Dulles said it is not only nationalism that is involved in the Middle East—with which we could reach an accommodation—but also pan-Arabism, which takes the form of anti-Westernism and opposition to Israel. It is this destructive effort that the Soviets support. The President commented that we always come back to Israel as the basic problem.

Secretary Dulles next reviewed certain decisions reached with Lloyd and approved by the President.[5] The first was an agreement not to back a military effort to retake Iraq. The second was an agreement as to the importance of retaining positions along the Persian Gulf—Kuwait, Abadan, Dhahran, Bahrein. The British are debating whether to move into Kuwait at once or wait until trouble has occurred. This question will be considered by the Cabinet at once, but Lloyd thought it was probably better not to move in, but to build up in Bahrein. Mr. Allen Dulles commented that if they do not move in at once they will probably lose Kuwait. Mr. McElroy suggested it would be better to have the forces on the ground. Secretary Dulles said the British are fearful that their oil installations would be destroyed. Mr. McElroy pointed out that this would be economic suicide for the Kuwaiti. He doubted that this would happen, and said that the security forces seemed to be loyal to the regime. Mr. Rountree recommended not going in, because of the opposition that would arise. The President agreed as to the difficulties that could be foreseen. Mr. Herter said the plan is to place an RCT at Bahrein, and wait until invited in. The President interjected a recollection that in 1946 the G–4 of the Army, together with the Navy, recommended building tankers for the transport of Middle East oil, rather than putting steel into pipelines which would be vulnerable to Arab blockage. Secretary Dulles asked if we had any forces at Dhahran and General Twining told him we had none, although a battalion landing team is coming from Okinawa. Secretary Dulles said that the British had told us we could put them ashore in Bahrein. Mr. Rountree said he hoped there would be no announcement on this matter, since our situation would be aggravated if it were known that Marines were on the way to the Persian Gulf. The President said he did not see how our situation could be very much aggravated beyond what it is now.

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[5] See Documents 23 and 28.

Secretary Dulles said he had thought it agreed that force would be used to preserve access to Middle East oil; if this is not our stand we should tell the British at once. Mr. Allen said he thought our oil concessions should be adjusted to Arab nationalism, and that perhaps we should make an adjustment in Kuwait. He pointed out that Iran, Syria and Jordan have a community of interest in the income from oil. There is a natural cleavage between them and Egypt, which has only population, and seeks access to that income. The President said the question is whether we wish to assist the British to hold their oil positions by force. Mr. Allen seemed to feel we should make a deal with the new Arab groups. Mr. Allen confirmed that he suggested we learn to live with the new groups. The President thought it was clear we must win them to us, or adjust to them. Even if we put in large military forces we cannot see what to do beyond that point. He was sure that we would not wish to use military force as the medium for trying to settle this problem. Secretary Dulles reiterated that we have agreed to take a strong line on holding the Persian Gulf. If we are going to give it up we must tell the British at once. The terrain is such that the situation could be easily held there. The President said he understood the comment to be that we should not abandon the area. However, use of force will outrage the Arabs. Accordingly, the best chance may be to make a deal with Iraq and Kuwait. Secretary Dulles said this idea is very speculative. We must ask whether this action would end with Arab nationalism or whether the whole area would be taken over by Communism. Mr. McElroy said he had assumed we could be invited in to safeguard these oil positions as in Jordan. Secretary Dulles said that these are positions that are more readily held, being chiefly desert wastes. The British have been in this area from long ago, and soldiers can hold the positions. Mr. Rountree thought that if the British went into the area in open opposition, the crisis would be precipitated and could not be brought under control. Secretary Dulles said the British position is to go in if the area is attacked from outside or if invited in. Mr. Allen Dulles reported that the ruler of Kuwait is now in Damascus and may announce at any moment the accession of the area to Egypt. Secretary Dulles said he would take the problem over and study it further. He felt we must tell the British at once that we may be changing our agreement. The President asked whether the labor in the oil installations is not all native, and was told that essentially it is. He felt the facilities could not operate in case of a general strike. Mr. Dulles said he would study the matter further.

Mr. Dulles next turned to the situation in Sudan. The government has asked the British if they would send forces in if requested. Mr. Allen asked whether we could not instead give them assurance of the fullest support in the United Nations. Secretary Dulles said we can't help Faisal, Abdul and Nuri very much in the United Nations. The Vice Presi-

dent spoke strongly on the favorable elements of the situation in Sudan. The majority there strongly supported the government in recent elections and indicated opposition to Nasser. The Sudanese distrust and dislike the Egyptians, and the government is well supported. Mr. Allen asked if we would intervene in support of a Latin American government threatened with rebellion. The Vice President said we must look at the facts of the matter. There is an attempt from the outside by Nasser to overthrow this government, which is an independent government, in no sense a puppet of the West. Secretary Dulles said that in Libya the British have put a small force ashore—the purpose being to give support to the King. Mr. Rountree commented that it was unfortunate that this action was announced since the British already had substantial troops there.

Secretary Dulles said we had agreed on a meeting of the Baghdad Pact in London at the close of the week. He would attend on the 27th and 28th. He and Mr. McElroy agreed that a military meeting, which has been proposed for a date earlier in the week, should be postponed to follow the political meeting since some of the Turks would try to inflate the military meeting into an agreement to go into Iraq. Mr. Allen Dulles said that earlier today he had met with the Turkish Defense Minister who is visiting the United States. The Defense Minister said he thought that any entry by the Turks into Iraq would be folly.

Secretary Dulles said the German Ambassador had been in to see him, and that Ambassador Bruce had called by telephone. The Secretary had told Grewe we were not at all pleased with the lukewarm support given to us at NATO. The Germans were concerned as to where we go beyond Lebanon, and the Secretary had told the Ambassador we are not going beyond there. He thought that an assurance to our friends will quiet them down. Secretary Dulles asked how large a force we have in Lebanon. General Twining said we will have 10,000 when the second battle group arrives—we have about 7,000 now. Mr. Dulles said he thought it was desirable not to send in any more. Mr. Allen Dulles said there are three million barrels of oil stored at Sidon. The Secretary thought perhaps we should move up to guard this oil (although this will have bad connotations). He said he had asked Murphy for his recommendation. The President recalled that Chamoun had suggested moving the Marines into additional areas.

General Twining said that Admiral Holloway has a plan for expansion. The consensus seemed to be against expanding the forces or the area of deployment in Lebanon.

Secretary Dulles next said that the British are getting into a dangerous situation in Jordan. They cannot leave without the situation collapsing, and are in trouble with the Israelis who are objecting to their overflights. Ben-Gurion has sent a very sharp letter on this. Mr. Herter

said the Israeli objection is that the British have been overflying without clearance. General Twining commented that the situation in the area is almost impossible; there is nothing that anyone can rely upon. Mr. Rountree said that one reason Faisal denied us clearance for overflights is that there were press leaks that we were overflying Saudi Arabia. The President thought that the Nasser elements, having taken Iraq, would find Jordan a weakness. For the West to save Jordan may be largely a "beau geste." Mr. Allen said that the big problem is that when we pull out of Lebanon the British will be in trouble in Jordan. Secretary Dulles said that, for this reason, the British are not anxious for a UN solution to the problem in Lebanon, and U.S. withdrawal from that area. Mr. McElroy said that the Israelis have given us overflight clearance for POL to Jordan, in the sense of not interfering with our flights, although reserving the right to object. Secretary Dulles said he thought the Israelis and British could also work this out, if the British will confine themselves to narrow corridors, fly high, and give advance notice.

The Vice President asked as to what our thoughts are with regard to recognition to Iraq. Secretary Dulles said we must think of the impact on the Turks, the Pakistanis and the Iranians. They would greatly resent any quick recognition on our part. Also, recognition would amount to acceptance of the dissolution of the Arab Union.

The President said we must consider what our mode of action, or form of approach, should be on the Persian Gulf problem. We have talked about supporting the British, but this does not necessarily mean sending in a combat team.

Secretary Dulles said that Hammarskjold is saying that if others accept the Khrushchev proposal for a meeting, he would also go. The Vice President stated that if Hammarskjold agrees to do so, this action would finish the United Nations in terms of any ability to deal with cases involving the large powers. Secretary Dulles said that King Hussein has asked us to send troops into Iraq. Mr. Rountree reported that we have turned down this request. Mr. Dulles said we must remember that the King was very courageous, and saved the whole situation in the Middle East a year ago. The President commented that we do not have as good a case for going into Jordan as for going into Lebanon. Also, it is very questionable whether we should get into the position of supporting Kings against their people. Secretary Dulles thought we should stay out of Jordan, and Mr. McElroy agreed. He added, however, that we are committed to giving logistic support. The Vice President asked whether it would be proper for us to have any contact with the Iraqis at the present time and the Secretary told him that our Ambassador is still there and is in contact with them.

Secretary Dulles next handed to the President a first draft of a proposed reply to Khrushchev. After minor editing the President discussed

at length with the group the implied acceptance in the message of having a meeting of Heads of Government under UN auspices. The Vice President suggested instead referring to a Summit Meeting, leaving the present situation to the United Nations. Secretary Dulles also commented that we must avoid anything that would indicate acceptance of the Soviet premise that the problem is one of U.S. aggression against Lebanon. There was general agreement that the notion of a hostile confrontation of the President and Khrushchev at a UN meeting would have no value, and great harm. Also, we do not wish to be jockeyed into the position of having to attack Nasser publicly in the United Nations. The Vice President suggested that Lodge should stress hard that Khrushchev's proposal would weaken and in fact vitiate the United Nations. There was consensus that the draft should be reworked to indicate that the United States would welcome a resumption of the negotiations, halted by the Soviets, for a Summit Meeting—and that the Middle East, among other problems, could be considered there. With regard to the present problem, the United Nations should continue to deal with it as expeditiously and with as much support as possible.

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Brigadier General, USA

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27. Special National Intelligence Estimate

SNIE 30–2–58 Washington, July 22, 1958.

THE MIDDLE EAST CRISIS

The Estimate

1. *General.* The landing of US and UK troops in Lebanon and Jordan, following the dramatic coup d'état in Iraq, has been interpreted as further identifying the US as the opponent of Pan-Arab nationalism. Soviet support of the Pan-Arab nationalist movement and of Nasser has also been greatly highlighted. Popular feeling in the Arab world, even in such states as Saudi Arabia and Kuwait, is generally favorable to the Iraqi coup and hostile to US and UK intervention.

Source: Department of State, INR Files. Secret. A note on the cover sheet indicates that this special estimate, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the IAC concurred with this special estimate on July 22, except the representatives of the AEC and FBI who abstained on the grounds that the topic was outside their jurisdiction.

2. Governments in the area and on its periphery which are friendly to the West have been reassured by the US-UK moves, but there are indications that events have led to a weakening of the conservatives and an increase of confidence on the part of the opposition in such countries as Saudi Arabia, Kuwait, the Sudan, and Iran. Anti-Western demonstrations and attacks upon governments friendly to the West can be expected to occur while the present crisis persists, and some of these governments are at present considerably alarmed by the prospect.

3. The Arab world is in a period of revolutionary ferment and is likely to continue to undergo periods of violence and irrationality. Despite Nasser's position as the acknowledged leader of Pan-Arab nationalism, his control over the movement is not absolute. Further revolts on the Iraqi pattern could occur, either spontaneously or according to plan, at almost any time. If such outbreaks do occur, whether or not Nasser initiates them, he will support them. The part played by local Communist parties in the area is slight, although certain individuals friendly to the Communist cause exert a considerable influence. Nasser himself remains opposed to Communism, as he is to any rival political movement; his cooperation with the USSR derives from his need for great power backing in his campaign to eliminate the Western position in the area.

4. *Egyptian objectives and strategy*. Nasser almost certainly regards the consolidation of the rebel regime in Iraq as his first-priority objective. He is seeking to ward off intervention in Iraq by the Western powers or by Jordan or Turkey. He probably hopes that by concentrating disapproval upon the presence of US and UK troops in Lebanon and Jordan he can prevent Western moves against Iraq. He will encourage local nationalists to harass American and British troops and to take full propaganda advantage of the situation, although he will wish to avoid direct hostilities between his forces and those of the West or of Israel.

5. Nasser will intensify his encouragement of Pan-Arab nationalist elements in Lebanon and Jordan, along with others opposed to the US and UK intervention, to demonstrate Arab hostility to Western occupation. He may encourage or carry out moves in other countries, such as Libya, the Sudan, Saudi Arabia, Kuwait or the other Sheikhdoms of the Arabian Peninsula. Nasser will make the most of Soviet support for his cause, will try to frighten the West with the prospect of Soviet intervention, and may ask for emergency arms shipments. He will not wish to have Soviet Bloc "volunteers" or troops on Arab soil, but would probably invite them into Syria or Iraq if he believed Western or Turkish military forces were likely to invade those countries.

6. We believe it unlikely that Nasser will think it desirable in the near future to cut the oil pipelines or otherwise refuse delivery of Arab oil to Western markets unless hostilities develop.

7. *Iraq.* Available evidence on the Iraqi revolt indicates that it was spearheaded by elements of the Third Division of the Iraqi Army in which there was strong Pan-Arab nationalist and anti-regime feeling. The rebels are in close relations with Nasser and are imitating the general pattern of his policy and outlook. There has been no report of significant opposition to the rebel government and it can probably consolidate its position if left alone. Popular opinion has apparently been strongly favorable to the revolt. The rebel government has announced that it will follow a neutralist policy. It has indicated a desire for friendly relations with both the Sino-Soviet Bloc and the West. It has given assurances that the flow of oil will not be interrupted but has declared its intention to renegotiate its petroleum contract with the Iraq Petroleum Company.

8. *Lebanon.* The present relative calm in Lebanon is unlikely to persist. General Chehab was clearly unhappy about the landing of US forces and fears that many of his troops would refuse to fight with US troops against other Lebanese. A sizeable proportion of the Army would probably refuse to accept Chehab's dismissal from command by President Chamoun; such dismissal currently appears less likely than previously. An attempted coup d'état by the army remains a possibility. Rebel forces are unlikely to attack US troops in coastal areas or to seek to engage them in large numbers, but will harass them in guerrilla actions if and when they move into the interior of the country. A number of members of Parliament, together with some other important political figures, including many who were formerly friendly to the US, have announced themselves as opposed to the US intervention. An agreement between the present government and the opposition will be difficult to reach, particularly while US troops are in Lebanon.

9. *Jordan.* The Jordanian regime is in a perilous position with widespread popular opposition, an army with many untrustworthy elements, and little support in the Arab world. Elements of a UAR-supported revolutionary organization are almost certainly still in existence. The threat of assassination still hangs over King Hussein. British troops can probably maintain control of the situation in their immediate vicinity. We expect widespread disturbances on the West Bank, however, as well as harassment of British troops and public demonstrations in Amman. We do not think that King Hussein could provide an effective and politically dependable force for the invasion of Iraq—which has withdrawn from the Arab Union—even if he were supplied with the necessary POL and if enough Western troops were moved into Jordan to relieve the army entirely of public security responsibilities in Jordan.

10. *Saudi Arabia.* The [*less than 1 line of 2-column text not declassified*] Saudi regime tends to view Western intervention with mixed feelings.

The King is jubilant over US intervention in Lebanon and advocates action in Iraq, while Crown Prince Faisal favors neutrality. The Saudi public, even in middle class merchant groups and within the royal entourage, generally welcomed the Iraqi coup and can be expected to disapprove US and UK intervention in Lebanon and Jordan. [*6 lines of 2-column source text not declassified*]

11. On the whole, the Saudi Government will probably seek to postpone trouble by a cautious policy of appeasing Nasser and reaffirming its devotion to Arab nationalism. Meanwhile the King will hope that Western support for conservative regimes will prove effective.

12. *Kuwait.* The situation in Kuwait is very shaky as a result of the coup in Iraq, and there is a strong possibility that the revolutionary infection will spread there. If the Ruler is not actually engulfed, he will probably continue to drift with the tide. If the onrush of Arab nationalist success continues he will probably feel compelled to try to make an accommodation with Nasser, with whom he has been conferring in Damascus.

13. *Israel.* Israel draws reassurance from the US-UK moves. It is likely to let those countries carry the ball for the time being. Israel is unlikely to send its military forces across its borders except in the event of the collapse of Jordan, in which case it would probably seize the West Bank, or if Western and other forces were engaged against the UAR, in which case it might seize the opportunity to strike a blow against Nasser. The Israelis will probably tighten their relationship with the French and would almost certainly receive French military support in case of need. The Israelis will seek additional Western military aid and will probably use the Western requirement for overflight rights to Jordan for bargaining purposes.

14. *Iran.* The Shah's gratification at US action in Lebanon is probably somewhat dimmed by fears that the Iraqi coup has stirred up the opposition to his regime in Iran. The Iranian opposition, which opposes the Shah's regime as corrupt and oppressive, has probably been stimulated and strengthened by the revolt in Iraq. The Shah will seek substantial additional military support from the US. Kurdish nationalism, which is susceptible to exploitation by the Soviets and the UAR, might flare into revolt in northwestern Iran.

15. *Turkey.* The Turks have responded enthusiastically to US and UK military intervention in the area. Most of them have believed and may be expected to continue to believe that the only answer to the challenge of Arab nationalism is military force. There is now only a slight possibility that they may move against Syria or Iraq without the previous approval of the US.

16. *Other states and areas.* The leaders of such governments as those of Tunisia, Libya, and the Sudan, who are opposed to Nasser and his movement and friendly toward the US, favor the US and UK intervention, although they will face popular opposition. However, they probably will avoid open hostility toward Nasser, and, like Tunisia, Libya, and the Sudan, may recognize the new Iraqi regime. Events have increased instability in Libya and the Sudan and their governments fear the possibility of Egyptian-inspired revolts against them. The conflict between the West and the Pan-Arab nationalists will intensify nationalist suspicion of Western motives among such groups as the Algerian revolutionaries and the left wing of the Moroccan Istiqlal Party. Greece, although generally supporting US actions in the Middle East, is nervous lest the crisis should strengthen the position of Turkey on the Cyprus issue and threaten again to frustrate Greek hopes for Cyprus. Moreover, Greece will be concerned that the actions of its NATO allies will complicate its own relations with the Arabs. Pakistan, as a member of the weakened Baghdad Pact, is deeply concerned about its future position [*1-1/2 lines of 2-column source text not declassified*]. Asian neutralist nations like India, Burma and Indonesia strongly oppose the US and UK use of force. Japan has disapproved, but most governments allied with the West support the US-UK intervention.

17. *Prospects for armed conflict.* Extensive armed conflict could develop in Lebanon and Jordan between local forces sympathetic to Nasser and the US and UK troops. We believe, however, that Arab attacks on the Western troops are likely to be limited to harassing actions because the UAR will not wish to see a major military conflict develop and because of the logistic problems involved for the UAR. Should conflicts between Western troops and Arab nationalists spill over into Syria or Iraq, we believe that Nasser would seek Soviet assistance. This prospect, of course, and the possibility of its developing into general war will depend in large part upon the Soviet reaction.

18. *USSR.* The USSR, by political and propaganda methods, is certain to exploit Western intervention in the Middle East to the utmost. We believe, however, that the Soviets will seek to avoid courses of action which in their judgment seriously risk general war. Certain actions which do not involve clear cut commitments—such as the military maneuvers on the Turkish and Iranian frontiers and in the Black Sea and the issuance of ominous statements—will almost certainly continue to be taken. The enrollment of "volunteers," ostensibly for use in the Middle East, may also be used as a threat.

19. We believe that the Soviet leaders do not regard the present Western intervention in Lebanon and Jordan as requiring any stronger reactions than those just mentioned. Should the West go on into Iraq, or become involved militarily with the UAR, however, the Soviets would

take a much graver view. In this situation we believe the UAR and Iraq would ask for substantial military assistance and probably for "volunteers." However, the Soviets would face difficult decisions in determining how far they could go without incurring grave risks of general war. They are aware that any substantial and timely intervention on their part would probably incur serious risks because of violation of Turkish or Iranian territory or air space and because of the possibility of a direct clash with American or British forces. Moreover, the Soviet leaders probably estimate that the general trend in the Middle East is strongly in their favor and that, even though Western intervention might lead to a temporary checking of this trend, in the longer run it would tend to be accelerated.

20. On the other hand, the Soviets would be gravely concerned at the displacement of Middle Eastern governments friendly to them and an increase in Western influence in the area, even if they thought that these developments would be only temporary. They would also be concerned about their prestige. And they probably consider that their own strategic capabilities provide considerable room for bluff and threat, since they estimate that the US, too, wishes to avoid general war.

21. Weighing these factors, we believe that Western intervention in Iraq or against the UAR could not be undertaken without some risk of military involvement with Soviet forces. If Nasser had concluded that an attack on Iraq or some other military embroilment with the West were imminent and asked the USSR for additional tangible support, the USSR, in addition to stepping up shipments of material, would probably send such personnel as technicians, pilots and perhaps even troops in the form of "volunteers." If military action against Iraq or the UAR or both were actually under way and proceeding rapidly, we believe that direct and substantial Soviet military action would be unlikely since we think that in the Soviet view the risks involved in substantial intervention would outweigh any benefits which might be derived from it. Under such circumstances, the Soviets would probably send volunteers, though not in great strength. But we think their principal reliance would be on vigorous political and diplomatic action, especially in the UN, hoping that a large number of countries could be induced to condemn the Western actions.

22. It is possible that the Bloc leaders might take advantage of the Middle Eastern situation to undertake aggressive military action in other parts of the world, or to apply heavy additional pressure on Poland. We think moves of this character unlikely, however, because of the USSR's concern that they would add further tension to an increasingly dangerous world situation and adversely affect world opinion as well as undercutting their opportunities for making use of the UN.

23. *Longer-range prospects for the Arab area.* In the event that US and UK action is limited to Lebanon and Jordan, Nasser is likely to consolidate his influence fairly rapidly in the rest of the Arab area. Present indications are that the rebel regime in Iraq is consolidating its control. It will probably seek affiliation with the UAR. Even the pro-Nasser Iraqis, however, will probably insist on remaining essentially autonomous, especially because they wish to retain control of oil revenues. They are likely to choose federation with the UAS rather than membership in the UAR as in the case of Syria.

24. If Iraq remains under the control of a pro-Nasser government allied with the UAR, then Saudi Arabia, Kuwait, and the small states of the Arabian Peninsula are likely soon to gravitate toward a similar relationship. Soviet influence in the states under Nasser's control is likely to increase.

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28. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, July 23, 1958.

SUBJECT

U.S. Position Re Actions Required to Hold Persian Gulf Positions for West

Discussion:

Following your discussion with Foreign Minister Lloyd[1] we have given further consideration to the possible necessity for U.S.-U.K. military intervention or other resolute steps in the Persian Gulf area.

Source: Department of State, Central Files, 780.00/7–2358. Top Secret. Drafted by Newsom and Brewer, cleared in draft with Kohler, Mathews, Reinhardt, and Earl R. Beckner, Chief of Fuels Division, Office of International Resources, Bureau of Economic Affairs.

[1] According to an attached copy of telegram 777 to London, July 31, Lloyd and Dulles discussed the Middle East question the evening of July 19 into the next morning. The discussion on the Persian Gulf was as follows: "Lloyd reported British reinforcements en route Gulf and decision required within two-three days as to whether these should occupy Kuwait against wishes Ruling Family. While concerned lest successful coup occur Kuwait without warning as had happened Iraq, Lloyd said he had concluded there were sufficient differences between position Kuwait and Iraq to justify relying on ability move swiftly into Kuwait in case trouble. Meanwhile believed British should avoid increasing tension and thus not occupy oil installations against wishes Ruling Family. [*4-1/2 lines of source text not declassified*] Conclusion reached US and UK were disposed hold on to their positions and oil producing areas in Gulf but that military capabilities and desirability intervention uncertain and required urgent study which now being undertaken in Department."

The situation in Kuwait, Bahrein, Qatar and Saudi Arabia does not at the moment appear to threaten access to the petroleum resources of that area sufficiently to justify immediate military occupation. The introduction of British troops in Kuwait or the other Persian Gulf Shaikhdoms or of U.S. troops in the Eastern Province of Saudi Arabia might insure temporary short-term control of the oil fields. Unless such action were requested by the Governments concerned, however, it would be likely to provoke the most adverse political reactions not only on the part of the local populations but also from the ruling families concerned. Strikes and sabotage might well threaten petroleum production which currently is proceeding normally. The possibility of some sudden change in the situation cannot be discounted and the Department and the Department of Defense are now considering measures that could be taken against such contingencies. It is possible that the Ruler of Kuwait might in a severe emergency request British troops. These are already stationed in Bahrein and are being reinforced. The chances of a request for U.S. troops from the Saudi Arabian Government appear to be remote. [*5-1/2 lines of source text not declassified*]

[*2-1/2 lines of source text not declassified*] As you know, one reinforced U.S. Marine battalion is now en route to the Persian Gulf and may arrive within the next two weeks. [*2 lines of source text not declassified*] While it is envisioned that this force will remain afloat in the vicinity of the Gulf unless the security situation is deemed to call for their use, we are concerned at the possible difficulties of keeping their presence secret. We believe, that, if any risk exists of their presence and mission becoming known, the entire matter of their assignment to this area should perhaps be reviewed. It is our understanding for example that the ships on which they are being transported are not air conditioned and the possibility of their cruising for any length of time in the Gulf area without touching a port may be limited.

A background paper giving information regarding Persian Gulf oil installations and military forces presently available in the area is attached (Tab A).[2] A map of the Persian Gulf area is also attached (Tab B).[3]

Recommendations:[4]

1. That, with respect to the Persian Gulf, you authorize us to prepare a telegram to London[5] giving the U.S. position as follows:

a. The U.S. continues to support the present special British position in the Persian Gulf;

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[2] Attached but not printed.

[3] Not found.

[4] Dulles initialed his approval of recommendation 1.

[5] Sent to London as telegram 1033, July 23. (Department of State, Central Files, 780.00/7–2558)

b. We would strongly counsel the U.K. against military occupation of Kuwait unless either (i) the ruling family were to give its prior agreement; or (ii) an emergency situation had already been created by an Iraq-type coup in Kuwait town or by a serious deterioration of public security;

c. We suggest that the U.K. for the present keep forces in being in the Persian Gulf area, presumably Bahrein, sufficient to assure a prompt takeover of Kuwait or Qatar within 36 hours in the event that the security situation should, contrary to present indications, suddenly deteriorate to a marked degree.

2. That, with respect to Dhahran, you authorize us to inform the British that, while our military forces in the Gulf area are being increased, we do not now contemplate military occupation of the Dhahran area.[6] While the present Government of Saudi Arabia may not follow a fully pro-Western policy, we do not contemplate any immediate threat to petroleum production. Our determination remains firm, however, to take suitable action should a rapid and unlooked for deterioration in the security situation in this area occur.

3. In view of the extreme danger to the situation in Saudi Arabia which could result from any disclosure from U.S. or U.K. sources that we are planning to move forces into the Persian Gulf [*less than 1 line of source text not declassified*] that you speak personally with Secretary McElroy in order to insure that there will be no formal or informal statements made which would lead to this conclusion. Unless there can be further assurances that the movement of Marines from Okinawa to the Persian Gulf can be achieved without any possible implication that they may be used in Saudi Arabia and without raising speculation on their possible landing in Iraq I believe we should review again the decision made to move troops to this area.

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[6] According to a July 24 note from Greene to S/S, Dulles had the following reservations about recommendations 2 and 3:

"The Secretary feels that the second and third recommendations on this must be thought through more carefully. He does not want to be in a position of telling the British that we are increasing our military forces in the Gulf area unless we are in fact going to do so. He does not consider that having a Marine battalion pause briefly in the area and then move on would in fact be an increase in our forces. He notes too that if the Marines actually get to the Gulf they cannot wait there very long while we make up our minds. The Secretary understands from Mr. Reinhardt that a working group is studying this matter now. I suggest that the results of their labors be awaited before we present to the Secretary for decision the two questions of where the Marines go and what we tell the British." (*Ibid.*, 780.00/7–2358)

29. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, July 23, 1958.

SUBJECT

NEA's Views on U.S. Adherence to the Baghdad Pact

NEA's thinking on possible U.S. adherence to the Baghdad Pact closely parallels that of the S/P memorandum of July 18, 1958.[1] Admittedly, the Pact's ability to influence Middle East developments has thus far been limited. It is, nevertheless, in our interest that the Pact be maintained as a potentially useful chain in the system of Free World alliances. Our principal reasons for not adhering would largely disappear if Iraq were to withdraw. We think U.S. adherence in these circumstances should be seriously considered. In saying this, we emphasize that the effect of formal U.S. adherence would be more psychological than practical since we already participate in almost all Pact activities. It is the psychological aspect of the question that deserves special consideration.

On the negative side, U.S. adherence would undoubtedly offend certain pro-Western area states, such as Greece, as well as neutralist states such as India and Afghanistan. It would give rise to the suggestion that the U.S. now intends to take sides in intra-area disputes. Moreover, even if it takes place after Iraqi withdrawal, we may expect Nasser to oppose it. This, in turn, would doubtless cause widespread Arab opposition. Additionally, U.S. adherence at any time would probably still generate pressure from Israel and Israeli supporters for some sort of a security guarantee to that country.

On the positive side, U.S. adherence is probably essential to keep the Pact going. It would demonstrate publicly and positively that we are in dead earnest in our willingness to continue to assist the "northern

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Source: Department of State, Central Files, 780.5/7–2358. Secret. Drafted by Eilts.

[1] The memorandum, drafted by Mathews and seen by Dulles, concluded: "On balance, US adherence to the Baghdad Pact shortly after an Iraqi withdrawal would now appear to be a useful political and psychological move, provided that it can be accomplished without estranging Greece from the US and the West generally." (*Ibid.*)

In a memorandum to the Secretary, July 18, Legal Adviser Loftus Becker noted that under the terms of the Baghdad Pact, Iraq could not withdraw until at the earliest February 24, 1960, and that the pact would remain valid for the other members. (*Ibid.*) Deputy Assistant Secretary for European Affairs Kohler sent Dulles a memorandum on July 18, agreeing with S/P's conclusions that if Iraq left the pact it would be in the U.S. interest to join it. (*Ibid.*) According to a July 18 memorandum from Howe to Reinhardt, Assistant Secretary of State for Congressional Affairs Macomber thought no commitment should be made until he was able to "sound out" key Congressmen. (*Ibid.*)

tier" states to combat the Soviet threat. It would allow us to exercise greater leadership in Pact counsels to make it a more effective body.

On balance, therefore, the advantages of U.S. adherence in the circumstances outlined above outweigh the disadvantages. Any such action would, however, require careful spadework. Clearly, it should not be taken unless and until Iraq has actually withdrawn from the Pact. It will also probably be necessary to arrange for a prior recasting of the present treaty document to delete the present provision permitting automatic membership rights for Arab League States if pressure for a security guarantee to Israel is to be parried. Greece should be informed in advance of our proposed action and our reasons for taking it. Afghanistan, India, Saudi Arabia and Jordan should also be informed in advance. Any such action should probably be accompanied by a specific "Understanding," similar to that inserted in the SEATO Treaty, that U.S. membership applies only to Communist aggression. Finally, adequate advance consultation with appropriate Congressional bodies is necessary. All of this will take time.

We do not feel that any firm announcement that we are seriously considering U.S. adherence in the event Iraq withdraws should be made at the London session. Instead, we should state we can make no definite commitment on this matter at this time, but will sympathetically reconsider the question of U.S. adherence in the event Iraq withdraws from the Pact.

Recommendations[2]

1. That the U.S. plan formal adherence to a reconstituted "Baghdad Pact" to take place at such time as Iraq has withdrawn.

2. That NEA, in consultation with S/P and H, be authorized to draft an implementation plan for this contingency, including plans for countering the adverse reactions noted above.

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[2] According to a note by Greene to S/S, July 24, the issue raised in this paper was discussed at the NSC meeting on July 24; see Document 31. According to Greene, "what is really needed is an entirely new pact, with a new name, as the Baghdad Pact does not lend itself to adherence by us even if the Iraqis should denounce it. The new pact would comprehend the present Moslem members of the Baghdad Pact and it would be for decision what the US and UK would do about participation in or adherence to a new treaty." Greene assumed that the action in the second recommendation was already under way in light of the NSC discussion. Greene suggested taking the papers on U.S. adherence to London for the Baghdad Pact ministerial council meeting. (Department of State, Central Files, 780.5/7–2458)

30. Memorandum of Conference With President Eisenhower

Washington, July 23, 1958, 3 p.m.

OTHERS PRESENT

Secretary Dulles
Mr. Allen Dulles
Mr. Rountree
Mr. Reinhardt
Secretary Quarles
General Twining
General Goodpaster

Secretary Dulles said we must regard Arab nationalism as a flood which is running strongly. We cannot successfully oppose it, but we can put up sand bags around positions we must protect—the first group being Israel and Lebanon and the second being the oil positions around the Persian Gulf. The Soviets are seeking to incite the floods, and we cannot compete with them because they play to the Arab desire to "drive Israel into the sea" and throw out the West. Israel is a hostage held against us. The President agreed with the point regarding Israel, noting that except for Israel we could form a viable policy in the area. Mr. Dulles added that we are not greatly dependent on the oil positions. Europe is, however. The President asked what would happen to the Middle East if they were unable to sell their oil. Mr. Dulles brought out that there is no shortage of oil elsewhere, but this is a source of cheap oil, and a source of income, in sterling, to the United Kingdom. If the UK could not get oil cheaply in the Middle East, they would be badly hurt.

The President recalled that it was not possible to enforce the prohibition amendment in this country because popular feeling ran so strongly against it. Similarly he felt that a Western position cannot be held against the underlying and often unthinking convictions of the Arab world, because we then have no satisfactory way of dealing with them. In his mind the question is how to take a sympathetic position regarding the Arabs without agreeing to the destruction of Israel. He added, however, that Nkrumah, in his visit,[1] told him that Israel is now tacitly accepted by the other countries of the area. If this is true, it may be possible for us to find a way out. If our policy is solely to maintain the Kings of Jordan and Saudi Arabia in their positions, the prospect is hopeless, even in the short term.

Source: Eisenhower Library, Whitman File, Staff Memos, July 1958. Secret. Drafted by Goodpaster on July 24.

[1] Prime Minister Nkrumah of Ghana made an official visit to Washington July 23–26.

Secretary Dulles said we must not overestimate the thesis of Arab nationalism and Arab unity. Nasser, like Hitler before him, has the power to excite emotions and enthusiasm. But there is no real unity as between Egypt and Syria. Recently the Syrians have evidenced that they are tiring of the alliance. The President asked whether this might not be more true of governments than of people. Mr. Dulles said that popular emotion, even though temporary, has reached large proportions in many areas. The majority of the people in Sudan are opposed to Egypt, as is the government, but the Nasser propaganda may incite mobs which would sweep away the government. There is no question in his mind, however, that unity within the Arab world is not a valid, permanent movement. The President said that his effort is to try to get at the underlying Arab thinking. We must either work with it or change it, or do some of both. He recognized that they may act out of violence, emotion and ignorance. Our question is still how to get ourselves to the point where the Arabs will not be hostile to us.

Mr. Rountree pointed out that we have to deal principally with governments. One great problem for us is how to get in touch with the people. There is a strong wave of emotional "Nasser" imperialism sweeping through the area. Support from us is to a degree a kiss of death for Saud and Hussein. The Egyptians have succeeded in getting other regimes to take up the cry of Arab unity even where, as in the case of Syria, it has led to the regime's downfall. The task is one of leadership in directing the mood and the emotion of the people—who are extremely volatile and excitable.

Mr. Allen Dulles thought we should try to buy time, in which we could see if we could find a way out of our present situation. The President said that, since Nasser came to power, we have seen quite clearly what is involved. We tried to work out a line of action with Saud, but it availed us very little. Secretary Dulles pointed out that it has gained us at least a couple of years in which the area did not go Communist. The President then commented that the United States seems to have become anathema to the region, and that this is a force we will have to reckon with.

Secretary Dulles next took up the draft of a possible answer to Prime Minister Macmillan's letter requesting that we send troops into Jordan.[2] The President asked whether we expect to be able to get a line of communications operating through Aqaba before the end of the week, and Mr. Quarles and General Twining told him that we do, with use of road and railroad between Aqaba and Amman.

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[2] Dated July 22; for text, see vol. XI, pp. 366–367.

Regarding Jordan, the President said the question in his mind is what kind of outcome we can foresee in the long run if the government is kept in power simply by outside troops. Mr. Dulles recalled that we had not wanted the British to go in. The President saw difficulty in continuing to back Hussein since we do not have as strong a legal basis as we do in Lebanon. Mr. Dulles said that in a sense Jordan lies in the main stream of the flood of which he had spoken. However, we cannot abandon them. Also, we must think of what Israel would do if Jordan goes down. It is clear they would act, and would win initially. The Soviets probably would aid the Arabs, however, and war would widen, with great pressure on the United States to support Israel. He added that the overflights are troubling the Israelis very much, and that they have suggested we bring out that we are taking food and medical supplies to the Jordanian people. Mr. Dulles added that the British may decide not to stay on if we do not send in forces. He said an Israeli had told him that if Jordan falls into chaos the armistice becomes inoperative. While it is not wise to prop up Hussein in a nonviable state, it is clear that Israel would take over much of Jordan in the event of revolt. There was then discussion as to how to get Britain out of Jordan without starting a general war in the area. Mr. Rountree suggested looking to the United Nations, indicating he could not see how to achieve a British withdrawal without a loss of face on their part. The group then edited passages in the proposed message referring to this matter.

In a final comment Secretary Dulles observed that we are laboring under an inherent disadvantage in this area in that we are trying to protect interests of long standing.

G.
Brigadier General, USA

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31. Memorandum of Discussion at the 373d Meeting of the National Security Council

Washington, July 24, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda item 1.]

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs on July 25.

2. *The Situation in the Near East*

Mr. Gray presented an oral report on the results of discussion by the NSC Planning Board of U.S. courses of action designed to prevent the United States from appearing to oppose Arab nationalism and to counter hostile radio broadcasts in the Near East. (A copy of Mr. Gray's briefing note is filed in the minutes of the meeting, and another is attached to this memorandum.)[1] Mr. Gray then called on the Secretary of State for an oral briefing on the situation in the Near East from the diplomatic and foreign policy standpoint.

Secretary Dulles said the situation in Lebanon seems to be as satisfactory as can reasonably be expected. Since U.S. forces entered the country, rebel activities and foreign promotion of such activities had substantially decreased. Relations between the Lebanese and the U.S. forces have been good, and no violent incidents have occurred. Mr. Robert Murphy was presently in Lebanon talking with President Chamoun, General Chehab, and rebel leaders, in an effort to bring about early elections to choose a successor to Chamoun. While the elections could be held at any time after today, Parliament would probably not be convened for at least another week. The Secretary thought that if a successor to Chamoun could be elected and if the United Nations effort could be stepped up, the situation would become better and in fact reasonably secure. In the UN Security Council a Japanese Resolution had been vetoed by the USSR, which had been the only member to oppose it. However, the Secretary General of the United Nations had said he would carry out the spirit of the Resolution under the general authority granted him by the Charter. Accordingly, the Secretary General was actively recruiting additional personnel for the United Nations in Lebanon in order to throw the mantle of the United Nations around Lebanon and make it a United Nations war. The United States was maintaining good working relations with the Secretary General.

Secretary Dulles thought the situation in Jordan was not quite as favorable as in Lebanon. The United Kingdom had requested that U.S. forces be introduced into Jordan to stand beside the British forces and

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[1] In this attached July 23 memorandum, Gray informed the NSC of the Planning Board's activities of the past week during which the Board examined two issues related to the Near East. The first was the question of jamming hostile radio broadcasts. The Board concluded that it would be technically feasible to jam hostile broadcasts at the point of reception in selected areas in the Near East, such as Amman, Beirut, and Tripoli. The operation would take 3 to 6 months and cost $500,000. [*text not declassified*] The second issue the Board discussed was how to prevent the United States from appearing to oppose Arab nationalism. The Board concluded that policies and actions, not propaganda, was the answer. The Board was ready to prepare for NSC consideration a paper listing relevant policy issues, together with arguments for and against taking those courses of action. (*Ibid.*) The Planning Board paper is printed as Document 35.

take over much of the supply effort. Such a move would involve the question of over-flights of Israel, to which Israel was objecting. The Secretary had discussed this question yesterday with the Israeli Minister, and had an appointment with the Israeli Ambassador today. Meanwhile, efforts were being stepped up to improve communications facilities in Jordan. For example, it was hoped that a 50-mile stretch of road between Aqaba and Amman could be put in shape so that adequate supplies could be moved by sea and land. At present, adequate supply was dependent upon an airlift. Secretary Dulles added that this morning the internal situation in Jordan had improved. The King had indicated that there was no real need for U.S. forces in his country, but he continued to want U.S. forces in Jordan as a symbol of U.S. interest. Secretary Dulles said he did not wish, however, to leave the impression that Jordan was secure. The situation remained dangerous, with a large part of the army of doubtful loyalty and with large numbers of Palestinian refugees capable of mob action. Nevertheless, the immediate situation leading to Western intervention had been met; that is, a careful plot to take over the Government of Jordan along the lines of the Iraqi coup seemed to have been thwarted or postponed.

Secretary Dulles said that Iraq appeared to have returned to normal and public security was being maintained. The people appeared to be acquiescing in the revolt and the new regime. The rebels had apparently liquidated all possible leaders of a counter-revolutionary movement. The new Iraqi Government was maintaining a facade of friendship to the West, partly because it wanted to sell its oil at a time when adequate alternative sources of oil are available. In Secretary Dulles' view, the real authority behind the Government of Iraq was being exercised by Nasser, and behind Nasser by the USSR. It was not yet clear whether this tutelage would result in overt anti-Western action. The British were deeply concerned over the situation in Iraq and were equally concerned over Kuwait, which has close ties with Iraq. If the oil fields of Iraq and Kuwait fell under hostile control and if the conditions for the sale of oil were altered (that is, if oil prices were increased), the financial impact on the United Kingdom might be catastrophic. Secretary Dulles explained that the United Kingdom obtains oil cheaply and uses it to bolster sterling, and that any material alteration of that situation would seriously affect the United Kingdom's financial posture. The British were frantically seeking to effect arrangements which would insure their continued access to the oil of the area.

In Saudi Arabia the situation was obscure. King Saud was apparently trying to lie low in the hope that the lightning would not strike him. The King was falling into the habit of saying that he would like the United States to take action, but that he would have to condemn such action publicly if we took it. [*2-1/2 lines of source text not declassified*]

The Sudan had openly supported the U.S. action in Lebanon. The result may be the assassination of some Sudanese Government officials. The Sudan is now anti-Egyptian, but [*less than 1 line of source text not declassified*] are being bought with money which comes from Egypt and perhaps from the USSR; and terrorism is being planned. In fact, assassination throughout the Middle East area is now being organized on a large scale as an instrument of policy.

Israel is deeply concerned over the situation in the Near East. The Israelis feel that the presence of U.S. forces in Lebanon and U.K. forces in Jordan gives them more protection for the time being, but they are fearful of future developments. If a coup occurred in Jordan, it is not clear what the Israelis would do. Secretary Dulles said that he had asked the Israelis this question and a definitive answer would be forthcoming shortly. The Israeli interim reply had stated that chaos in Jordan would invalidate the armistice agreement between Israel and Jordan, and leave Israel free to take the action necessary to its own security. This was a highly dangerous situation which might result in the renewal of Arab-Israeli hostilities.

Turning to the Persian Gulf, Secretary Dulles said that the British were concerned over Kuwait, the brightest star in the U.K. oil galaxy. The United Kingdom was responsible, under rather loose arrangements, for the foreign policy and security of Kuwait. Perhaps Kuwait could be held by force in the event of trouble, but it was not clear what the workers in the oil fields would do. The United States was studying the situation in Kuwait, as well as the position at Bahrein and in the Persian Gulf, in collaboration with the United Kingdom. If the Persian Gulf oil area could be held for the West, the United Kingdom would have a strong bargaining position vis-à-vis Iraq; but if the Persian Gulf area falls, the U.K. position would be weak. Secretary Dulles recalled the situation in Iran under Mossadegh, who closed the oil refineries on the theory that Britain would have to yield, only to find that Britain could obtain oil from other sources and that Iran's economy deteriorated to such an extent that Iran had to yield. If the West could keep two or three of the main petroleum sources open, it could maintain a strong position. Secretary Dulles said that recent intelligence indicated that some hotheads in Iraq wanted to blow up the pipelines, but that the leaders had vetoed this project.

Secretary Dulles then noted that he was going to Bonn to consult with Chancellor Adenauer, and then to London to attend the Baghdad Pact meeting. He said Turkey, Iran and Pakistan were quite concerned over the Near East situation, favored a strong policy in the area, and were afraid we might retreat from our present strong position. Iran was particularly vulnerable, as always. Soviet agents were active in Azerbaijan on the basis of alleged treaty rights. The Shah was afraid of assas-

sination. The United States had recently undertaken measures to accelerate military and economic assistance to Iran. One matter which would come up at the London meeting was the question of U.S. adherence to the Baghdad Pact if Iraq drops out. Secretary Dulles asked if U.S. adherence to the Pact would be discussed at the Council meeting this morning. Mr. Gray said not unless the Secretary wished to bring it up. Secretary Dulles said that at Baghdad Pact meetings there was always pressure on the United States to adhere to the Pact. He had originated the concept of a northern tier of states joining together to defend themselves against Soviet aggression. The idea had been taken up by the British and spoiled by adding Iraq to the northern tier. The interests of Iraq were more closely identified with those of the Arabs of the south than with the northern tier. Iraqi membership in the Baghdad Pact was perhaps one of the reasons why the Government of Iraq was overthrown so easily. The United States had felt that Iraqi membership was unnatural and tended to involve the Pact in Arab-Israeli issues. Nuri Said had always insisted that the Pact must be anti-Israel as an offset to the unpopularity of the Pact in Iraq. Iraqi membership destroyed the simple original concept of the Pact. Now that Iraq might be eliminated as a member of the Pact, we may wish to consider whether the United States should not adhere after Congressional consultation. The Secretary added that he was not seeking a decision on this question urgently, but was merely pointing out that one of the old reasons for not joining the Pact (i.e., Iraqi membership) was no longer valid.

The Director of the U.S. Information Agency referred to Mr. Gray's report of the Planning Board's discussion on jamming of hostile radio broadcasts. He wished to point out that if Radio Cairo broadcasts were jammed, there might be additional tension and agitation among the West Bank refugees in Jordan. If these refugees were suddenly deprived of their accustomed Cairo broadcasts, then resentment against the government in Amman would be increased, possibly enough to tip the scales toward revolt. This consideration should be carefully weighed before any decision to jam Cairo broadcasts.

Mr. Allen said that from the public relations point of view, it would be a very bad thing for the United States to get involved in Jordan. The United States had a convincing story on Lebanon and we have some hope of coming out of the Lebanese situation with honor and dignity, but our position is not the best even in Lebanon. In Jordan, public support for the government is no greater—and possibly less—than Iraqi public support was for the deposed Iraqi regime; so that foreign intervention is difficult to justify before world opinion. If we support King Hussein, a monarch with no roots in the country and among the people, we will be in a very bad position. Jordan was an artificial creation resulting from World War I, with no history. Recently the Senate in the Sudan

had unanimously condemned US-UK action in the Near East. Mr. Allen was afraid if we stay on this wicket, the USSR will beat us to death in public opinion. We must adjust to the tide of Arab nationalism, and must do so before the hotheads get control in every country. The oil companies should be able to roll with the punches, and will in fact be on a firmer foundation in Iraq in the future than under the old regime.

Mr. Allen thought it would be undesirable for the United States to adhere to the Baghdad Pact even if Iraq dropped out, because the Pact in Arab minds was an imperialistic instrument as long as the United Kingdom was a member. If the Pact were an indigenous instrument and the United Kingdom were not a member, then it could be supported by the United States; but at present the Arab peoples think the Pact is a cover for imperialism.

The President said a view similar to Mr. Allen's had been called to his attention by various volunteer advisers. For example, a professor of Near Eastern history at Johns Hopkins had recently told him that Near Eastern opinion regards any Near Eastern country joining in a pact with the West as being under Western control.

Mr. Gray asked the Secretary of State if he wished to add anything further to his oral briefing.

Secretary Dulles said that while it was important to win as much support from public opinion as possible, the United States could not abandon its positions, its friends, and its principles merely because its actions happened to be unpopular. He recalled that Neville Chamberlain, on his return from Munich, had been very popular, but that in retrospect his policies had not seemed very wise. The Soviets were trying desperately to create the impression that our resistance to indirect aggression endangered the peace of the world. They argue that we must give up our opposition to indirect aggression in order not to jeopardize peace. This exact argument was used by Hitler in 1939. Secretary Dulles then said he wished to add a few words on Iran, which was "in the middle" without treaty ties. He did not want to let Iran go down the drain. He was not recommending a treaty alignment with Iran at the present time, but he thought that the idea that the United States could not join in pacts with indigenous countries was a very undesirable concept. To adopt the Soviet thesis that it is wrong for the United States to join in pacts with Near Eastern countries, would be a reversal of our policy.

Mr. Allen asked whether there was any possibility that Iran might join SEATO. Secretary Dulles said this would be extending Southeast Asia pretty far. He added that De Gaulle wanted to extend NATO to include Iran. Unfortunately, Iran lay between SEATO and NATO, and felt very vulnerable. The United States must be prepared to consider very sympathetically any proposals designed to reassure Iran as to its security.

The President said he agreed with the Secretary of State that we could not abandon policies just because they were unpopular. However, we must remember that we want to get indigenous peoples as well as governments on our side if possible. Otherwise our policies would stand on a foundation of sand, and the arms and economic assistance we send to these governments will eventually be used against us. For example, the arms used in the revolt in Iraq came from the West, but popular opinion accepted, if it did make easy, the overthrow of the government.

The Secretary of State said that the Iraqi Government fell because Iraq was in an unnatural association with Turkey and the United Kingdom in the Baghdad Pact. The British-French-Israeli attack on Egypt in 1956 shook Iraq to its foundations. Iraq was in the Pact against its own better judgment.

The President repeated his statement that we must get the peoples of the Near East on our side or our arms will be used against us. If the people are alienated, we are in a very bad position.

The Secretary of Defense said there should be some preparation of public opinion for U.S. action, and some way of reaching the people.

The President said he felt that Congress was beginning to see that it had been shortsighted in reducing funds for U.S. information programs.

Secretary McElroy said that radio broadcasting was extremely important in the primitive countries of the Near East.

Secretary Dulles said it was difficult to get people on the side of the West if Western policies were intrinsically unpopular and if the people of the area heard only the Arab broadcasts. The question was, do we allow ourselves to be driven out of an area just because our position there is unpopular?

Mr. Allen Dulles [*1 line of source text not declassified*] differed with Mr. Allen on the desirability of jamming. Why should we allow Nasser to flood the area with bile and do nothing to stop him?

The Vice President said there was sometimes a tendency to equate the voice of the mob with the voice of the majority. The two voices were not always the same. Perhaps they were the same in Iraq, but they were probably not the same in the Sudan. Mossadegh had mobs on his side in Iran for a time, but the people applauded when he was thrown out. The Vice President predicted that during the next few weeks there would be a great deal of mob violence not representing the majority of the people. We would, of course, have to take account of popular feeling in the area; but we could not allow a wave of mob emotionalism to sweep away all our positions in the Near East.

Mr. Gray then called on the Chairman of the Joint Chiefs of Staff for an oral briefing from the U.S. military viewpoint. General Twining said the situation in Lebanon was calm. Lebanese snipers had been firing at our planes near the airport, but there had been no casualties from enemy action. Cooperation between U.S. and Lebanese armed forces had been satisfactory. The Lebanese Army was reluctantly seeking to bring the rebel forces under control, but this operation was not proceeding as rapidly as was desirable. The rebels were still unmolested in the Basta, their stronghold in Beirut. The landing of U.S. forces in Lebanon had taken place in accordance with a contingency plan (code name: BLUEBACK) prepared in May. The original plan had provided that the Marines and the Army would establish lodgment in Beirut, and that U.K. forces would also enter Lebanon. However, a political decision had been made that the United Kingdom would not participate in the Lebanon landings and the plan had been adjusted accordingly. General Twining then caused two maps to be displayed, one showing the disposition of U.S. forces in Beirut and adjacent areas, and the other showing the disposition of U.S. forces in the Near East. General Twining said there were about 6000 Marines in Lebanon, about 1700 Army troops adjacent to the Beirut airport, and a contingent of Army support forces which would bring the Army total to 2500. In connection with the map showing the disposition of U.S. forces in the Near East, General Twining pointed out that a Marine landing team was en route to the area from Okinawa. U.S. airborne forces in Germany and in the United States had been alerted. The U.S. Navy had two attack-carrier striking groups in the Mediterranean. General Twining said that the logistic support for the operation in Lebanon had been provided by transport aircraft which had now returned to the United States. Tankers and refueling planes had remained in the area. The airlift capabilities of U.S. forces in Europe and MATS capabilities were being used. About 20 per cent of our SAC forces had been placed on 15-minute alert, and a large proportion of the remaining SAC forces had been put on a relatively short alert. Air defense command units had also been put on a short alert. U.S. jet planes recently made a low-level demonstration over Jordan which had apparently been effective. British forces in Jordan had been airlifted from Cyprus. The United States had assisted the operation in Jordan by airlifting oil.

Mr. Gray then asked Mr. Allen Dulles whether, from the intelligence viewpoint, he had anything to add to the Near East discussion. The Director of Central Intelligence said that in his opinion the Nasser type of Arab nationalism might not be a permanent part of the life of the Near East. Throughout history local forces in the Arab states had been very strong, and we should not be misled into thinking that recent violence would necessarily continue to determine events in the Near East over the next decade. In his view, the Arab world was going through the

early bloody stages of the French Revolution. He did not think the Arabs from Morocco to Iraq would ever be likely to join together in one large state.

Turning to Iraq, Mr. Allen Dulles said there was no effective opposition to the present revolutionary regime. Nevertheless, he did not expect the present regime to be in office six months from now. He thought the present period in Iraq was comparable to the pre-Nasser, Naguib period in Egypt. Colonel Arif, Deputy Premier, was likely to emerge as the Nasser of Iraq. It was significant that he had signed the recent agreement between Iraq and Nasser. There were no known Communists in the heterogeneous group composing the Present Government of Iraq, but there were some leftists. Iraq was anxious to maintain good relations with the West and had not yet indicated a desire to leave the Baghdad Pact. Mr. Allen Dulles thought we might emphasize in our publicity the fact that the deposed rulers of Iraq had been more effective than any other Near East rulers in using oil revenues to develop the economy of the country.

Turning to the Persian Gulf, Mr. Allen Dulles noted that the ruler of Kuwait had met with Nasser in Damascus for two conversations. The result was not known. Kuwait, however, appeared inclined to join the United Arab Republic rather than confederate with Iraq. Egypt probably desired to get control of the oil of Kuwait, but Kuwait was not eager to share its oil revenues with any other countries.

Secretary Dulles noted that at the time the Arab Union was formed, efforts had been made to get Kuwait to join, but Kuwait had strongly resisted these overtures.

Mr. Allen Dulles said the situation in Yemen and Aden was likely to deteriorate. In Libya a plot against the life of King Idris appeared to have been thwarted [*less than 1 line of source text not declassified*]. It might be difficult to hold the Sudan in line [*3 lines of source text not declassified*] King Saud is not permitting overflights over Saudi Arabia en route to Jordan because the forces in Jordan are British, and this added to the complicated British logistics in the Jordan operation.

In conclusion, Mr. Allen Dulles said that in some respects Nasser's popularity was greater outside Egypt than it was within Egypt. Although Nasser's control over Egypt is not yet threatened, there was great dissatisfaction among certain elements of the Egyptian population, particularly white-collar workers and merchants.

The National Security Council:[2]

a. Noted and discussed the subject in the light of:

(1) An oral briefing by the Secretary of State from the diplomatic and foreign policy viewpoint.

(2) An oral briefing by the Chairman, Joint Chiefs of Staff, from the U.S. military viewpoint.

(3) An oral briefing by the Director of Central Intelligence from the intelligence viewpoint.

(4) An oral report by the Chairman, NSC Planning Board, on the results of discussion by the Planning Board of possible U.S. courses of action designed to prevent the United States from appearing to oppose Arab nationalism, and to counter hostile radio broadcasts in the Near East.[3]

b. Noted that the NSC Planning Board would prepare as a basis for discussion at the next Council meeting a list of relevant policy issues arising out of the present situation in the Near East, together with arguments for and against taking various possible courses of action.

[Here follows discussion of agenda items 3 and 4.]

Marion W. Boggs
Director
NSC Secretariat

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[2] Paragraphs a and b constitute NSC Action No. 1951, approved by the President on July 28. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[3] On July 28, Gray met with Eisenhower and discussed the issue of radio jamming in the Middle East. According to Gray's July 28 memorandum of conversation:

"We then discussed the matter of [*less than 1 line of source text not declassified*] jamming of hostile radio facilities in the Near East. I indicated to him that whereas I would not want to specifically put it in the Record of Action, I wanted him to understand that there perhaps were things that could be done, and unless he objected they would be considered and handled in appropriate channels. He indicated that he did not know enough about the subject to have a view and my assumption was a satisfactory one." (Eisenhower Library, White House Office Files, Project Clean Up, Meetings with the President)

32. Letter From Secretary of State Dulles to President Eisenhower

Washington, July 25, 1958.

DEAR MR. PRESIDENT: I have your memorandum of July 23 with the two memoranda about the Middle East.[1] These contain interesting ideas, although nothing to which we have not already given much thought. The problem is posed by Mr. Robinson's point (1) that "we must shake Nasser loose from his convictions that his only friends are the Soviets".

Nasser counts as "friends" those who help him to achieve his ambitions. These ambitions include at least a truncation of Israel and the overthrow of present governments in Lebanon, Jordan, Morocco, Tunis, Libya, the Sudan, Saudi Arabia, etc., and their replacement by his stooges. The Soviet Union, being free of ties and commitments in the area, can and does help Nasser to achieve these extravagant goals, believing it will be the ultimate heir. We cannot honorably help him in these respects. Therefore, we cannot be his "friends" as are the Soviets.

Of course, Nasser would be glad to get help from us as well as from the Soviet Union. But that would, I fear, lead him to merely move on, and not to moderate his ambitions. He is not a moderate kind of person. Nor is he interested in consolidating what he has, but in going from one political success to another.

That is what makes the problem so difficult. We are basically wholly sympathetic with Arab nationalism if it means a constructive and productive unity of the Arab peoples. Unfortunately, Nasser's brand of Arab nationalism does not seem to be leading to that. He has done little in Egypt to improve the welfare of the people. He has done nothing in Syria. He tends to require an unending series of political successes but not pause to consolidate constructively.

Faithfully yours,

John Foster Dulles[2]

Source: Eisenhower Library, Dulles Papers, White House Correspondence. Confidential. Personal and Private. Drafted by Dulles and cleared by Rountree and Berry.

[1] In this short memorandum, Eisenhower sent Dulles what he described as "two-thought provoking memoranda; each of the authors, apparently independently, has arrived at practically identical conclusions and recommendations." The first memorandum was from O. Preston Robinson, Editor of *Deseret News*, Salt Lake City, Utah. The second was by Professor Elie A. Salem, Middle East Studies, Johns Hopkins University. Both recommended better understanding of and sympathy for Arab nationalism and better relations with Nasser. (*Ibid.*)

[2] Printed from a copy that bears this typed signature.

JULY–DECEMBER 1958: REAPPRAISAL OF U.S. POLICY; THE BAGHDAD PACT MEETING; CONSIDERATION OF ACCOMMODATION WITH PRESIDENT NASSER

33. Editorial Note

Secretary Dulles was in London to attend the Baghdad Pact Meeting, July 28–29. Prior to the meeting, he met separately and jointly with the heads of the delegations of the pact on July 27 and 28 in discussions outside the formal sessions of the conference. On July 27 at 3 p.m., Dulles met with Iranian Prime Minister Eqbal at the Iranian Embassy and discussed bilateral relations as well as Baghdad Pact issues, especially the consequences of Iraqi nonparticipation in the pact. (Memorandum of conversation, July 27, London, USDel/MC/13; Department of State, Conference Files: Lot 63 D 123, CF 1061)

At 5:15 p.m. on July 27, Dulles met Pakistan Prime Minister Noon at the Claridge Hotel to discuss events in Lebanon, Jordan, Iraq, and Iran. Both agreed that it would be better if Iraq officially left the Baghdad Pact. Noon pressed Dulles to make a U.S. promise to join the organization when Iraq withdrew, but Dulles would make no commitment at that point citing the need for Congressional consultation. Dulles did stress the need to strengthen the northern tier countries. (Memorandum of discussion, July 28, USDel/MC/10; *ibid.*)

At 9:30 p.m. on July 27, the heads of all the delegations and their principal advisers met at Carlton Garden, London, to set an agenda for the formal sessions, exchange preliminary points of view, and agree on the general need for a public statement affirming the pact in light of the Iraqi coup. (Memorandum of conversation, July 27, USDel/MC/14; *ibid.*, Secretary's Memoranda of Conversation: Lot 64 D 199)

At 10 a.m. on July 28, Dulles and his advisers met with Turkish Prime Minister Adnan Menderes and Foreign Minister Zorlu. The conversation began with Zorlu stating that he was authorized to speak for the Turkish, Iranian, and Pakistani delegations in appealing to the United States to join the Baghdad Pact in order to give it "new life." Dulles responded that the pact was a "very loose" obligation requiring only consultation; perhaps, he said, what was needed was a "fresh start." Dulles hoped that some "formula" could be found within the circumference of existing legislation such as the Middle East resolution. Dulles suggested that the members of the pact should decide upon starting anew or building upon the present organization. Zorlu stated that under either option the United States should be within the pact as a full member. The two men then discussed the effect of the Iraqi coup, possible withdrawal of U.S. and U.K. forces from Lebanon and Jordan,

Nasser's appeal, the inability of the West to compete with the Soviet Union for Nasser's support, possible recognition of the new Iraq Government, and a possible Middle East summit. (Memorandum of conversation, July 28, USDel/MC/9; *ibid.*, Conference Files: Lot 63 D 123, CF 1066)

In a pre-meeting report to Eisenhower on July 27, Dulles described a discussion he had with British Prime Minister Macmillan and Foreign Secretary Lloyd on July 27 as follows:

"Then with my advisers I had a two-hour meeting with Harold Macmillan and Selwyn Lloyd and their advisers. We canvassed the prospects for the Baghdad Pact meeting, including the possibility of finding another name and a new form in which to express the mutual security commitments for which all the Northern Tier countries are eager. Our experts are studying this further and we may be able to make some interim progress before I leave." (Dulte 2 from London, July 27; *ibid.*, Central Files, 780.00/7–2758) A more detailed account of this discussion is in Secto 6 from London, July 27; *ibid.*, 396.1–LO/7–2758)

Eisenhower responded the same day as follows:

"Regarding a possible substitute for the Baghdad Pact, my present thoughts are about as follows: I believe we should listen and discuss but not now make decisions. Our Mid-East friends are currently tense and fearful, thus tending to make them more emotional than thoughtful. Their urgent and immediate needs we should seek to supply to the best of our ability but long-range planning should ordinarily be agreed on the basis of calm study and reflection.

"We of course must be loyal and friendly but we need not be in a hurry to exchange marriage vows.

"This is not especially helpful. But it is to be remembered that I just received your message a few minutes ago and of course I have had no opportunity for recent personal contacts with the responsible officials with whom you will be talking on Monday.

"My principal purpose now is to let you know that I shall be thinking of you and your work in the confidence that in your wisdom and knowledge we have an asset of incalculable value.

"I shall be looking forward to seeing you on Tuesday.

"My warm greetings to all my friends and my best to you." (Tedul 4 to London, July 27; Eisenhower Library, Whitman File, International File)

34. Memorandum of Telephone Conversation Between Secretary of State Dulles and President Eisenhower

July 28, 1958.

The Secretary of State called at about 9:00 from London. He was there attending meeting on the Baghdad Pact. The Secretary said that the United States had to make some kind of statement[1] on intention toward the three countries of Pakistan, Iran and Turkey.[2] He read the President his proposed statement.

Of the telephone call the President dictated:

"Foster Dulles feels that it is absolutely necessary that we give some special reassurance to our support for Iran, Turkey and Pakistan. He apparently thought this might put him in disagreement with my statement in the telegram I sent him last evening, where I advised going slow in trying to establish some substitute for the Baghdad Pact. Since, however, he intends to make only a statement of our purpose of living up to the Mid East Resolution passed in March of 1957,[3] I see no harm in making such a statement."

Further from monitoring the call itself:

The proposed statement limits cooperation to the nations attending the London meeting—which means Iraq is excluded.

The proposed statement agreed to entering into "special agreements" with those nations in accordance with Article I of the Mid East Resolution. The President was unhappy with the word "special" pointing out that the Congress would interpret that as something like SEATO or NATO. Dulles assured him wording did not go beyond what was already in Mid East Resolution—he said he had told the nations we could

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Source: Eisenhower Library, Whitman File, Eisenhower Diaries. No classification marking. The President was in Washington.

[1] For text of the London Declaration, July 28, see *American Foreign Policy: Current Documents, 1958*, pp. 894–895.

[2] Secretary Dulles had someone in London monitoring his call to the President who could only hear the Secretary's words. In this transcription, Dulles explained why the United States should sign the declaration:

"The countries wanted us to join the Pact but the Secretary explained we were not able to do that now. The Secretary said that we could not undertake to make a treaty with them or to join the Pact and submit it to Congress at this stage. The Secretary said the draft declaration did not go beyond the Middle East Resolution. Before we give military assistance and the like to countries we have to have special agreements with them and the declaration refers to agreements of that kind. (Apparently, the President objected to the word "special" and the Secretary said we could strike out the word.) The Secretary said he did not think we would be in trouble with Congress because we were within the limits of the ME Resolution. The Secretary said it would be made public." (Eisenhower Library, Dulles Papers, White House Telephone Conversations)

[3] For text of the Middle East Resolution (the "Eisenhower Doctrine"), approved by the President on March 9, 1957, see *American Foreign Policy: Current Documents, 1957*, pp. 829–831.

not undertake to make a treaty with them or join the Baghdad Pact. Dulles pointed out that before any military assistance was given to any nation, "special agreements" had to be made. Dulles thought the word "special" could come out.

The President said he had been thinking recently—in a digression—of how we were hopeful of helping the Arab people, on a friendly people-to-people basis, trying to keep all of us out of the Communist orbit. He cited letter from Dr. Elson.[4]

But back to the statement: Dulles said he did not think there would be any trouble with Congress on this one. The President suggested in public statement Dulles could emphasize "peace, tranquility, etc." to show that it is defensive, not aggressive, in purpose.

[4] Not found.

35. Paper Prepared by the National Security Council Planning Board

Washington, July 29, 1958.

ISSUES ARISING OUT OF THE SITUATION IN THE NEAR EAST

I. The Basic Problem

The underlying problem facing the United States in the Near East is well summarized in para. 2 of the General Considerations of the current long-range U.S. policy toward the Near East (NSC 5801/1, January 24, 1958):[1]

"Current conditions and political trends in the Near East are inimical to Western interests. In the eyes of the majority of Arabs the United States appears to be opposed to the realization of the goals of Arab na-

Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5801 Memoranda. Top Secret; Limited Distribution. Submitted to the NSC by Lay under cover of a memorandum of July 29, which stated that the enclosed list of policy issues prepared by the NSC Planning Board was transmitted as the basis of the NSC discussion on July 31; see Document 36.

[1] Document 5.

tionalism. They believe that the United States is seeking to protect its interest in Near East oil by supporting the status quo and opposing political or economic progress, and that the United States is intent upon maneuvering the Arab states into a position in which they will be committed to fight in a World War against the Soviet Union. The USSR, on the other hand, has managed successfully to represent itself to most Arabs as favoring the realization of the goals of Arab nationalism and as being willing to support the Arabs in their efforts to attain those goals without a quid pro quo. Largely as a result of these comparative positions, the prestige of the United States and of the West has declined in the Near East while Soviet influence has greatly increased. The principal points of difficulty which the USSR most successfully exploits are: the Arab-Israeli dispute; Arab aspirations for self-determination and unity; widespread belief that the United States desires to keep the Arab world disunited and is committed to work with 'reactionary' elements to that end; the Arab attitude toward the East-West struggle; U.S. support of its Western 'colonial' allies; and problems of trade and economic development."

The coup d'état in Iraq accelerated the deterioration of the Western position in the Near East. The fall of the Iraqi monarchy has further reduced the possibility of carrying out a policy to develop the Arab Union as a counter-weight to the UAR. Other conservative Arab regimes face increased internal opposition and most are now leaning toward Nasser. The introduction of U.S. troops in Lebanon and U.K. troops in Jordan has been interpreted as further identifying the United States as the opponent of Pan-Arab nationalism. Soviet support of the Pan-Arab nationalist movement and of Nasser has also been greatly highlighted. Popular feeling in the Arab world, even in such states as Saudi Arabia and Kuwait, is generally favorable to the Iraqi coup and hostile to U.S. intervention in Lebanon and U.K. intervention in Jordan.

II. Current Policy Issues[2]

A. *Should the United States make serious efforts now to reach an accommodation with radical Pan-Arab nationalism of which Nasser is the present symbol?*

This is the key policy issue, because our policy toward radical Pan-Arab nationalism will fundamentally affect our position on all of the other issues discussed below. For example, the U.S. might: (a) make a substantial effort to improve our relations with the UAR; (b) promptly recognize the new government of Iraq and undertake to normalize rela-

[2] The examples of U.S. actions following each policy issue are merely illustrative and do not cover all possibilities. These examples are not intended as an integrated program, but may each be considered separately. [Footnote in the source text.]

tions with it; (c) make clear that we accept Arab neutralism; (d) make clear that we accept the right of Arab peoples to determine their form of government and the nature of their association with other Arab states, perhaps by UN-supervised plebiscites or elections;[3] (e) expand all kinds of contacts and exchanges with Near Eastern countries, especially those of the Arab nationalist group; and (f) seek U.K. cooperation in a course of accommodation to radical Pan-Arab nationalism, particularly with respect to those areas in which the U.K. has a special position.

1. *The argument for seeking an accommodation:* We must face up to the fact that Arab nationalism is the dominant force in the Arab world, and that it has assumed a radical form symbolized by Nasser. To the extent that we back regimes which seem out of step with it, or otherwise seek to retard its impact, we are going to appear to oppose it. Accordingly, we must adapt to Arab nationalism and seek to utilize it, if we are to retain more than a steadily declining influence in the Arab world.

Though many steps might be taken to give our policy a cast less hostile to radical Pan-Arab nationalism, these cannot be more than palliatives, so long as in the eyes of most of the area our actions seem basically inconsistent with this posture. Inasmuch as Nasser is the symbol of radical Arab nationalism, unless and until we are able to work with him we cannot really avoid the onus of appearing to oppose the dominant force in the Arab world.

Support of Arab nationalism implies support of Arab unity, which at present seems most likely to occur under the aegis of Nasser. Certain important advantages might result from closer political association among the Arab states of the Near East. Such association could satisfy the desires of Pan-Arab nationalism for unity, dignity and status and thus might gradually eliminate the virulence of that nationalism. It might make the Arabs more able politically to accept the compromises necessary to a settlement with Israel. A strengthened Near East might be less vulnerable to divisive Soviet tactics.

The recent events in Iraq and their aftermath have foreclosed, at least in the short term, the possible alternative of creating an Arab counter-weight to the Nasser-led UAR. Even the military defeat of the UAR or the death of Nasser would be unlikely to have any long-run effect upon Pan-Arab nationalism.

Because the West has seemed opposed to Arab nationalism, the Arabs have turned to the USSR for support. To the extent that the U.S. works with Arab nationalism, however, the Arabs may feel less need for Soviet political and military support. If at the same time the Soviets become more overt in their penetration, the same nationalist reaction as

[3] See Annex C. [Footnote in the source text; printed below.]

occurred against the West may develop against the USSR. Hence in the long run Arab nationalism may prove to be the greatest counter-force to Soviet penetration of the area.

In the eyes of almost the entire Arab world, the new regime in Iraq is regarded as more genuinely representative than its predecessor. Moreover, it has made several gestures designed to indicate its desire for continued amicable relations with us. Recognition at this time would be evidence that the United States is not opposed to Arab nationalism per se, and would strengthen a second center of Arab nationalism.

If we are not to accommodate to Arab nationalism, we must face the probable necessity of continued deployment of troops in the Near East, with the likelihood of increasingly serious incidents and the resultant risks of war.

2. *The argument against seeking an accommodation:* Because of the many disparities between our interests and the demands of radical Arab nationalism, the United States cannot afford to accommodate to it. The special U.S. relationship with Israel, both historical and present, puts the United States at a serious disadvantage in any competition with the USSR for the favor of the Arab nationalist. The prospects for establishing a relationship of mutual confidence between Nasser and the West appear remote. Moreover, Pan-Arab nationalism under Nasser's leadership may be virtually insatiable; it may not stop its march until it has taken over large parts of Africa. Thus, to deal with it may only bring a still more rapid loss of Western influence. An accommodation to Arab nationalism could adversely affect our relations with Turkey, Pakistan and Iran; and might involve the possibility of abandoning our commitments to Jordan and Lebanon, create serious problems for the present regimes in Libya and the Sudan, and eventually endanger other North African regimes. An accommodation with Arab nationalism might prejudice Western security requirements in the area, e.g. by loss of bases at Dharan and Aden. In view of the strong line the United States initially took on the coup in Iraq, and in supporting the regimes in Jordan and Lebanon, a sudden shift in our policy would sow confusion in the Free World, including the United States itself.

Finally, it is very doubtful whether close political association of the Arab states is, from the standpoint of U.S. interests, desirable. Such association might present a more serious threat to Israel's integrity and to Western access to Near Eastern oil.

B. *Should the United States seek an accommodation with the USSR on the Near East, possibly through the UN?*

The United States might, for example: (a) seek an arms embargo or a limitation on arms shipments to the Arab states and Israel, with an effective system of inspection and control; (b) seek Soviet agreement to a

guarantee of the boundaries in the area including the boundaries of Israel; (c) accept the Soviet proposal for great power non-interference in the internal affairs of Near Eastern countries.

1. *The argument for seeking an accommodation:* The USSR has become a very important factor in the area and can no longer be ignored. Though the USSR's interests conflict at most important points with those of the United States, it does share with us a concern lest a local conflict in the area develop into general war. This concern could provide the basis for limited, though important understandings. Whether an agreement were to be achieved or not, a more realistic acceptance by the United States of the Soviet presence and a willingness to negotiate could have favorable political effects on the Arab nationalists and upon neutral countries elsewhere. An early embargo on arms shipments would also help to stabilize the Arab-Israeli situation, recognizing, however, that this might involve Israeli initiation of hostilities against the Arabs. Finally, it might become more important for us to forestall Soviet military intervention in, or even arms aid to, the Arab states than to retain these options ourselves.

2. *The argument against seeking an accommodation:* An agreement to great power non-intervention in the Middle East, by which the Soviets almost certainly mean no intervention with outside force, would tie U.S.-U.K. hands, while leaving open to the Soviets many types of subversive penetration. Any broader agreement which would cover all types of great power interference, including the above, would probably be unenforceable. Moreover, an agreement, or even an attempt to reach an agreement, between the United States and the USSR could seriously undermine such limited anti-Communist forces and regimes as are left in the area; an arms embargo or a limitation on arms would work to the disadvantage of pro-Western, though unpopular, regimes with internal security problems.

C. *Should the United States reconsider its policy toward Israel?*

As part of an accommodation with radical Arab nationalism, the U.S. might, for example, (a) exert all feasible pressures to obtain Israeli concessions designed to promote an eventual modus vivendi between Israel and the Arabs, e.g., limitation of immigration, territorial adjustments, and refugee compensation; (b) at the same time, provide additional unilateral, or if possible multilateral, guarantees of Israel's integrity.

1. *The argument for reconsideration of U.S. policy toward Israel:* Because a major element in Arab resentment toward the United States has been its part in promoting the growth of Israel, it is essential to any permanent reconciliation with the Arab populations that the United States demonstrate its intention to seek to limit Israel's future immigration, to

ameliorate the refugee situation, and to effect reasonable territorial adjustments. Such action might also make feasible a modus vivendi between Israel and the Arab states.

2. *The argument against reconsideration of U.S. policy toward Israel:* It is doubtful whether any likely U.S. pressures on Israel would cause Israel to make concessions which would do much to satisfy Arab demands, which in the final analysis may not be satisfied by anything short of the destruction of Israel. Moreover, if we choose to combat radical Arab nationalism and to hold Persian Gulf oil by force if necessary, a logical corollary would be to support Israel as the only strong pro-West power left in the Near East.

D. *Should the United States be prepared to support, or if necessary assist, the British in using force to retain control of Kuwait and the Persian Gulf?*

1. *The argument for such action:* An assured source of oil is essential to the continued economic viability of Western Europe. Moreover, the U.K. asserts that its financial stability would be seriously threatened if the petroleum from Kuwait and the Persian Gulf area were not available to the U.K. on reasonable terms, if the U.K. were deprived of the large investments made by that area in the U.K. and if sterling were deprived of the support provided by Persian Gulf oil. If Nasser obtains dominant influence over the Persian Gulf oil producing areas, Western access to this oil on acceptable terms might be seriously threatened. The only way to guarantee continued access to Persian Gulf oil on acceptable terms is to insist on maintaining the present concessions and be prepared to defend our present position by force if necessary. Continued access to Persian Gulf oil gives the West a strong bargaining position.

2. *The argument against such action:* If armed force must be used to help retain this area (or even if there is a public indication of willingness to use force), the benefits of any actions in the direction of accommodation with radical Pan-Arab nationalism will be largely lost and U.S. relations with neutral countries elsewhere would be adversely affected. Such accommodation would better provide the basis for continued assurance of access to Kuwait and Persian Gulf oil.

E. *Should the United States increase economic assistance to the Near East as an integral part of an accommodation?*

The United States might, for example: (a) increase U.S. economic aid, offering it to the UAR, Yemen and Iraq, as well as to the states committed to the West; (b) offer U.S. support for an Arab development institution open to all Arab states in the area; be prepared to make a substantial contribution to the initial capital and call upon other Western nations to do the same.

1. *The argument for such increased emphasis:* Such action would emphasize our concern for the economic advancement of the peoples of the

area. It would be an important means of aligning the United States with the goals of Arab nationalism and, if given without discrimination on political grounds and with emphasis upon regional projects, such aid would help dispel the impression that the United States is interested only in dividing and dominating the area. It could lead to the diversion of Arab nationalism into more constructive channels.

2. *The argument against such increased emphasis:* Under present circumstances it would appear to be an attempt to buy off the opposition to the United States and might well be interpreted as a sign of U.S. weakness. The Arab's expectations as to what we would be able to do if we really "wanted" to are so great that any likely increase in the U.S. aid program would still be quite disappointing to them. The basic economic situation of Egypt is so poor that no feasible U.S. aid program is likely to arrest a continuing decline in living standards over the long run. Regional projects involving Israel are obviously not presently feasible, while those involving only the Arab states have been difficult to identify. We might alarm some of our friends, such as Iran and Pakistan, and further stimulate their demands for increased U.S. aid.

Annex A[4]

(The following issue has been placed in an Annex because it was prepared before the results of the recent London meetings were known and may therefore be out of date in some respects.)

On the assumption that Iraq leaves the Baghdad Pact, should the United States seek substantial changes in existing regional security arrangements in the Near East?:[5]

The United States might, for example: (a) encourage the Pact members to dissolve the Baghdad Pact; (b) encourage the remaining Pact members to preserve the "Northern Tier" concept by continuing the Pact without Iraq; (c) encourage continuation of the Pact but without

[4] Top Secret.

[5] In the unlikely event that Iraq remains in the Pact it would probably be inopportune to change the existing membership in the short term. Even so, if Iraq becomes closely associated with the UAR, military planning under the Pact will probably be rendered ineffective and in the long run the U.S. might have to reconsider the pattern of regional security arrangements in the Near East. [Footnote in the source text.]

U.S.-U.K. membership; (d) not only encourage continuation of the Pact but agree to join it at an appropriate time.

1. *The argument for dissolving the Pact:* Since the inception of the Baghdad Pact many Arabs have viewed it as a mere cover for Western efforts to divide and dominate the area, to challenge Egyptian leadership in the area and to minimize the importance of the Israeli threat. There has also been opposition to the Pact on the ground that it increases the risk of bringing World War III to the area. Dissolution of the Pact would diminish a major source of the Arab belief that the United States is opposed to the objectives of Arab nationalism. Such action would gain for the United States new freedom for maneuver in the Near East. Turkey, Iran and Pakistan could rely instead upon bilateral arrangements and existing NATO and SEATO commitments. Moreover, dissolution of the Pact could reduce demands for U.S. military assistance based upon Pact force goals.

2. *The argument for preserving the Pact with its remaining membership:* It would be a mistake to dissolve the Pact, for its elimination has been a major objective of USSR and UAR policy and its dissolution would represent a major victory for them. Dissolution could also have very adverse effects upon the confidence of Turkey, Iran and Pakistan in the desirability of continuing to follow a policy of military and political commitment. The Pact remains an important element in Western collective security arrangements and must be preserved. On the other hand, it would be a mistake for the United States to join the Pact at present because to do so would increase tensions in the area and make solution of immediate problems more difficult.

3. *The argument for preserving the "Northern Tier" concept, without U.K. participation:* Elimination of the U.K. from the Pact would help remove its imperialist coloration and would be welcomed by Iran. Such action might also give the remaining Pact members more of a feeling of running their own affairs, even though it might lead, particularly in the case of Iran, to some reduction in Western influence in their military planning. If the U.K. were eliminated from the membership of the Pact, there would be greater pressure on the U.S. to join.

4. *The argument for U.S. membership:* With the elimination from the Pact of Iraq, the only Arab member, the bases of the previous objections to U.S. membership in the Baghdad Pact have been largely eliminated. U.S. adherence now could be an important means of reassuring Turkey, Iran and Pakistan of our continued interest in the area and our continuing determination to resist Communist aggression.

Annex B[6]

(The following issue has been placed in an Annex because a majority of the Planning Board felt that it was not an appropriate issue for Council discussion at this time.)

Should the United States attempt to reconcile vital Free-World interests in the Near East's petroleum resources with the rising tide of nationalism?

The United States might, for example, encourage evolutionary changes in Middle East oil concessions, including revision of existing contracts, so long as there is assurance of a continued flow of oil to the West on reasonable terms.

1. *The arguments for such action:* Unless the oil companies operating in the Middle East, and the countries from which they originate, are prepared to give more tangible recognition to the need of the populations of the host countries for a greater share of the oil revenues and a better distribution of those revenues towards social and economic ends, Western access to the oil in the area is threatened. Some plan for ensuring these increased revenues and their application towards social and economic ends, as well as a plan for ensuring wider access by non-producing countries to oil revenues would serve not only to reduce pressures for nationalization, but would help to identify the U.S. with nationalist aspirations for economic development.

2. *The argument against such action:* Such action is unnecessary because the Near Eastern countries recognize that it is in their interests as well as in the interests of the West to keep oil flowing to the West which provides their primary market. Moreover, they are not likely to take precipitate action to cut off oil supplies, except perhaps in retaliation for some Western political or military move. To anticipate pressures for change only invites more extreme demands.

[6] Top Secret.

Annex C[7]

(The following issue has been placed in an Annex because a majority of the Planning Board felt that it was not an appropriate issue for Council discussion at this time.)

Should the United States actively propose self-determination as a means for resolving the political conflicts in the area involving the form and composition of governments and the form of association desired with other Arab States?

The United States might, for example, with the agreements of the governments involved, and subject to prior guarantees offered publicly or before the UN of non-interference (including radio broadcasts) and of the safety of personages associated with the present regime, consider proposing any or all of the following: (a) elections in Jordan to determine the form and composition of the government; (b) following the establishment of order and the coming into office of a new government in accordance with constitutional processes, a plebiscite in Lebanon to determine the form of association with other Arab States; (c) a similar plebiscite in Jordan. The United States could also propose that, as appropriate, certain of the plebiscites be supervised by the UN. The U.S., in conjunction with any or all of the foregoing, could agree to recognize and support whatever governments and whatever form of association with the other Arab States would result. The U.S. might be prepared to endorse similar resolution of any future conflict elsewhere in the area.

1. *The arguments for actively proposing self-determination:* Such action would demonstrate positively that Arab nationalism is not contrary to U.S. interest. It would forestall any Soviet proposal based on self-determination and might provide a counter to Soviet attempts to move in the current problem by asserting the principle that its solution is primarily one for the peoples of the area. It would force Nasser into a responsible role as against his irresponsible one. It should greatly reduce the potential for further violence. It might provide an acceptable basis for the UN to assume a broader responsibility in the area. It could provide a basis for the use of military forces, i.e., that they are there by request for the sole purpose of assisting in bringing about conditions in which the peoples of the area may express their desires through non-violent means and without outside interference.

2. *The arguments against actively proposing self-determination:* Such action would probably lead to the defeat of the monarchy in Jordan and imply an abandoning of support for leaders who have stuck with us. It might lead to the loss of support among conservative governments in

[7] Top Secret.

the area and raise doubts about the firmness of U.S. support among some groups in power elsewhere in the world. Such action would probably not be favored by friendly countries, such as Iran and Pakistan. Unless the prior approval of the U.K. could be secured, such action by the U.S. could cause grave problems in our relationships with the British.

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36. Memorandum of Discussion at the 374th Meeting of the National Security Council

Washington, July 31, 1958.

[Here follows a paragraph listing the participants at the meeting.]

1. *Significant World Developments Affecting U.S. Security*

The Director of Central Intelligence said the Parliament of Lebanon had held a meeting and elected General Chehab as President of Lebanon. Two ballots were required. On the first, Chehab did not receive the required two-thirds majority; on the second, which did not require a two-thirds majority, he received the votes of 48 of the 56 Deputies present. Ten Deputies had been absent, including the Prime Minister, who had been out of his head since the attempt to assassinate him, and would probably resign soon.

The President asked whether the Prime Minister had been shellshocked during the attack on him. Mr. Dulles replied that the Prime Minister had not been physically harmed, but that he had received a terrific mental shock.

Continuing, Mr. Dulles said the election of General Chehab was probably the most favorable result under the complicated circumstances existing in Lebanon, particularly since the opposition had voted for Chehab. However, the election had not settled all the affairs of Lebanon. Chehab had not shown much decisiveness in the last few days. This might be due to a natural indecisiveness in the face of a crisis; or it might have been a deliberately clever play of the cards, designed to secure greater support in the election. Some time back, Chehab had been Nasser's candidate. Accordingly, we could expect closer ties between Lebanon and the UAR. Chehab might not hold office long. As a result of

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs on August 1.

his election, the immediate crisis would probably subside, fighting would cease in most of the country, and Lebanon would get back on its feet economically.

Mr. Dulles then noted that the situation in Jordan remained acute. It was hard to see how the regime could survive if and when U.K. forces retired from the country. The withdrawal of U.K. troops would probably be the signal for the collapse of the King, who does not enjoy sufficient popular or Army support to remain in power when not held up by U.K. forces.

Turning to Saudi Arabia, Mr. Dulles reported that King Saud has lost more power recently, and that Prince Faisal is the only effective force in the country. Saud has been willing to give the United States more support, but has been unable to do so. Faisal will probably bend to the wind blowing from Egypt, but will endeavor to maintain the dynasty on the throne.

[*7 lines of source text not declassified*]. Mr. Dulles added that UAR support of Iraq was continuing, and that more and more countries were recognizing the new regime in Iraq.

The Sheik of Kuwait, Mr. Dulles reported, had returned from his interview with Nasser in Damascus in a defeatist mood. He was alleged to have said "One cannot avoid Kismet." The Sheik had long felt unable to buck the UAR, but was endeavoring to preserve the oil revenues. The United Kingdom felt that the security forces in Kuwait were loyal and adequate, but Mr. Dulles had some doubts about their loyalty. Israel remains militarily alert, but has taken no new steps toward mobilization.

In the Sudan, said Mr. Dulles [*2 lines of source text not declassified*]. The situation remains critical, and it is impossible to estimate the chances for success [*less than 1 line of source text not declassified*].

[Here follows discussion of unrelated matters.]

2. *Issues Arising Out of the Situation in the Near East* (NSC 5801/1;[1] SNIE 30–2–58;[2] NSC Action No. 1951;[3] Memo for NSC from Executive Secretary, same subject, dated July 29, 1958[4])

Mr. Gray presented the list of policy issues arising out of the present situation in the Near East. (A copy of Mr. Gray's briefing note is filed in the minutes of the meeting, and another is attached to this memorandum.)[5] After reading the five issues which the NSC Planning Board rec-

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[1] Document 5.

[2] Document 27.

[3] See footnote 2, Document 31.

[4] Lay's memorandum of July 29 transmitted Document 35 to the NSC.

[5] Attached but not printed. Gray's briefing note summarized the Planning Board paper of July 29.

ommended for Council discussion, Mr. Gray said it seemed appropriate, before taking up the discussion of the specific issues, to hear from the Secretary of State on developments at the recent Baghdad Pact meeting which are relevant to these issues.

Secretary Dulles said that the meeting in London of the so-called Baghdad Pact countries began informally on Sunday[6] and lasted through Tuesday. The three Asian-Moslem members of the Pact—Turkey, Iran and Pakistan—were represented by their Prime Ministers, who had been in a state of considerable gloom as a result of the coup in Iraq. It soon became apparent that the United States would have to make some gesture which could be used effectively by these Prime Ministers in their own countries. By Monday, it was quite apparent that our statement of attitude toward the Pact, which we had prepared in advance, was inadequate. Turkey, Iran and Pakistan wanted a paper formulated which could be signed by the United States and the United Kingdom as well as by them. Heretofore the members of the Pact had one paper, and the United States had another paper (the Eisenhower Doctrine); and even though our paper was stronger, the fact that it was separate bothered the members of the Pact. After the Monday morning meeting developed this desire for a five-country declaration which would wipe out the feeling of separateness, the Secretary said he drafted a declaration and spoke to the President about it on the telephone.[7] The declaration was based on Article I of the Baghdad Pact, and stated that the signatories agreed to help each other preserve security. The declaration is linked to the Middle East Resolution and the MSA. The actual undertaking contained in this declaration falls short of the undertaking in the Middle East Resolution, but the essential thing is that all five powers signed the same declaration. The ceremony of signing on an equal basis apparently satisfied the representatives of Turkey, Iran and Pakistan, who went back home feeling that they had gained something which would help to compensate for the loss of Iraq. The parity of approach to security in the Baghdad Pact area, which was heretofore lacking, has now been supplied.

Secretary Dulles thought that the United States would have to step up economic and military assistance in the Baghdad Pact area, which is under greatly increased pressure. Turkey, Iran and Pakistan fear that they now lie between two hostile areas—the USSR to the north and the Arabs to the south. Secretary Dulles reported that he had been surprised by the feeling of the Prime Ministers of Turkey, Iran and Pakistan, that the United States should recognize Iraq; and was particularly surprised

[6] July 27.

[7] No other record of this telephone conversation has been found.

in the case of Turkey, because he knew that Turkey had thought of taking strong action against Iraq. These three countries would probably recognize Iraq before the close of the day. Such recognition was not predicated on any optimism regarding the new government of Iraq. Turkey, Iran and Pakistan thought that Iraq would turn out to be dominated by Nasser and the USSR, but that there was nothing to be gained by refusing recognition. If Iraq was to be recognized eventually, it was better to accord recognition quickly rather than seem to give in under pressure later.

The British have some slight hope of leading the new Iraqi government toward a moderate position, partly because all is not well between Iraq and Egypt. Egypt wants some of the oil revenues of Iraq. The Iraqis do not want to abandon their development plan financed by oil revenues in order to split these revenues with Nasser. If the West did not have access to alternate sources for the supply of petroleum, the Iraqis might raise the price of oil and give some of the extra revenue to Egypt.

Mr. Gray then resumed his briefing on the Planning Board paper. When Mr. Gray mentioned acceptance of the right of self-determination by the Arab peoples as a possible U.S. course of action in connection with the first issue—accommodation with radical pan-Arab nationalism—the President interrupted to ask whether the right of self-determination was identical with radical pan-Arab nationalism. Mr. Gray replied that the type of nationalism now existing in the Near East was both radical and pan-Arab, according to intelligence estimates. The President said nationalism in the area was of course radical, but was it necessarily pan-Arab? He thought it might be possible for a Near Eastern country to be nationalistic but not pan-Arab; that is, not want a union of all Arabs in the area. For example, Iraq was nationalistic, but was not hastening to join Egypt. Mr. Gray said he was inclined to agree with the remarks of the President, but believed the Planning Board felt that Arab nationalism today was both radical and pan-Arab.

Mr. Allen Dulles said that at present, nationalism in the Near East presented itself in a pan-Arab framework, but that the pan-Arab element might not endure. Many Arab countries give lipservice to close relations with Nasser, but when it comes to dividing up oil revenues or the waters of the Nile, it is a different story. We must always remember that Iraq is geographically an independent territory separated from Egypt by a sea of sand. However, the mobs in the streets in the Near East today are shouting for one big Arab state.

After stating the first issue and the arguments for and against a U.S. accommodation with radical pan-Arab nationalism, Mr. Gray called upon the Secretary of State.

Secretary Dulles said he did not see any possibility at present of competing successfully with the Soviet Union for the favor of Nasser.

Khrushchev had taken Nasser up to the mountain top and shown him a great prospect: (1) the possibility of substituting for existing governments in the area revolutionary governments federated with or subservient to Nasser, a result to be brought about by indirect aggression, mobs and assassination; (2) the truncation of Israel so as to give Egypt access to the Arab countries to the east; (3) nationalization of the oil of the area so that the Arabs would be able to dictate terms to Western Europe and obtain vastly increased revenues. Secretary Dulles thought we could not compete with Khrushchev in offers to Nasser. We could not, in honor and self-interest, support Nasser in his efforts to overthrow legitimate governments in the area. We could not advocate the nationalization of oil which would enable Nasser to blackmail Western Europe and threaten the solvency of the United Kingdom, which depends not only on getting the oil but on getting it on favorable terms. U.S. support of Nasser would mean a grave break with the United Kingdom. We could not, to the extent desired by the Arabs, support the truncation of Israel, which could not be brought about short of war. In such a war, many countries, including France, would support Israel. We could, of course, offer to provide assistance to Nasser, who would doubtless accept our help. But he would not agree to give up his ambitions in return for our economic assistance; he would accept our help and go right on pursuing his ambitions.

Secretary Dulles felt that the vogue of Nasserism in the area did not reflect an authentic pan-Arabism, but instead reflected the fact that Nasser seems to be the first successful leader of the Arab world in a thousand years. He has become the hero of the masses because he has enjoyed an unbroken series of successes, due largely to our support. In the past, U.S. support has not prevented Nasser from pursuing his ambitions. Nasser's unbroken series of successes include getting the British out of the Suez bases, taking over the Suez Canal Company, taking over Syria, getting the United Kingdom, France and Israel to suspend hostilities against Egypt, and having the government of Iraq overthrown. In connection with the British-French-Israeli attack on Egypt, Secretary Dulles noted that Egypt had been saved because the United States had upheld the principles of the Charter and in March of 1957 had almost single-handedly persuaded the Israelis to withdraw by making a statement about sanctions. Our actions had enabled Nasser to emerge as a great hero, who seemingly took on the great powers and came out with a victory.

Secretary Dulles characterized Nasser's ambitions as insatiable. U.S. assistance would only make him feel that he was in a better position to consummate his ambitions. However, this did not mean that the United States should engage on frontal opposition to everything Nasser tries to do. For example, we recognized the UAR even though we did

not like the take-over of Syria, and we are not discouraging recognition of the new Iraqi government. On the other hand, we have intervened in Lebanon and checked Nasser's ambitions, which has provoked Egypt and the USSR to heap great abuse on the United States. If we can take other actions which will break the chain of Nasser's successes, the myth of Nasser's invincibility may disappear; but there is no policy of accommodation which does not contain elements contrary to the interests of the United States. If the West were pushed out of the Near East, the Soviet Union would eventually take over the area.

Mr. Gray asked whether the Secretary of State considered that recognition of the new government of Iraq was accommodation. Secretary Dulles said recognition would not be accommodation.

Continuing, Secretary Dulles said that Arab nationalism was like an overflowing stream—you cannot stand in front of it and oppose it frontally, but you must try to keep it in bounds. We must try to prevent lasting damage to our interests in the Near East until events deflate the great Nasser hero myth.

Secretary Dulles then compared Nasser to Hitler, saying that the careers of the two were very similar except that Nasser, fortunately, does not himself control great military power. Although Nasser is not as dangerous as Hitler was, he relies on the same hero myth, and we must try to deflate that myth.

Secretary Dulles then pointed out that the United States is not opposed to greater unity in the Arab world. However, the Arabs really did not want unity. The only unifying force in the Arab world was hatred of Israel.

Mr. Gray said the Planning Board had tried to avoid taking a position on the issue of accommodation with radical Arab nationalism. He asked whether there was any support for accommodation.

Mr. Gray then turned to the fourth issue of the Planning Board paper: Should the United States be prepared to support, or if necessary assist, the British in using force to retain control of Kuwait and the Persian Gulf? The Secretary of State doubted whether the U.S. Government was in possession of enough hard facts to form an intelligent judgment on this question. It was easy to look at a map and say we had to hold Kuwait and the Persian Gulf oil area; but upon closer examination of the subject a great many intricate problems arose. For example, would it really be possible to assure a continued flow of oil under conditions of military occupation? What would the attitude of the local population be? About 2500 people, or one-tenth of the population of Kuwait, lived in the oil area, and the activities of these people were necessary to the production of oil. When this problem first arose, Selwyn Lloyd had been in favor of the use of force if necessary. But further analysis had cooled the British

ardor. The problem was still under careful study in the United Kingdom. Secretary Dulles felt the issue should be resolved not only on the basis of the broad principle, but on the basis of whether in fact military control would work. The U.S. Government might conclude that it would be undesirable for U.K. or U.S. forces to occupy the Persian Gulf oil area.

The Secretary of the Treasury said he shared Secretary Dulles' view on accommodation. The problem for the United States was to dissociate Nasser from Arab nationalism and show him up as an ambitious person seeking to take over foreign governments and become a dictator in other countries. Many countries in the Near East were worried because some of their highly-placed officials were of Egyptian origin and many of the teachers in their schools were Egyptian. However, Secretary Anderson said that as he read the intelligence estimates, the middle level in many Near Eastern countries was becoming disillusioned about Nasser. He thought, for example, that Syria was beginning to regard itself as subservient to Nasser. The difficulty was that the people who feel this way fear that the mob will respond to Nasser's appeal.

Secretary Anderson went on to say that he had considered a number of possible U.S. courses of action in the Near East. One possibility would be an offer by the World Bank for the creation of an Arab Development Fund financed initially by the Bank members and subsequently by an export tax on oil. Countries dealing with the Bank had shown some hesitation because they feared they would not get terms as favorable as those they received from the United States. The Sheik of Kuwait wanted to invest in the Bank, but the British were opposed. Recent deals with Iran had put the 50–50 oil formula in jeopardy, and sooner or later the oil companies would be called upon to say what they could give up in addition to 50–50. An Arab Development Fund would be the kind of organization Egypt would have to go along with, but an organization which Egypt could not control. It would result in a sharing of Near Eastern wealth, but under other than Nasser's auspices.

Secretary Anderson said we should also think of proposing things other countries can show off. For example, he had suggested to Dr. Killian that we might build a plant for extracting fresh water from salt water in Tunisia, even though such a plant would be uneconomical. Moreover, we might try to step up oil production in Iran, which has sufficient oil to supply most of Western Europe's needs. The Arabs might be less aggressive if they knew that alternate sources of oil were open to the West.

Secretary Dulles doubted whether Iran could supply all of Western Europe's needs. The President asked how much oil was being taken out of the Near East. Secretary Anderson said about 3 million barrels per day. Secretary Dulles said that less than one-fourth of this amount came from Iran. Secretary Anderson, however, thought Western efforts to

step up Iranian oil production would have a great psychological impact on the Arabs. He noted parenthetically that the amount of money required to produce and refine oil was minor in comparison with the amount needed to transport oil to the market and sell it.

Secretary Anderson then reported that he had talked with Mr. Allen Dulles about strengthening the Port of Djibouti as a means of supporting the Sudan and Ethiopia and giving Ethiopia an adequate port. This port could be made a shipping point and repair center midway between the Persian Gulf and Europe, under French auspices.

Moreover, said Secretary Anderson, we should make an effort to develop the differences between the Arabs and the Soviet Union, particularly as regards religion. In this connection, he noted that U.S. provision of food for the Mecca pilgrims had a great effect on the Near East.

In conclusion, Secretary Anderson said that the courses of action he had outlined represented the kind of thing we must do in order to demolish the Nasser myth.

The President said perhaps some Arabs don't want Nasser to rule the Arab world, but what about the illiterate who gets all his information from Radio Cairo? Secretary Anderson said these people had adopted Nasser as their hero. He wished to add one more comment. We often speak of the importance of Near Eastern oil, but in his view nothing in the area was as important to the individual as water.

The Vice President thought that all the suggestions made by Secretary Anderson should be considered. However, these suggestions were long-range in their impact and lacked emotional appeal. Economic development may be a long-run counter to Communism, but it is not as important in the immediate Near Eastern situation as emotional issues. For example, Iraq had the best economic show of any country in the Near East, but the Iraqi government fell because of emotional political issues. We must realize that in the face of pan-Arab nationalism we are burdened by three emotional liabilities—Israel, Algeria and oil—that make it impossible for us to out-bid the Soviets. Emotional issues such as refugees overshadow the economic problem. While we should work on long-run economic solutions as suggested by Secretary Anderson, we must realize that emotional political issues will determine whether governments stand or fall, and accordingly any satisfactory solution must take account of emotion.

The Vice President then questioned whether the Bourguiba speech was a wise one. He thought we may have to encourage our friends not to align themselves too openly with the West; we may have to support independent national neutralism.

The President said we talk a great deal about the need of the West to buy oil, but we should begin to think of the need of the Near East to sell

oil. Perhaps we should turn the psychological factor around; perhaps the Arabs would react if their pocket-book nerve were touched. We should encourage the Arabs to begin thinking that they must sell oil.

Secretary Dulles, addressing Mr. Allen, said we should be cautious about playing up Bourguiba's speech too much. One of President Chamoun's difficulties was that he went too far in embracing the Eisenhower Doctrine. The President remarked that we proceeded cautiously in Iraq, and look what happened. Secretary Dulles said the overthrow of the Iraqi government was due partly to the British mistake in bringing Iraq into the Baghdad Pact. Nuri Said could only hold his influence in Iraq by trying to get us to be anti-Israel in our policy.

The Vice President said the waters of the Nile offered tremendous possibilities for putting pressure on Egypt. He also felt that we should devise a fresh approach to the problem of refugees.

Mr. Allen Dulles said that within the next two or three weeks we must do something to bolster up the Sudanese government, which controls the headwaters of the Nile. The President asked what we could do. Mr. Dulles said the expenditure of money was part of the answer [*less than 1 line of source text not declassified*]. Secretary Anderson said Nasser's idea in connection with the Aswan Dam had been to make sufficient water available downstream. Any negotiations between the West and the Sudan on utilization of the upper waters of the Nile might have an effective psychological impact on Egypt. Secretary Dulles said any such negotiations might also be provocative.

Mr. Allen said he wished to re-emphasize the points the Vice President had made as to the importance of emotional issues in the Near East. For example, Bourguiba would probably stand or fall depending on developments in Algeria. Reverting to a point made by Secretary Dulles, Mr. Allen felt there was one unifying force in the Arab world which was as strong as hatred of Israel—the desire to end the last vestiges of Western colonialism. We would have an easier time in the Near East if we could convince the Arabs that we were sympathetic to independence and would not support the return of imperialism.

The President remarked that one of the possible courses of action mentioned by Mr. Gray—acceptance of the right of the Arab peoples to determine their form of government—gave the State Department flexibility in the area. We could support Nasser when this was not contrary to our interests. In particular, we could support self-determination by the Arabs as far as the internal governments of the various countries were concerned. Since we are about to get thrown out of the area, we might as well believe in Arab nationalism.

Secretary Dulles said our best hope in the Near East was in not doing something vis-à-vis Nasser or the Arabs, but in doing something

vis-à-vis the attitude of the Soviet Union. If the Soviet Union feels that Nasser's ambitions might lead to general war, it will pause and exert a restraining influence on Nasser. In Secretary Dulles' view, the presence of U.S. and U.K. forces in Lebanon and Jordan had caused consternation in the Kremlin, as indicative of the fact that we are prepared to take strong action in the area. Many foreigners had said that our willingness to take such action was our trump card. If the USSR could be persuaded that Nasser's policies will encounter opposition which may lead to war, it will draw back because it does not want war now. At any Summit meeting we should seek to drive home the proposition that the Soviet–Nasser policies might lead to war. This course of action is based on the premise that we have a relatively superior power position vis-à-vis the USSR at the present time.

The President thought the Soviets might have a counter argument; they might say they will stop their activities in the Near East provided we don't give any more assistance to Iran, Pakistan or Turkey.

Mr. Allen Dulles said one reason Nasser went to Moscow recently was to insist that the Soviet Union not intervene in the Near East. Nasser does not want pan-Arab nationalism tainted with Communism. In other words, said the President, Nasser doesn't want political assistance. The President agreed with Secretary Dulles' remarks in general, but pointed out that the Soviet Union could make tremendous propaganda throughout the Moslem world out of the situation in the Near East. Secretary Dulles said the Soviet Union might slow down if it thinks we will not flinch from war. Secretary Anderson agreed with the view of Secretary Dulles that we could not truncate Israel to please Arab nationalism, a solution which would have to be imposed by force. He added that if all the Arabs wanted was access to each other, they could have obtained this access by various proposals made in the past, such as bridges across the Gulf of Aqaba or a guaranteed access corridor across Israel.

Turning to refugees, Secretary Anderson said he did not believe Nasser would ever voluntarily agree to the refugees going anywhere, because they were a most important element in his propaganda. Before the refugee problem could be settled, some country must be willing to take the refugees, a scheme must be worked out to make land available, and the whole project must be financed.

The Vice President felt that we should make a dramatic offer on refugees at any Summit meeting. Such an offer would have a great propaganda effect.

The Secretary of Defense said he agreed with the view that it was necessary to separate Nasser from Arab nationalism. Nasser has to feed on red meat—that is, on continuing victories. Accordingly, it made sense for the United States and the United Kingdom to intervene in the Near East and interrupt Nasser's timetable. The opportunistic nature of

Nasser's exploitation of Arab nationalism should be publicized. We must find a way to get our story on the air in the area in which Radio Cairo is heard, and we must try to get the people to distrust Nasser. Secretary McElroy said he agreed with Secretary Dulles that there should be a specific detailed analysis of the consequences of using force to hold the Persian Gulf oil areas. However, we might find that we need to hold these areas in the near future, before courses of action such as those suggested by Secretary Anderson had time to affect the situation. If the Persian Gulf area were threatened, we ought to find a way to have the local governments invite the United States and the United Kingdom to intervene, and if we receive such an invitation we should send our forces in.

General Twining said that CINCNEIM (Rear) in London was engaged in military planning in collaboration with the United Kingdom for the whole Mediterranean area. These planners could do everything necessary except make commitments. The planning was being done not by a combined staff, but by a working group. General Twining said he wished to make clear that the planning was being done because he had heard complaints that insufficient planning was in progress.

The President, recalling that Iraq had once wanted Kuwait to join the Iraq-Jordan union, asked whether approaches to Kuwait by the Shah of Iran might not be successful in helping to hold Kuwait. Moreover, said the President, why should we not build up the Shah of Iran as a rival to Nasser? Mr. Allen Dulles remarked that, unfortunately, the Shah of Iran was anti-British. The President said the United Kingdom might conclude that it was expedient now to deal through Iran. Mr. Dulles said the population of Kuwait was looking toward Egypt. The President felt it might be possible for Iran to get the population of Kuwait to look toward Iran. Mr. Allen noted that there was great rivalry in the Persian Gulf area between the Iranians and the Arabs, and Mr. Dulles added that Iran and Kuwait were competing in the oil market.

The National Security Council:[8]

Discussed certain of the policy issues arising out of the situation in the Near East, on the basis of the list prepared by the NSC Planning Board in accordance with NSC Action No. 1951–b and transmitted by the reference memorandum of July 29, 1958.

[Here follows discussion of agenda item 3.]

Marion W. Boggs
Director
NSC Secretariat

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[8] The following paragraph constitutes NSC Action No. 1955, approved by the President on August 4. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

37. Editorial Note

The August 1 record of meeting of the National Security Council Planning Board indicates the following decisions on Middle East policies:

"a. Agreed that the Board Assistants should prepare for Planning Board consideration on August 5 a list of the contingency situations that might arise in the Near East in the immediate future.

"b. Requested the CIA to prepare an estimate on the possible consequences of taking or not taking certain actions with respect to radical Pan-Arab nationalism.

"c. Noted that the Chairman would prepare for Planning Board discussion on August 5 a draft discussion paper on possible courses of action in the Near East." (Department of State, S/P–NSC Files: Lot 62 D 1, Records of Planning Board Meetings)

According to an August 5 memorandum from Boggs to the members of the Planning Board, the Board was scheduled to discuss at its August 5 meeting an attached draft paper, entitled "The Near East." The draft paper suggested that the United States had to decide "whether we 'must deal' with Nasser" and suggested that the United States deal with Nasser "in a proper and correct manner" as head of the UAR, but "not as self-appointed leader of the Arab world." The U.S. should refrain from a policy of overt and frontal opposition to Nasser, nor should it attempt to compete for his favor with the Soviet Union. In addition, the paper suggested that the United States accept the goals of Arab nationalism, even when they were consistent with Nasser's objectives. These goals were described as independence, self-determination, the right to choose neutralism, social and economic reform, and equitable arrangements of oil resources. The U.S. task was to convince the Arabs that these goals were not synonymous with Nasser's domination of the Arab world. (*Ibid.*, Near East, U.S. Policy Toward (NSC 5820))

38. Memorandum for the Record

Washington, August 4, 1958.

At the Planning Board meeting on August 1, 1958[1] there was reference to the Council discussion of the Planning Board's paper "Issues Arising Out Of The Situation In The Near East".[2] Mr. Smith said he hoped that the Council discussion would not be regarded as having finally disposed of the question of accommodation with Arab Nationalism, permanently ruling out any adjustment of U.S. policy in this direction. He said that he thought what the Secretary of State opposed so strongly was the suggestion that the U.S. should make friends with Nasser, thus by implication acceding to certain of his policies including the overthrow of pro-Western governments in the area.

Mr. Smith said he believed it would be possible to develop recommended policies within the broad area of working with, or utilizing, pan-Arab nationalism which the Secretary would approve. The main problem is to oppose Nasser only in ways which do not strengthen his hold on the Arab nationalist movement and which are likely to lead to long-term results in the interests of the U.S. In some cases it might be in our interest to promote policies which would coincide with Nasser's immediate aims. Self-determination for the Arabs, under present circumstances, is an example of a policy in this category.

There was discussion of the unfortunate choice of the word "accommodation" as a description for proposed U.S. policy in the area because this has a connotation of "giving in to" or "coming to terms with". It was generally agreed that what was meant by accommodation was in reality simply not continuing to oppose frontally. Mr. Smith agreed that there is a semantics problem here and that this word probably has had an effect on the Secretary's thoughts on the issue.

HF

Source: Department of State, S/P–NSC Files: Lot 62 D 1, Near East, U.S. Policy Toward (NSC 5820). Top Secret. Drafted by Howard Furnas of the Policy Planning Staff, who was also the Department of State Alternate Assistant to the NSC Planning Board.

[1] See Document 37.

[2] Document 35.

39. Editorial Note

At the 375th Meeting of the National Security Council on August 7, Director of Central Intelligence Dulles gave his regular briefing on "Significant Developments Affecting U.S. Security." Included in this briefing was the following review of the Middle East:

"Mr. Dulles reported that the Lebanese rebels were pushing toward a victory involving withdrawal of U.S. forces and the exile of the President-elect. Guerrilla activity, but no serious fighting, was taking place. Chamoun still intended to serve out his term, but might change his mind in exchange for an important post abroad. General Chehab appeared relaxed, and was not pressing for withdrawal of U.S. forces.

"The situation in Jordan had not improved, Mr. Dulles reported. Syria had closed its frontier, cutting Jordan off from land contact with the outside world, a development which could have serious effects in the future. At present, the supply situation was somewhat easier—although POL remained close—because Israel had relaxed its opposition to overflights. The financial situation in Jordan was so bad that the money-changers would take dollars only at a discount. There was growing talk in Jordan that the King should abdicate. The British took a grim view of the situation, and believed that Jordan's fate would be decided in the next thirty days.

"Mr. Dulles said the new Iraqi leaders were nervous over the U.S. force build-up in Lebanon. They believed we had more troops in Lebanon than were needed to control the situation there, and feared that our build-up might be directed against Iraq. The UAR was encouraging this view and sending large numbers of experts into Iraq. Although Iraq had made no move yet, indications were that it would leave the Baghdad Pact but would not enter the UAR.

"Reports were coming in, said Mr. Dulles, on Nasser's dissatisfaction with the union with Syria. Nasser perhaps wishes now that the UAR was a looser confederation of a type that Saudi Arabia and Iraq would join. There was also some dissatisfaction in Syria among Army officers and merchants.

"[*1 paragraph (5 lines of source text) not declassified*]

"In Saudi Arabia, said Mr. Dulles, Faisal, the dominant figure, would try to make peace with Nasser on any terms that would not impair the independence of Saudi Arabia. It was reported that Saudi Arabia and Egypt had just concluded an agreement for the return of the Egyptian military mission to Saudi Arabia. King Saud might be sent for a long vacation soon. British concern over Kuwait was increasing. The ruler of Kuwait had refused a U.K. request for permission to land troops to protect the airstrip, and was considering joining the Arab League to propitiate Nasser and relieve the pressure for joining the Arab Union."

Agenda item 2, "The Situation in the Near East," consisted of a briefing by Gordon Gray on the continuing National Security Council Planning Board discussion on the Middle East; see Document 38. Gray stated that the Board's deliberations would result in one or more reports for future National Security Council consideration. In addition, Gray in-

formed the Council that the Central Intelligence Agency was preparing a Special National Intelligence Estimate, see Document 40. (Eisenhower Library, Whitman File, NSC Records) The Council noted Gray's briefing and the Planning Board's work in NSC Action No. 1958. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

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40. Special National Intelligence Estimate

SNIE 30–3–58 Washington, August 12, 1958.

ARAB NATIONALISM AS A FACTOR IN THE MIDDLE EAST SITUATION

The Problem

To estimate the present status of Arab nationalism as a factor in the Middle East situation.

Discussion

I. Present Situation

1. With increasing rapidity over the past three years, the Western-supported conservative governments of the Middle East have seen their influence and authority slip away. The revolution in Iraq brought the strongest of the conservative Arab states into Nasser's radical Pan-Arab camp. This left its partner in the Arab Union, Jordan, so unstable that even the presence of UK troops may be insufficient to maintain King Hussein on the throne. Lebanon, once the Arab state having the closest connections with the West, has experienced an insurrection, the outcome of which appears almost certain to be the adoption of a position of neutrality and of accommodation with Nasser. In Saudi Arabia, Crown

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Source: Department of State, INR–NIE Files. Secret. A note on the cover sheet indicates that this estimate, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the IAC concurred with the estimate on August 12, except the representatives of the AEC and the FBI who abstained on the grounds that the subject was outside their jurisdiction.

Prince Feisal, now the dominant figure in the regime, is moving toward closer relations with the UAR as the result of his own Pan-Arab inclinations and his belief that to swim with the tide is the best means of preserving the Saudi dynasty. Nevertheless, the likelihood of a political upheaval in Saudi Arabia is considerable. The Ruler of Kuwait, aware of the popular feeling toward Arab nationalism and Nasser in his own state and desirous of reaching an accommodation with these forces, is seeking a formula which would permit both closer Arab ties and the retention of a relationship with the UK. The governments of both Libya and the Sudan, which have been friendly to the West, are threatened by increased Egyptian subversion and radical nationalist coups.[1]

2. US and UK intervention in Lebanon and Jordan brought a degree of temporary stability in those countries and may have served to deter Nasser and his supporters from encouraging immediate revolts elsewhere in the area for fear of becoming involved with Western forces. However, the net result of the Iraqi revolt and other recent events has been a strengthening of the radical Pan-Arab position.

3. Moreover, the long-continuing opposition between the radical nationalist regimes and the Western-backed conservative regimes has opened the way for the USSR to secure steadily expanding influence in the area by backing the radical regimes.

II. Arab Nationalism—Aims and Objectives

4. Arab nationalism is a movement of long standing, with great emotional appeal, aimed at a renaissance of the Arab peoples and the restoration of their sovereignty, unity, power, and prestige. Since World War II it has been stimulated and encouraged by the drive among the people of underdeveloped areas throughout the world against "colonialism" and for self-determination. Both the older, conservative nationalists and the supporters of the new radical movement led by Nasser have proclaimed the goal of eliminating Western "imperialist" influence and have made common cause against Israel. The conservatives, however, in fact often accepted Western support and cooperated with the West, despite the incubus of Western association with Israel, partly because their commercial or cultural interests lay with the West and partly because they needed Western support in order to stay in power. The radical nationalists, on the other hand, were far more distrustful of the West, more determined to eradicate the remaining Western controls over Arab political and economic life, and far more serious about achieving (rather than simply praising) the goal of Arab unity. In addition, the radical nationalists added a doctrine of social revolution and reform to

[1] The problem of Arab nationalism in North Africa has been discussed in SNIE 71–58, "France and North Africa," 29 July 1958. [Footnote in the source text. SNIE 71–58 is not printed. (*Ibid.*)]

the older tenets of Arab nationalism, and thus came into conflict with the traditional upper classes and social and economic systems of the Arab world on which the conservatives' power rested. Finally, unlike the conservatives, the radical nationalists sought and received Soviet Bloc support in their conflicts with the Western Powers and with the pro-West Arab regimes.

5. Arab nationalism has always been identified with loyalty to the Arab "nation" as a whole, rather than with allegiance to one or another of the existing, often artificially-created Arab states. In practice, however, the nationalist movement's ideal of Arab unity was until recently blocked by the strength of conservative leaders and overshadowed by basic economic, geographic and cultural variations in the Arab world, as well as by clashes between rival states and leaders. Political and cultural incompatibilities divided Egypt from the Fertile Crescent region to the north, where Egyptian pretensions to Arab leadership were challenged; and the conservative Islamic culture of the Arabian Peninsula found little in common with that of the more secular, advanced states of the Mediterranean seaboard. In the past two years, however, the vigor of the radical nationalist movement and the weakness of the conservatives in the face of it have reduced the significance of these divisive obstacles. This upsurge has been coincident with and in large part dependent upon the rise of Gamal Abdel Nasser as its symbol and leader. Soviet support has contributed substantially to Nasser's prestige and capabilities. Under his aegis, steps have been taken toward a degree of Arab unity which seemed highly unlikely two years ago.

6. The ideal of unity has thus demonstrated itself to be a formidable force with wide appeal throughout most of the Arab world, and one with a momentum not likely to be lost in the near future. We do not believe, however, that a welding together of the Arab states into a centralized and unitary empire is possible in the foreseeable future. There exist in the area certain conditions and attitudes which would militate against the ultimate success of a centralized Arab state once Pan-Arabism had achieved its main goal—the elimination of foreign domination. Despite certain ethnic and religious similarities, there are considerable nationalistic, cultural, commercial and economic interests which would serve as serious divisive factors in any Pan-Arab unitary state, or indeed in any type of federation. Syria and Iraq, for example, have more in common, in terms of commercial, economic and various other interests, than either has with Egypt; and in time these natural affinities may either work against the acceptance of Egyptian primacy or revive fears of Egyptian "imperialism." Many makers of the Iraqi revolution may be unwilling to accept Cairo as the ultimate and sole source of authority in Iraqi affairs, and conflict between them and the Nasserites may develop. Furthermore, even though some of the oil-rich countries may consent to

share some of their profits with the other Arab countries, conflicts of interest are certain to develop over this issue.

7. We are convinced, however, that the various divisive factors in the area will for some time to come be overshadowed by the powerful emotional appeal of the Arab unity movement, particularly as long as parts of the Arab world remain under Western control or influence. Moreover, the existence of Israel will continue to exert a strong cohesive influence on the Arabs.

8. *The Role of Nasser.* Nasser gained his position as the popular Arab nationalist hero as a result of a series of events in which he won, or at least appeared to win, victories for Arab nationalism against its opponents, e.g., his success in acquiring Soviet arms, his nationalization of the Suez Canal Company, his recovery after the Israeli, British, and French attack in late 1956, and the union with Syria. He has also increased his influence in the area through his skillful and ruthless use of subversion and propaganda. These are the natural weapons of a revolutionary movement, and, regardless of the state of his relations with the West, he is unlikely to forego their use as long as his revolutionary aims are unfulfilled. He and the majority of his followers regard most of the national boundaries of the area and all the conservative governments as artificial creations of outsiders and are therefore unimpressed by arguments for preserving them. Furthermore, Nasser is convinced that the West, and the US in particular, is engaging in extensive subversive and propaganda activity against him in the Arab area.

9. Even with his power and position, however, Nasser's control over the radical Pan-Arab movement, at least outside of Egypt and to a lesser degree, Syria, is not absolute. In respect to the internal affairs of the separate states of the area, his power is far from complete, and there is room for considerable dissension. We believe that his influence rests more on the emotional appeal of his program, on his personality, and on the effectiveness of his propaganda than on any organization, subversive or otherwise, that he commands.

10. Nonetheless, we believe that for all practical purposes it is necessary to think of Nasser and the mass of Arab nationalists as inseparable. He has become so clearly identified with the greatest successes of Arab nationalism that no rival is likely to challenge him unless he suffers a series of defeats. There are no indications that any significant anti-Nasser group exists within the Pan-Arab movement. Furthermore, even in the event of Nasser's disappearance, the Arab nationalist movement would be unlikely to exhibit fundamentally different characteristics, since Nasser is probably as much the instrument of the movement as he is its leader. Indeed, a successor might be less capable than Nasser of

exercising restraint upon the Arab nationalists and might be less cautious about Arab relations with the Soviet Bloc.

11. *Nasser's Objectives.* We believe that Nasser's position and his objectives are essentially as he has stated them. He intends to eliminate all vestiges of special foreign positions and to bring the resources of the Arab world completely under Arab nationalist control. He aims at uniting the entire Arab world with a common foreign policy and a common program of modernization, development, and reform. We believe that Nasser, in pursuit of these objectives, will continue to use the instruments of propaganda, subversion, and assistance to local forces of Arab nationalism. We do not believe that Nasser has a precise schedule or a detailed blueprint for the unified Arab state toward which he is working. We believe that he will wish to avoid direct conflict with Western, Turkish, or Israeli forces and will probably be prepared to accept a considerable degree of local autonomy in states which may affiliate with the UAR and UAS.

12. The aims of radical Arab nationalism are not invariably in conflict with US interests. Thus, the Arab objectives of maintaining independence and of utilizing the profits of Arab oil are compatible with two crucial US interests—denial of the area to Soviet domination and maintenance of Western access to Middle East oil. Other US interests, however, such as the preservation of Israel, appear to be in irreconcilable conflict with the goals of the Arab nationalist movement. So also are the maintenance of Western control over (as distinguished from access to) the oil of the area, and the use of military bases. Moreover, Nasser's ambitions are not confined to the Arab world. He intends to try to eliminate European control in parts of Africa and to bring them into his neutralist bloc. There is likely to be a continuing clash of interests due to the impact of Nasser's revolutionary influence in other areas of the Moslem world—the Sudan, Libya, North Africa, other parts of Africa, and Iran. In the longer run he probably plans to create an independent power center based on Egypt and raise himself to the position of an Afro-Asian bloc leader.

13. We do not believe that Nasser is a Communist or sympathetic to the Communist doctrine. He opposes Arab Communists because they are a challenge to his own authority. He regards the Soviet Union as a great power with interests and policies in the Middle East which happen at this stage to coincide with his own. He will continue to look to the USSR for support and to be responsive to Soviet allegations against the West. We believe that he continues to hope that the integrity of the Arab union he is trying to create will be protected by a balance of Soviet and Western influence in the Arab area, despite the events of the past three years which have certainly deepened Nasser's suspicions of the West and probably reduced his distrust of the Soviets.

41. Memorandum From the Deputy Under Secretary of State for Political Affairs (Murphy) to Acting Secretary of State Herter

Washington, August 15, 1958.

DEAR CHRIS: I hesitate to burden you with another memorandum, but I have included in succinct form in the attached memorandum some thoughts regarding a Middle East settlement. The present opportunity would seem to be the best that has presented itself for a long time to make progress in this complicated problem. If we could settle on the lines of a program for the area, we might have some chance of success. Without a well defined line I should think our chances of losing out would be very much enhanced.

RM

[Enclosure][1]

Memorandum Prepared by the Deputy Under Secretary of State for Political Affairs (Murphy)

Washington, August 15, 1958.

From numerous conversations with a variety of personalities and information from other sources in the Middle Eastern countries visited by me during the period July 16 to August 12,[2] the following thoughts emerge:

1) A temporary if precarious balance of power has been achieved between the determination manifest by the United States and United Kingdom in the deployment of military forces on the one hand, and the

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Source: Department of State, Central Files, 611.80/8–1558. Top Secret.

[1] Top Secret

[2] Eisenhower dispatched Murphy to Lebanon to act as a coordinator between Lebanese and U.S. officials and to make a general assessment of the Middle East situation. For his role in the Lebanon crisis and his visit to Jordan, see volume XI. Murphy also visited Israel, Iraq, and the United Arab Republic. For Murphy's discussions in Iraq, see Document 132. For documentation on his visits to Israel and Cairo, see volume XIII. Murphy wrote about his Middle East assignments in *Diplomat Among Warriors* (Garden City, NY, Doubleday & Co., 1964), pp. 397–416.

popular dynamism of Arab unity as symbolized by Nasser on the other. This breathing space should be utilized to launch a program which will promote a constructive era and peace and stability in the area.

2) Propaganda. The United States should make an effective effort to appeal to the Arab masses, to their desire not only for better economic conditions and especially their craving to be treated with dignity and as equals.

3) Lebanon. Coincident with the phased withdrawal of U.S. forces, and the establishment of law and order, some form of international guarantee of the independence of Lebanon should be provided.

4) Jordan. This is the focus of the present danger in the area. The untenable position of the U.K. forces in Jordan requires that we carefully synchronize our withdrawal in Lebanon with theirs if possible. [*10-1/2 lines of source text not declassified*]

[*1 paragraph (2-1/2 lines of source text) not declassified*]

[*3 paragraphs (21 lines of source text) not declassified*]

5) Middle East Neutralization. With any success in dealing with the immediate problem of Jordan, the Conference could propose a neutralization of the area. [*2-1/2 lines of source text not declassified*] A more ambitious program might include guarantees of the boundaries of the U.A.R., Saudi Arabia, and the Gulf Sheikdoms. An inherent feature of the program would be the establishment of a form of international control of arms in the area.

6) A treaty would establish the Middle Eastern settlement. Its provisions could deal not only with the political features of the area but the economic and financial as well. It would contemplate large scale economic development and raised standards of living.

7) Iraq. It may well be that the present group in power may prove to be a transitory Kerensky type element. At first blush I believe a treaty of neutralization of the area would appeal to them especially in the light of their recent protestations. Iraq would disappear from the Baghdad Pact. That in itself would promote stability in the area.

8) Saudi Arabia. There seems little question that Saudi Arabia is moving toward neutralization.

9) Israel. If Israel's borders were assured perhaps the Israelis would favor a regime of neutralization plus guarantees of frontiers.

10) Turkey, Iran and Pakistan. Obviously nothing in the foregoing relates to the neutralization of these countries.

11) Oil. The basic consideration of the United Kingdom is the guaranteed control of its present Persian Gulf oil rights. It wants the backing of the U.S. power to protect these rights. U.S. privately owned rights in that area are of major importance. The British hope for some form of US-UK manifesto of joint intention to defend those rights. A suitable deci-

sion on that question so vital to U.S. national security should be made prior to the convening of a Middle East Conference.

12) Nasser. This difficult personality is the core of much present day anxiety and effervescence in the Middle East. A psychological study, a complex of emotion, personal charm, and crusading ardor, Nasser has been at times the subject of American sympathetic support and at others the target of our antagonism based on our belief that he is guilty of duplicity and subversive activity in other Arab countries. There is no doubt that for many he symbolizes Arab unity and collective security, and that he has inflamed the imagination of millions of Arabs. Perhaps a vice of our policy is that we have never decided to go all out in a purpose to destroy him as a menace to peace, or to build him up (as has the USSR) in the hope that he may prove in the end a useful element which could be contained.

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42. Paper Prepared by the National Security Council Planning Board

Washington, August 19, 1958.

FACTORS AFFECTING U.S. POLICY TOWARD THE NEAR EAST[1]

Reappraisal of U.S. Objectives

1. Broadly speaking, our objectives in the Near East have been:

a. Denial of the area to Communist domination.

b. Continued availability to the West of sufficient Near East oil to enable Western Europe to obtain its essential requirements for fuel.[2]

Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5820 Memoranda. Secret. S. Everett Gleason transmitted this paper to the NSC as a basis for discussion at the NSC meeting of August 21 (Document 43). A note on the covering memorandum indicates that Secretary Dulles saw it. Herter attended the NSC meeting in place of Dulles, who was in New York. Berry sent Herter an August 20 briefing memorandum on this Planning Board Paper. (Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5801 Memoranda)

[1] Includes Egypt, Yemen, Jordan, Saudi Arabia, Lebanon, Syria, Iraq, Israel, Sudan, and the Arabian Peninsula Sheikdoms. [Footnote in the source text.]

[2] The United States has supported the negotiation of profitable arrangements covering Near East oil. However, it has never been an official U.S. policy objective to maintain specific concessionary financial terms in the area. [Footnote in the source text.]

c. Continued availability to the West of existing strategic positions, including bases, communications, and transit rights, for commercial as well as military purposes.

d. An early resolution of the Arab-Israeli conflict on a basis which will insure the continued independence of Israel.

e. Such economic and social development in the area as will help to achieve our immediate political goals while tending to promote long-term political stability and friendly relations with the West.

2. Developments and present-day realities indicate that certain of these objectives are unrealistic under present circumstances. The weakening of the Western position in the Near East necessitates a reappraisal of these objectives to determine (a) the extent to which they can be reconciled with the dominant treads in the area; and (b) if not all of our objectives are so reconcilable, which ones are of such overriding importance as to require all-out concentration at the expense of others.

3. The two basic trends in the area which have led to the weakening of the Western position have been the rise of radical pan-Arab nationalism[3] and the intrusion of the USSR into the area. During the past three years, the West and the radical pan-Arab nationalist movement have become arrayed against each other. The West has supported conservative regimes opposed to radical nationalism, while the Soviets have established themselves as its friends and defenders. A notable exception was the U.S. action in November 1956 during the Suez crisis. The virtual collapse of conservative resistance, leaving the radical nationalist regimes almost without opposition in the area, has brought a grave challenge to Western interests in the Near East.

4. Nevertheless, the aims of radical Arab nationalism are not irreconcilable with certain essential American interests. The announced Arab objectives of maintaining independence of both great power blocs and of utilizing the profits from Arab oil for their own purposes are compatible with two key U.S. objectives—denial of the area to Soviet domination and maintenance of Western access to Near East oil. For example, since the NATO countries will depend increasingly on Near and Middle East oil for another decade or two, and represent the principal market for that oil, it should be possible to accommodate equitably European dependence on oil and Arab dependence on European markets.

5. However, certain other American objectives, such as the continued independence of Israel, are in conflict with at least the present goals

[3] See Annex (submitted by the Department of State) for a discussion of Arab nationalism. See SNIE 30–3–58, "Arab Nationalism As a Factor in the Middle East Situation," for a more extensive analysis of Arab nationalism. [Footnote in the source text; Document 40.]

of the Arab nationalist movement. Western insistence on retaining the present profitable oil arrangements as well as strategic positions in the area is probably also incompatible with Arab nationalism. Moreover, there is likely to be a continuing clash of interests because of the impact of Arab nationalism's revolutionary influence in other areas of the Moslem world—the Sudan, Libya, Iran, North Africa, and other parts of Africa.

6. Viewed in this light, certain of our objectives may be incompatible with each other. For example, to the extent that the West insists on retaining present Western base and concessionary rights or the special British position in the Persian Gulf and Arabian Peninsula, it will come into further conflict with Arab neutralism, and risk throwing the Arabs even more into the arms of the USSR. Conversely, to the extent that the West chose to forego or modify these interests, thus removing sources of Arab-Western friction, our objectives of denying the area to the Soviets and retaining access to its oil would tend to be served.

7. *Vital and Secondary U.S. Objectives.* Consequently, we must reappraise our objectives to determine which of them have overriding importance as policy goals. Clearly, from the standpoint of our global interests, denial of the area to Soviet domination stands out above all others. Communist domination of the area would constitute a major shift in the world balance of power, turn the southern flank of NATO, open the way to Africa for the USSR, and have seriously adverse repercussions on our prestige and position elsewhere in the world. Communist domination would also deny our NATO Allies assured access to Near East oil and would thus provide the Soviets with a lever to disrupt the NATO alliance. Our NATO Allies regard the continued availability of sufficient Near East oil to meet Western European requirements on reasonable terms as essential to their economic viability. If oil continued to be available from at least one of the major Near East producing countries (Kuwait, Saudi Arabia, Iraq, or Iran) Western Europe could, after a period of initial adjustment, achieve an approximate balance. In the light of this position, continued availability of Near East oil on reasonable terms might be considered a second overriding objective.[4] Furthermore, the continued receipt of adequate revenues from Middle East oil operations is regarded by the UK as crucial to its financial stability.

8. Therefore, the above two objectives must be regarded as the bedrock minimum necessary to protect our interests in the Near East. Attainment of these bedrock objectives in the longer run will require stable governments in the area, neutral or friendly to the United States,

[4] Access to oil on reasonable terms does not require retention of the present profit-sharing formula nor even of existing concessionary rights. [Footnote in the source text.]

having the support of their peoples in maintaining their independence. The other objectives stated in paragraph 1, particularly in so far as they make impossible or hinder achievement of these overriding objectives, must be considered as secondary.

Factors Bearing on U.S. Policy

9. If we accept denial of the area to Soviet domination and continued availability of its oil on reasonable terms as the bedrock goals of U.S. policy, the challenge to our position arises not from Arab nationalism per se, the aims of which are compatible with these two objectives, but from the way in which Arab nationalism may be manipulated to serve Soviet ends. Thus our problem is to devise courses of action through which we do not appear to oppose the dominant force in the area, and thus risk thrusting it further into the hands of the USSR.

10. A posture interpreted as one of opposition to the radical Arab regimes would in all likelihood force these regimes closer together against the West, and lead them to seek greater Soviet support. Under these circumstances, probably the only way in which the West could long hold its position against both the USSR and the radical nationalists would be through the increasing threat or use of force. Instead, if possible, we want to use the force of Arab nationalism as a weapon against Soviet domination of the area, and to maintain such relations with it as will assure access to Near East oil.

11. *How far can we "deal with" Nasser?* But in any alignment with Arab nationalism we are faced with the question of how far we can afford to deal with the man who symbolizes, exploits, and presently leads the movement—Nasser of Egypt. Though Nasser by no means controls the radical pan-Arab movement, at least outside of Egypt and Syria, for all practical purposes it is necessary to think of Nasser and the great mass of Arab nationalists as inseparable, at least for some time to come. Whether or not we regard Nasser as representing the best interests of Arab nationalism, he has become so clearly identified with its greatest successes that no rival is likely to challenge him unless he suffers a series of defeats. Thus if we wish to portray ourselves as friends of Arab nationalism, we cannot ignore the fact that in the eyes of the great mass of Arabs the test of our sincerity will be whether we get along with Nasser or oppose him. An attempt to establish friendly relations with Arab nationalism, while at the same time combating or even ignoring Nasser, would be unrealistic, certainly in the short run and probably even longer.

12. This does not mean that we must underwrite all of Nasser's ambitions or that we cannot deal with other Arab leaders or even discreetly encourage them where we see signs of independent views. Nor does it mean that we must resign ourselves to the inevitability of Nasser's un-

disputed and lasting hegemony over the whole of the Arab world. But it does mean that if we wish to utilize Arab nationalism, we cannot afford to be cast in the role of his intransigent opponent, leaving the Soviets as his friends.

13. Indeed, through "dealing with" Nasser and even supporting him in those spheres—e.g., economic development—where it is not contrary to our other interests, we may be able to exert important leverage on his policies. In certain other fields we could probably "agree to disagree" with him, without unduly adverse repercussions. In any case, it is unlikely that we could reach a broad across-the-board accommodation with Nasser without such extensive concessions as would be seriously inimical to our interests and anathema to our allies.

14. *How strong is the drive toward Arab "unity"?* This question is closely related to that of how far we should go in dealing with Nasser, since at present he has no strong rivals for leadership of the Arab world. Radical pan-Arab nationalism has emphasized loyalty to the Arab nation as a whole, rather than allegiance to one or another of the existing, often artificially created, Arab states. In the last few years, coincident with and in large part dependent upon the rise of Nasser as its symbol and leader, steps have been taken toward a degree of Arab unity which seemed highly unlikely a few years ago. This momentum is increasing and may well eventuate in some form of broader Arab federation within the next few years.

15. However, there are many divisive factors which will affect the cohesion of any federation which may be created, and which will militate against its ultimate success once the main goal of pan-Arabism—the elimination of foreign domination—has been achieved. The practical obstacles to political unity are recognized, even by many Arabs, but the Arabs seem to envisage unity primarily in ideological or psychological terms which will enable them, with other Afro-Asian states, to deal effectively with the rival world power blocs. Thus the divisive factors will for some time to come be overshadowed by the powerful emotional appeal of Arab unity. Hence, if we are to deal effectively with Arab nationalism, we can no longer support either the economic or political status quo in the Arab states. We must overcome the largely anti-Western focus which the unity movement has had to date (providing openings for the USSR), recognizing that overt opposition on our part will strengthen rather than weaken it.

16. At the same time, certain aspects of the unity movement, particularly as led by Nasser, are strongly inimical to our interests. This is especially the case in various areas around the fringe of the Arab world—e.g., the Sudan, Libya, Tunisia, and Morocco—where Nasser's revolutionary influence threatens pro-Western regimes, and in Algeria. We should therefore try to circumscribe and contain Nasser's influence

and to divert it into more constructive channels. This might be accomplished more effectively from a position of general acceptance of Arab nationalism than from one of opposition to it. We can also more effectively encourage constructive influences within the movement if we accept Arab nationalism.

17. *Should we adjust our policy toward Israel?* The general Arab conviction that U.S. policy is pro-Israeli is a major obstacle to any rapprochement between the United States and the Arab world. Therefore, to the extent that we seek this objective, we should take steps which are convincing to the Arabs that we are less pro-Israeli and more impartial in our policy. On the other hand, present U.S. objectives in the Near East include an early resolution of the Arab-Israeli dispute in a manner which assures the continued independence of Israel and the integrity of its agreed boundaries. This position should not be compromised. In this connection, we must reckon with the possibility that if Nasser were deprived of anti-Western foci for his policy, he might turn to revival of Arab-Israeli tensions as a lever for whipping up nationalist fervor in order to achieve his ends. Therefore, while we remain committed to Israel's preservation, we must take whatever initiative is necessary to prevent the further deterioration of a situation which perpetuates Arab-Israeli hostilities. The continuing threat of Arab-Israeli hostilities and the possible consequences of such hostilities constitute a major obstacle to the success of any actions designed to achieve a satisfactory solution of problems in the area.

18. *How far should we go toward accepting a Soviet role in the area?* If we pursue a policy of accepting Arab nationalism and dealing with it wherever not inimical to our basic objectives, the chief raison d'etre for Arab acceptance of Soviet support against us will tend to be removed. Moreover, Arab realization that the West is the logical market for the area's one developed resource will assist toward this end. Nonetheless we must recognize that the pan-Arab movement as led by Nasser is basically neutralist, and will continue to seek protection through balancing off Soviet and Western influence in the Arab world. We must also recognize that, however distasteful to us, the USSR has established a position in the area. This is a consequence of the fact of Soviet power, the larger UN role in the Near East, from which the USSR cannot be excluded, and the desire of most Near Eastern Arabs to play off the USSR against the West. In these circumstances, there may be a balance of advantage to the United States in bringing the USSR to accept responsibility, in the context of the UN, for the maintenance of the territorial status quo in the Near East against forcible change.

Broad Outlines of Policy

19. The preceding analysis suggests that the broad outlines of our Near East policy should be to accept the fact of radical Arab nationalism, while seeking to contain and influence the outward thrust of this movement, to encourage its resistance to Soviet penetration, and to lay the groundwork for circumscribing Nasser's dominant influence. These policies must be concerted to the greatest extent possible with the United Kingdom and our Northern Tier allies, and their agreement and cooperation should, if possible, be obtained; but the United States should reserve the right to act alone. Although it may be necessary to modify some aspects in accordance with the strongly-held views of certain of our principal allies, the main ingredients of such a policy might be as follows.

20. *Policies toward pan-Arab Nationalism.*

a. Accept [and seek to work with radical][5] pan-Arab nationalism, of which Nasser is the present symbol, where consistent with our bedrock objectives.

b. Accept the fact that pan-Arab nationalism for some time to come will be essentially neutralist, that it is probably incompatible with the maintenance of an extensive Western base complex in the area and with special political positions in the area, and that it will insist on revision of the present petroleum arrangements.

c. Develop course of action which will demonstrate our support of social and economic progress as a means of strengthening and supporting pan-Arab nationalism and encouraging political stability, such as creation of an Arab economic development institution, the development of water resources, and broadened technical assistance and exchange programs particularly in the fields of health and education.

21. *Policies toward Nasser.*

Majority

a. Recognizing that Nasser's present role as leader and symbol of pan-Arab nationalism is such that we cannot appear to support it if we oppose him, seek a limited understanding with him in areas of mutual interest, without abandoning our position where differences are irreconcilable.

Defense–Treasury

a. While recognizing our fundamental differences with Nasser, deal with him as head of the UAR on specific problems and issues affecting the UAR's immediate interests, but not as leader of the Arab world.

b. Refrain from opposition to further steps by the Arab states toward greater political unity, including association with the UAR, except as these may be the result of acts of aggression by Nasser. At the same time discreetly encourage any tendencies toward independent policies

[5] Brackets in the source text.

on the part of other Arab regimes—e.g., Iraq—wherever this will not lead us into conflict with Nasser.

c. Seek to contain radical pan-Arab nationalism from spilling out beyond the Near East and undermining other pro-Western regimes.

22. *Policies Toward Israel.*

a. Take the initiative, through the UN or otherwise as appropriate, to:

(1) Establish the boundaries of Israel.

(2) Obtain additional UN or great-power guarantees of agreed frontiers.

(3) Submit proposals for resettlement and compensation of the Arab refugees, including repatriation to the extent feasible.

b. Seek to obtain limitations on immigration to Israel in a manner designed not to compromise the actions in a above.

c. Support the establishment of an appropriate UN body to examine the flow of heavy armaments to the Near East with the aim of preventing a new arms race spiral.

23. *Policies Toward the USSR.* Take into account the acquisition by the Soviets of a certain influence in the area and seek to induce the USSR to cooperate in the context of the UN in measures that will tend to insulate the Near East from great-power military intervention and to inhibit forcible change of existing boundaries.

24. *Policies Toward Near East Oil.*

a. Be prepared to acquiesce in changes in present financial arrangements and concessionary rights, so long as continued access on reasonable terms is not thereby prejudiced.

b. Develop means of reducing Western European reliance on Near East oil and transit facilities.

25. a. Only as a last resort, be prepared to use force to insure that the quantity of oil available from the Near East on reasonable terms is sufficient, together with oil from other sources, to meet Western Europe's requirements, recognizing that this course would cut across the courses of action heretofore outlined toward Arab nationalism and could not be indefinitely pursued.

b. Consider the support of the United Kingdom with force, whether in Kuwait or some other Near East area, only in the context of the course of action stated in a.

Annex on Arab Nationalism

(Prepared by the Department of State)

1. Arab nationalism (like other national movements) has drawn on a cultural, historical, linguistic, and ethnic base providing collective emotional appeal to those who for one reason or another identify themselves as Arab. As a movement of long standing, Arab nationalism has aimed at a renaissance of the Arab peoples and the restoration of their sovereignty, unity, and prosperity. Since the Second World War the emotional appeal of Arab nationalism has been further strengthened by the drive among the people of underdeveloped areas against "colonialism" and for self-determination.

2. Both the older, conservative Arab nationalist—as typified by the late Nuri al-Said—and the supporters of the radical pan-Arab nationalism movement—symbolized by Nasser—have proclaimed the goal of eliminating Western "imperialist" influence and have made common cause against Israel. However, with the rise of Nasser an already incipient radical trend in Arab nationalism achieved predominance in the movement. The conservative Arab nationalists had often accepted Western support and had cooperated with the West, despite the incubus of Western association with Israel, partly because their economic and cultural interests lay with the West and partly because they needed Western support in order to stay in power. This led the conservatives to emphasize purely local and provincial, rather than pan-Arab, interests.

3. The radical nationalists, on the other hand, were far more distrustful of the West, more determined to eradicate the remaining indirect Western controls over Arab political and economic life, and thus far more intent upon achieving (rather than giving mere lip-service to) the traditional goal of unity of all the Arabs. As a result, neutralism and nonalignment have become essential components of radical pan-Arab nationalism.

4. Moreover, having tapped a dynamic reservoir of Arab discontent and recognizing that the nature of their social and economic problems requires the imposition of radical solutions, radical pan-Arab nationalism has become an essentially totalitarian movement. It has attracted and has now been largely captured by a vanguard of intelligentsia and urban lower middle classes. The radical pan-Arab nationalists, as exemplified by the Arab Socialist Resurrectionists and similar groups, have demonstrated their disbelief in the feasibility and desirability of democracy, and instead emphasize the achievement of reform and political change through the paternalistic but dynamic authoritarianism of "military socialist" regimes. To many of the radical national-

ists, Arab nationalism in this totalitarian form has become a universal faith which takes the place of religion. A substantial majority of politically conscious Arab Moslems and many Arab Christians, particularly the middle class intelligentsia and professional groups, have become identified with this version of Arab nationalism. Consistent with the Arab characteristic of personifying abstract ideas and issues, they now recognize Nasser as the symbol of radical pan-Arab nationalism.

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43. Memorandum of Discussion at the 377th Meeting of the National Security Council

Washington, August 21, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–4.]

5. *The Situation in the Near East* (NSC 5801/1;[1] NSC Actions Nos. 1951,[2] 1955[3] and 1958;[4] Memo for NSC from Acting Executive Secretary, subject: "Factors Affecting U.S. Policy Toward the Near East", dated August 19, 1958[5])

Mr. Gray briefed the Council at considerable length with respect to the contents of the discussion paper on "Factors Affecting U.S. Policy Toward the Near East". At the conclusion of his briefing, Mr. Gray suggested that the Council first tackle the question of whether the discussion paper was correct in stating that our two bedrock objectives in the Near East were, first, denial of the area to Soviet domination and, second, availability of Near Eastern oil to Western Europe on reasonable terms. For one thing, said Mr. Gray, there was a real question in the mind of the Planning Board as to whether or not the preservation of the independence of Israel should not also be included as a bedrock rather than a secondary U.S. objective. (A copy of Mr. Gray's briefing note is filed in the minutes of the meeting, and another is attached to this memorandum.)[6]

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on August 22.

[1] Document 5.

[2] See footnote 2, Document 31.

[3] See footnote 8, Document 36.

[4] See Document 39.

[5] See Document 42.

[6] Attached, but not printed.

Called upon for his opinion, Secretary Herter stated that the discussion paper was very useful as a discussion piece for the Council, but should not be regarded as the basis of a Near East policy. So far as the matter of Israel was concerned, there has always been an assumption that Israel was here to stay. Any change in such an assumption would be momentous. It was noteworthy that Nehru had recently stated that the Arabs would have to recognize the permanency of Israel. However, it was a different matter if the United States were to commit itself to military force to preserve the independence of Israel.

The President commented that if Israel were to be in a situation to be seriously threatened, there would have to be a much greater build-up of military strength of Arab nations surrounding Israel. It seemed ironic to the President that not so long ago we were worrying about the likelihood of Israeli aggression against the Arab states, rather than the reverse. Secretary Herter commented that the Israelis were extremely worried about the obvious increase in the military capabilities of those hostile Arab states. Mr. Allen Dulles pointed out that Israel was vulnerable to surprise air attack, and that the Israelis lived in mortal terror of such an attack.

Secretary Herter alluded to the program of Ben-Gurion to enlarge greatly the population of Israel, which would have to mean increased territory, which in turn would be sure to mean war with Israel's Arab neighbors. Secretary Herter went on to point out that we had been trying to persuade Israel to hold down immigration into that country. Accordingly, the question of how far we would go to preserve the independence of Israel, obviously depends in part on what steps Israel itself takes to safeguard its own future. Mr. Gray commented that there seemed to be clear recognition that Israel would have to put something in the pot itself in order to help ease the situation. In this connection, the President referred to a recent telegram he had sent to Ben-Gurion. [*less than 1 line of source text not declassified*] alluded to the secret negotiations which Israel was now conducting with Turkey, Iran and Ethiopia. The President said that of course we were aware of these negotiations, but were keeping very quiet about them.

Mr. Gray pointed out that one of the problems that the Planning Board encountered in discussing the situation in the Near East area was the view that the United States should not do anything to build up Nasser or admit his leadership over the whole Arab world. Contrary to this view was the belief of the State and CIA representatives. Mr. Gray asked for the views of Secretary McElroy on this subject.

Secretary McElroy replied that Defense had been of the view that we could not avoid dealing with Nasser as head of the United Arab Republic, but that it was not desirable to treat him as the leader of the entire Near East area. General Twining agreed with Secretary McElroy's view.

Mr. Gray asked Mr. Dulles whether he felt it was practicable to follow the line suggested by Secretary McElroy. Mr. Dulles replied that he personally put much hope in moving along the lines suggested by the President in his speech before the United Nations. Mr. Dulles felt it would be wise to emphasize the economic side as opposed to the political, because in the economic and financial field Nasser did not have the same degree of power that he possessed as a political leader. Such an emphasis might cut down somewhat on Nasser's leadership.

Mr. Gray then put to the Council the question as to whether or not the Planning Board should proceed with a review of our existing policy on the Near East (NSC 5801/1). The President replied that the Planning Board should probably do so, and Secretary Herter agreed, cautioning, however, that a new policy paper should not put the United States into too much of a straitjacket.

Mr. Gray expressed the opinion that we should concentrate on our bedrock objectives and let our secondary objectives proceed more slowly toward realization. The President said he thought that the Planning Board was correct in its selection of the two bedrock objectives, and that the objective of preserving the independence of Israel should not be added to our bedrock objectives at this time.

With respect to an Arab-Israeli settlement, Secretary Herter pointed out that one first had to find an opportunity before one could take the initiative toward such a settlement. He also expressed the opinion that if the Arabs were finally united they would feel sufficiently secure that they might be induced to agree to discuss a settlement with Israel.

At the conclusion of the discussion, the President turned to Mr. Gray and said that in asking for permission to proceed with a revision of our Near East policy, Mr. Gray had "bitten one off".

The National Security Council:[7]

a. Discussed the subject, on the basis of the enclosure to the reference memorandum of August 19, 1958.

b. Directed the NSC Planning Board to review the statement of Long-Range U.S. Policy Toward the Near East contained in NSC 5801/1.

[Here follow agenda items 6–8.]

S. Everett Gleason

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[7] Paragraphs a and b constitute NSC Action No. 1973, approved by the President on August 26. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

44. Paper Prepared by Secretary of State Dulles

Washington, August 23, 1958.

COMMENTS ON MR. MURPHY'S
MEMORANDUM OF AUGUST 15, 1958[1]

1. I would rather put it that Nasser as leader of the popular dynamism of Arab unity has been brought to realize that this dynamism should express itself in ways which do not shock the consciousness of mankind and violate the principles of the Charter. I doubt that there is a "balance of power". I think that predominant power is still with Nasser and is Pan Arabism. I do believe, however, that there is a lull, of which we should seek to take advantage.

2. OK.

3. OK, if practical. Perhaps the "guarantee" will have to be implied rather than formally expressed.

4. I generally agree [*1-1/2 lines of source text not declassified*].

5. I doubt that this is feasible or perhaps desirable.

6. Ditto.

7. I suspect that there are already secret understandings which will draw Iraq into the Egyptian orbit. Perhaps, however, this orbit will find its expression through the Arab League, the revival of which has perhaps been the most significant aspect of the recent UNGA.

8. Agree generally but again suggest that this may be through the Arab League.

9. This might be a long-range objective, but it will take time to get any agreed "frontiers" and even then I doubt that Israel would accept "neutralization", although that word has many different connotations.

10. OK.

11. I doubt the wisdom of a "manifesto". I believe that the strength of the oil position is to be found in the need for markets and the keeping alive of alternatives. I believe that there will be sufficient selfish and competitive interests in Iraq, Kuwait and Saudi Arabia so that it is unlikely that all three will act uniformly and at the same time to "put the screws" on the consumers.

12. I agree about Nasser's personality. I doubt whether we could "destroy him". On the other hand, he has certain ambitions as regards

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Source: Department of State, Central Files, 611.80/8–1558. Top Secret.

[1] See the enclosure to Document 41.

Israel and the outlying Arab countries which we could scarcely support. An intermediate policy of flexibility is perhaps inevitable. It is barely possible that the present moment is one whereby cooperation we could exert an influence, but this, given his character, is highly problematic.

These are quick reactions, not to be given great weight.[2]

JFD

[2] This sentence was handwritten by Dulles.

45. Memorandum From the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Berry) to Acting Secretary of State Herter

Washington, August 21, 1958.[1]

SUBJECT

Comments on Middle East Settlement Suggestions put Forward by Mr. Murphy

Discussion:

(*Note:* This paper has been coordinated with W, C, IO, EUR, L, S/P and H. W, C, and H had no substantive comments. While formal clearance from EUR was not obtained, there was general concurrence at the staff level (Mr. Nunley) whose comments have been included. Comments of L (Col. Raymond) and S/P (Mr. Mathews) have been included where they differ from the position of the memorandum. IO is preparing comments separately.)[2]

Source: Department of State, Central Files, 611.80/8–1558. Top Secret. Drafted by Newsom, cleared by Rockwell. On August 18, Howe sent a copy of Murphy's memorandum of August 15 (enclosure to Document 41) to Berry and informed him that Herter considered Murphy's recommendations important and asked that NEA prepare a position paper on each item by August 21. (Department of State, Central Files, 611.80/8–1558)

[1] The date is handwritten on the source text followed by a question mark.

[2] In an August 22 memorandum to Herter IO strongly concurred with Murphy's basic recommendation of using the "present breathing space" to launch a positive U.S. program for stability in the Middle East and suggested that the United States should concentrate on social and economic development, encourage an Arab—not a U.N.—solution to the problem of Palestinian refugees, increase U.S. economic aid for Israel, and launch a U.S. information program that combined mass propaganda and selective targeting of "leadership groups." IO agreed with NEA's doubts about the importance of boundary guarantee with the exception of Israeli-Arab boundaries and was equally concerned that the Soviet Union would take advantage of a neutral Middle East. Finally, IO agreed U.S. policy toward Nasser should be more clearly defined and even-handed. (Department of State, Central Files, 611.80/8–1558)

In accordance with your request we have made a preliminary study of the various suggestions and comments made by Mr. Murphy in his memorandum to you of August 15. We agree that these suggestions go to the heart of the key problems which face us in the Middle East today and deserve the most serious consideration not only within the Department but by other agencies as well.

Our comments on individual points raised by Mr. Murphy follow. (In certain cases several of the points appear to fall within a particular broad problem; in such cases they are discussed under one heading.)

1. *Timing:* Paragraph 1 of Mr. Murphy's memorandum suggests that the present might be an appropriate moment to seek an over-all settlement. It is possible, however, that the moment may be more propitious following the withdrawal of the U.S. and U.K. troops. Although it might appear that we would be less able to speak from a position of strength at that time, we would, on the other hand, not have to contend with the obvious reluctance and probable refusal of the Arabs to discuss longer-range settlements while our troops remain in Lebanon and U.K. forces are in Jordan. (L comments that it is immaterial whether the effort to bring about an over-all settlement is made before or after troops are withdrawn provided it is made while either the troops or some UN presence is available to maintain a stable situation.)

2. *Propaganda:* We recognize the need for a more effective presentation of the U.S. position in the Arab world. USIA is of course working constantly on this problem both by strengthening the mechanical means for reaching the area and sharpening the material presented. In this battle we face certain inherent difficulties. Our media cannot match the emotional, sensational, and irresponsible indigenous media which are popular in part because of the very nature of their output. We face the further problem that certain of the policies in our national interest cannot be popularized against the backdrop of present Arab attitudes. We agree that the propaganda aspect is most important and that, to the extent possible, the psychological impact of any policy on the area should be given serious consideration in our planning. (L comments that much can be done in the propaganda field and that it is important to begin to create an impact on Arab thinking before other interests arouse them to action harmful to the United States.)

3. *Lebanon:* It is our hope that out of the present session of the United Nations will come an expression of United Nations interest in the Lebanon which will help preserve the independence and integrity of this country. It is clear that the Lebanese themselves have not reached a clear idea as to whether they desire an international guarantee of the future status of their country.

4. *Jordan:* Jordan is undoubtedly the focus of the present danger in the area. [*8 lines of source text not declassified*]

[*2 paragraphs (14-1/2 lines of source text) not declassified*]

Our present view is that the best prospects for avoiding a serious upheaval in Jordan lie in obtaining a United Nations expression of interest which will help stabilize the situation for the moment and permit the orderly withdrawal of British forces. If, as seems likely, Jordan's Arab neighbors can be convinced of the dangers, from the point of view of renewed Arab-Israeli hostilities, which are involved in creating disturbances and intervening in Jordan, once British troops have withdrawn, it may be possible to effect changes in the political situation within Jordan which might be the first step toward acceptance of an independent Jordan by Jordan's neighbors, at least for the time being. Such a course would appear to be the best means presently possible of avoiding violent disruption which would almost certainly precipitate an Israeli move with all the serious consequences. [*2 lines of source text not declassified*]

[*1 paragraph (10 lines of source text) not declassified*]

5. *Middle East Neutralization* (Paragraphs 5 through 10 of Mr. Murphy's memorandum): We continue to have serious reservations about the feasibility and desirability of seeking an accord with the Soviet Union which would formally recognize a Soviet role in the Near East. It may well be that such an accord would give greater opportunities to the Soviet Union than it would give to us. In considering this aspect of Mr. Murphy's suggestions we have certain specific questions.

(a) Is it necessary to bring the Soviet Union into an agreement on the Middle East? Although the Soviet Union is active in the area and although the present crisis has been in part heightened by Soviet moves, the problem still remains in large measure one between the Western nations and the Arab nations. It is conceivable that the stabilization of the situations in Lebanon and Jordan could be achieved and U.S. and U.K. forces withdrawn without recourse to a formal agreement with the Soviet Union.

(b) The Soviet Union has made the acceptance of neutrality a major world-wide objective by stressing throughout the world that it is safer to be neutral. The participation by the United States in a formal recognition of the neutralization of a broad area would be very likely to spur the move toward neutralism in other parts of the world. The situation in the Near East is not completely analogous to Austria where U.S. agreement to neutralization was essential in order to obtain the removal of Soviet troops.

(c) Is it not possible that the withdrawal of U.S. and U.K. troops and the establishment of a UN presence in Lebanon and Jordan, which are now under consideration, may establish a de facto neutralization of those countries without the formal participation of the Soviet Union?

(d) It is not at all clear that the Arab nations desire a guarantee of all boundaries nor is it clear that it is in our interests to participate in such a

guarantee. The Arab nations consider the present boundaries to be artificial and we are not opposed to their peaceful change. The formal participation of the Soviet Union in a guarantee might well provide an additional obstacle to this peaceful evolution.

(e) It seems unlikely that any effort to reach an agreement on neutralization with the Soviet Union could escape consideration of the British positions in Aden and the Persian Gulf, the U.S. position at Dhahran, the Baghdad Pact, and our military assistance to friendly countries. There is a question in our mind whether the possibility of a genuine settlement by a direct conference with the Soviet Union on the Middle East is sufficiently great to justify the risk of bringing under review the last remaining Western positions of strength in the area. This is apart from the general question of the highly adverse effect on these friendly nations of a move by the United States to deal with the Soviet Union on this area.

(f) Is it not likely that a neutralization agreement would permit the Soviet Union to continue strong support of subversive movements in the area while at the same time inihibiting the United States and its allies from supporting friendly governments and dealing in an open manner with the threat posed by such movements? We would, for example, undoubtedly be limited in the degree to which we could help the internal security forces of friendly countries. We would undoubtedly be prevented from taking steps in the future of the kind taken in Lebanon at the request of independent governments.

(g) A neutralization would undoubtedly require some form of international control of arms in the area. While this has much to commend it from the standpoint of the stability of the area, such control would be difficult to administer, could be evaded by such nations as Communist China, and would begin with a definite advantage already in the hands of the United Arab Republic. Soviet arms shipments to the Arab states have been far greater than ours. It is, further, unlikely that an arms control program with Soviet agreement could be reached without affecting our ability to supply arms to Turkey, Iran and Pakistan.

(With respect to the question of neutralization and dealing with the USSR, S/P is of the opinion that there can be no settlement of the Palestine issue without Soviet participation. It will accordingly be necessary to deal with the USSR on this central issue and to accept Soviet participation in an international guarantee of permanent Arab-Israeli boundaries.)

6. *Oil:* The National Security Council currently has before it a paper suggesting that the continued availability of oil to the West is likely to be one policy on which agreement could be reached between the forces of Arab nationalism and the West.[3] This suggestion, however, is conditional upon oil remaining accessible on a reasonable financial and economic basis. We would consider that the use of force in preserving rights in the area would be only as a last resort in the most extreme circumstances. It is likely that mutual interest between the U.S. and the U.K. and the Arabs concerned may serve to maintain the availability of

[3] Apparent reference to Document 42.

this oil without requiring a joint manifesto. Such a manifesto might well inject a political element into the Middle East oil picture which does not seem at the moment to be present.

7. *Nasser:* The National Security Council is also considering in the same discussion paper the possibility of working with Nasser in the area and of accepting and perhaps attempting to influence his brand of Pan-Arab nationalism. We believe that more normal relations are possible with Nasser and that perhaps over an extended period of time closer and more effective relations on matters where our interests are parallel may also be possible. An agreement with Nasser does not necessarily imply the necessity of an agreement with the Soviet Union. While we see little possibility at the moment for a complete identity of interests with Nasser, we do not see that we could effectively seek to destroy him without the most serious consequences. The result would appear to be the necessity of accepting his movement and seeking agreement with him where agreement may be possible. We would accept his movement, however, only in those cases where it was not in fundamental conflict with our objectives.

Recommendation:

That, in the light of the NSC Planning Board paper, the NSC discussion of August 21, and Mr. Murphy's suggestions, NEA and S/P undertake on an urgent basis a study of the feasibility and desirability of revising NSC 5801/1.[4]

[4] Document 5. Herter initialed his approval of the recommendation on August 25.

46. Editorial Note

On October 3, the National Security Council Planning Board revised the basic paper on U.S. Policy in the Near East, NSC 5801/1 (Document 5), and designated it NSC 5820. The complete text of NSC 5820, October 3, with its disputed language, is in Department of State, S/P–NSC Files: Lot 62 D 1, Near East, U.S. Policy Toward (File 20, NSC 5820–5820/1). All ellipses and brackets in the following quoted material are in the source text. One of the major differences between NSC 5801/1 and the revised paper of October 3 concerned the question of primary and secondary U.S. objectives in the Near East. Paragraphs 5 and 6 of NSC 5820 describe the objectives as follows:

"5. It is essential that the following *primary* objectives be achieved:

"a. Denial of the area to Soviet domination.

"b. Continued availability of sufficient Near Eastern oil to meet vital Western European requirements on reasonable terms.

"6. It is desirable that the U.S. also achieve the following secondary objectives to the extent compatible with the two primary objectives:

"a. Peaceful resolution as early as possible, in whole or in part, of the Arab-Israeli dispute.

"b. Continued availability to the U.S. and its allies of rights of peaceful passage through and intercourse with the area in accordance with international law and custom and existing international agreements.

"c. Political evolution and economic and social development in the area to promote stable governments, popularly supported and resistant to Communist influence and subversion.

"d. Continued availability to the U.S. and its allies of important strategic positions, including military overflight, staging and base rights in the area.

"e. The expansion of U.S. and, where appropriate, Free World influence in the area, and the countering and reduction of Communist influence."

There were numerous disagreements among the members of the Planning Board as to language for NSC 5820. In paragraph 4 of NSC 5820, the representatives of the Departments of Defense and the Treasury suggested the following first two sentences:

"It has become increasingly apparent that the prevention of further Soviet penetration of the Near East and progress in solving Near Eastern problems depends on the degree to which the U.S. is able to work more closely with authentic Arab nationalism and associate itself more intimately with the legitimate aims and aspirations of the Arab people. Of significance also will be the position which the U.S. adopts regarding the foremost spokesman of radical pan-Arab nationalism, Gamal Abdel Nasser."

The majority of the Board recommended the following language:

"It has become increasingly apparent that the prevention of further Soviet penetration of the Near East and progress in solving Near Eastern problems depends on the degree to which the U.S. is able to establish a working relationship with radical pan-Arab nationalism as represented by the United Arab Republic (UAR). In the eyes of the great mass of Arabs, the test of U.S. sincerity will be whether we appear to get along with the foremost spokesman of radical pan-Arab nationalism, Gamal Abdel Nasser."

The representatives of the Joint Chiefs of Staff and the Departments of the Treasury and Defense proposed the following language for paragraph 7 of NSC 5820:

"Endeavor to work with Arab nationalism and other legitimate aspirations of the peoples of the area, but encourage only those aspirations which conform to U.S. objectives, recognizing that a policy of U.S. accommodation to radical pan-Arab nationalism as symbolized by Nasser would include many elements contrary to U.S. interests. Deal with Nasser as head of the UAR on specific problems and issues affecting the UAR's legitimate interests, but not as leader of the Arab world. Encourage Arab nationalism to resist the expansion of Soviet influence."

The rest of the Board recommended the following for paragraph 7:

"Endeavor to establish an effective working relationship with radical pan-Arab nationalism while at the same time seeking constructively to influence and stabilize the movement and to contain its outward thrust. Encourage its resistance to the expansion of Soviet influence in the area, and to that end seek understandings with Nasser and other radical pan-Arab leaders in areas of mutual interest, without abandoning our position where differences are irreconcilable."

The representative of the Office of Civil and Defense Mobilization recommended the following for the first two sentences of paragraph 10:

"On the grounds that wide pro-Western orientation is unattainable in the near future, and that efforts toward that end would be counterproductive to our principal objectives in the area as a whole, encourage neutralist policies of states in the area, even though . . .".

The majority of the Board favored the following language:

"While seeking pro-Western orientation, accept neutralist policies of states in the area when necessary, even though such states maintain diplomatic, trade and cultural relations with the Soviet bloc (or receive military equipment), but endeavor to insure that these relations are reasonably balanced by relations with the West."

The Board was also split on language encouraging an Arab-Israeli settlement. In the first sentence of paragraph 24, the majority of the Board favored the following language: "Seek opportunities to take the initiate [*initiative*] through the UN or through third parties, toward an Arab-Israeli settlement within the context of the Secretary of State's speech of August 26, 1955."

The representatives of the Department of Defense, the Joint Chiefs of Staff, and the Office of Civil and Defense Mobilization suggested deleting the phrase, "Seek opportunities to . . .".

There were also differences of opinion and language on paragraphs specifically relating to individual countries of the Near East.

In subparagraph 37–d, relating to U.S. policy toward Saudi Arabia, the Joint Chiefs of Staff proposed deletion of the sentence in brackets as follows:

"Maintain a military assistance program, primarily in the form of procurement assistance arrangements and training for the Saudi Arabian armed forces for internal security purposes. Continue to cooperate with Saudi Arabia at the Dhahran Airfield in accordance with existing agreements. [Should the Saudi Arabian Government seek the reduction or withdrawal of U.S. facilities at Dhahran or should the rights there be substantially curtailed, be prepared to reduce or withdraw personnel on the most favorable basis for the United States.] Anticipate a request for a substantial change in United States relationships at Dhahran upon expiration of the present agreement (1962)."

In subparagraph 38–b, relating to U.S. policy toward Jordan, Office of Civil and Defense Mobilization and Joint Chiefs of Staff representatives suggested deletion of the sentence in brackets as follows:

"Bearing in mind that an abrupt change in Jordan's status would be viewed generally as a political defeat for the West, be prepared in the interim, for essentially political reasons, to provide necessary assistance which might be used for economic development, budgetary support, and military assistance. [Seek to transfer to Jordan's Arab neighbors major responsibility for economic support of Jordan if at all possible.]"

In subparagraph 39–a, relating to U.S. policy to Iraq, the Joint Chiefs of Staff recommended deletion of the sentence in brackets as follows:

"Seek to maintain friendly relations with the new Iraqi regime on a reciprocal basis. [Continue to offer United States technical assistance as an indication of friendship and with a view to limiting Soviet influence.]"

In paragraph 36, concerning U.S. policy toward the United Arab Republic, representatives from the Joint Chiefs of Staff and the Departments of Defense and the Treasury suggested the deletion of the entire text of subparagraph 36–a, which reads as follows:

"Seek to normalize relations with the UAR. While recognizing our fundamental differences with Nasser, deal with him as head of the UAR on specific problems and issues affecting the UAR's legitimate interests, but not as leader of the Arab world."

Finally the Joint Chiefs of Staff representative dissented on language on an Arab-Israeli settlement in the annex, paragraph 15, subparagraphs c and d. The differing language reads as follows:

Majority Preference

"c. Initiative in seeking a solution to this problem would appear to be appropriate only when a sufficient common interest in the long-range stability of the areas exists on the part of the several elements concerned to enable each to press for the sacrifices or pressures necessary to make possible a genuine solution. In the absence of such common interest not even the pressures of external force would seem capable of establishing a satisfactory or lasting settlement."

"d. Initiative toward a settlement of the Arab-Israel issue would require at least the tacit concurrence of the Soviet Union as well as of the states in the area. Within these limitations it might be possible to work toward a solution of individual outstanding issues between Israel and the Arab states."

JCS Preference

"c. Action to establish the boundaries of Israel and resettle the refugees, including repatriation of a substantial number, will be wholly acceptable to the parties concerned only in the unlikely event that each is willing to press for arbitration of the problem. In the absence of such common interest, a settlement can be achieved only by external pressure."

"d. The tacit concurrence of the Soviet Union would assist in the settlement of the Arab-Israeli issue."

47. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to Secretary of State Dulles

Washington, October 10, 1958.

SUBJECT

Revision of NSC 5801/1 "U.S. Policy in the Near East"[1]

Discussion:

The attached revision of the National Security Council basic policy paper on the Near East, now designated NSC 5820 (Tab A), is to be considered by the NSC on October 16.[2] The revised paper contains much of the language of NSC 5801/1 (Tab B) but has been reorganized and reflects the conclusions of the NSC Discussion Paper of August 21 entitled "Factors Affecting U.S. Policy toward the Near East" (Tab C),[3] as well as the conclusions of SNIE 30–3–58 of August 12, "Arab Nationalism as a Factor in the Middle East Situation" (Tab D).[4]

A. Nature of Revisions

The two major differences between the old paper and the revised paper are:

(1) the revised paper makes a clear distinction between primary U.S. objectives and less essential or secondary objectives (paras. 5 & 6);[5]

(2) the revised paper is based on the conclusion that the deterioration of the Western position in the Near East has been accelerated since 1955 by:

(a) the emergence of radical pan-Arab nationalism as the predominant force in the area with Nasser as its symbol and de facto spokesman and

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Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5801 Memoranda. Top Secret. Drafted by Symmes with concurrences from Graham Martin, Dillon's Special Assistant, and Wilcox. A note on the source text indicates that the Secretary saw this memorandum.

[1] See Document 46. Gerard Smith sent Dulles an October 8 memorandum suggesting that the Secretary might wish to study the paper in advance of the regular briefing on it, which was scheduled for the day before the NSC meeting of October 16, because of the importance of this subject and the difference of opinion between State and Defense, in Planning Board discussions. Smith and S/P endorsed completely the recommendation in Rountree's memorandum of October 10 that Dulles support the "majority Planning Board position in the paper's splits." (Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5801 Memoranda)

[2] See Document 49.

[3] Document 42.

[4] Document 40.

[5] See Document 46.

(b) the Soviet Union's identification with and continuing exploitation of this movement.

It is pointed out in para. 5 of the Annex of the revised paper that because the radical pan-Arab nationalists are dedicated to the further reduction of foreign political control in the area, their aims are thus ultimately irreconcilable with some of our secondary objectives. However, the statement is made in para. 8 that ". . . primary U.S. objectives are fundamentally compatible with the goals of Arab nationalism, whereas the objectives of international Communism are incompatible with the aims of true nationalism". Thus, it is argued, as in para. 3, that the most dangerous challenge to Western interests in the Near East arises not from Arab nationalism per se, but from the coincidence of many of its objectives with those of the USSR and the resultant ease of exploitation of the movement by the Soviets. The ultimate Arab nationalist objective of some form of union which would really serve to strengthen the area is believed to be contrary to longer-term Soviet policy. Taking the latter factor into account with the neutralist and anti-foreign components of Arab nationalism, the revised paper states in para. 7 that we should "endeavor to establish an effective working relationship with radical pan-Arab nationalism while at the same time seeking constructively to influence and stabilize the movement and to contain its outward thrust". This paragraph goes on to state that we should "encourage its [i.e. Arab nationalism's][6] resistance to the expansion of Soviet influence in the area, and to that end seek understandings with Nasser and other radical pan-Arab leaders in areas of mutual interest, without abandoning our position where differences are irreconcilable".

Throughout the revised paper there are caveats stressing that both in the Near East and in peripheral areas many aspects of Arab nationalism are opposed to our interests. It is also pointed out that we should retain freedom of action to deal with radical Arab nationalist leaders other than Nasser on area problems, that we should discreetly encourage such other leaders when we see signs of independent views on their part, and that we should avoid actions that would unduly enhance Nasser's position (paras. 4, 9, 36, and Annex). It is assumed throughout the paper and also explicitly stated that the success of any policy the U.S. may adopt toward Arab nationalism is contingent to a considerable extent on the degree to which our allies can be persuaded to come along with us (para 18).

There have been no basic changes in the sections of the paper dealing with the Arab-Israel dispute (paras. 24 through 35 of the Policy Guidance section and paras. 11 through 13 of the Annex). However, as

[6] Brackets in the source text.

noted below, J.C.S. has introduced split positions in paras. 24 of the Policy Guidance and 13 [*15*] of the Annex.[7]

You will note that para. 21 is devoted specifically to policy guidance in regard to the "Soviet presence" in the area. This paragraph includes a statement that we should "decline to enter into arrangements with the USSR in respect of the area except in forums in which the states concerned are duly represented". On the other hand, it states that we should "in the context of the U.N., seek to bring the USSR to accept responsibility in such matters as maintenance of the territorial status quo in the Near East against forcible change, a verifiable arms control system, steps toward an Arab-Israeli settlement, and a cessation of Soviet subversive activities within and directed at the area".

B. Anticipated Differences of Viewpoint

1. *Radical Pan-Arab Nationalism*

A majority of the Planning Board members have indicated their approval of the revised paper in its present form. However, the Defense representative leads a split from the majority view on certain paragraphs dealing with the analysis of radical pan-Arab nationalism and the courses of action we should follow in dealing with that movement, the UAR, and Nasser (paras. 4, 7, & 36a).[8] The key of the Defense position appears to lie in the following sentence which appears in the Defense versions of paras. 7 and 36a: "Deal with Nasser as head of the UAR on specific problems and issues affecting the UAR's legitimate interests, but not as leader of the Arab world." In the oral discussions, the Defense representative appeared to believe that the majority position went too far toward dealing unreservedly with Nasser as unchallenged leader of the Arab world. A majority of the Planning Board members, on the other hand, judged that the intent of the Defense position would unnecessarily restrict the development of our policies toward the UAR and radical pan-Arab nationalism and that it was not consistent with SNIE 30–3–58. Further, the majority believed their position to be sufficiently qualified and sufficiently cognizant of the basic differences with Nasser so that it in no sense represented any capitulation to Nasser.

2. *Arab-Israel Dispute*

You will note also that J.C.S. have dissented from the majority view in certain sections relating to the Arab-Israel dispute (paras. 24 of the Policy Guidance and 13 of the Annex). The burden of the J.C.S. position appears to be that the U.S. should actively take initiatives to solve the Arab-Israel dispute without, however, specifying how and to what end we could accomplish this. We believe it would not be unfair to characterize the J.C.S. position as "solve this problem by forcing Israel to accommodate fully to the Arab viewpoint". We anticipate that the J.C.S. representative may raise this question during Council discussion of the paper.

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[7] See Document 46.

[8] These differences are outlined in Document 46.

3. *Support of British in the Near East by Use of Force*

During discussions of the revised paper several Planning Board members have proposed revisions seeking to limit U.S. support of the British in the Near East by stating that the U.S. would support the British by force only to preserve access to Persian Gulf oil (in terms of paras. 22 and 23). We believe that our use of force in support of the British would depend to such an extent on the circumstances that we have not endeavored to set forth a policy on this broader matter.

Conclusions:

1. The statement of the challenge to U.S. interests contained in the Introduction and the Annex of the revised paper is generally accurate and is based on the most up-to-date intelligence available with which the Department concurs.

2. The revised paper fully covers and correctly describes U.S. interests and objectives in the Near East, and the distinctions made between primary and secondary objectives provide a meaningful scope for a flexible U.S. policy in dealing with the problems of the Near East.

3. The splits taken by Defense on how to deal with radical pan-Arab nationalism and by J.C.S. on the Arab-Israel dispute are not realistic nor are they consistent with the intelligence estimates available or the best political judgment.

Recommendation:

That the revised paper be approved, and that you support the majority position in the splits indicated.

48. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McElroy

Washington, October 13, 1958.

SUBJECT

U.S. Policy Toward the Near East (NSC 5820 (C))[1]

1. The Joint Chiefs of Staff have reviewed the subject draft statement of policy which will be considered by the National Security Council at its meeting on Thursday, 16 October 1958. In general, the draft statement of policy is acceptable from a military point of view provided the comments and recommendations contained in the Appendix hereto are accepted. The comments and recommendations of the Joint Chiefs of Staff with respect to the draft statement of policy are contained in the Appendix hereto.

2. Subject to the comments and recommendations contained in the Appendix, it is recommended that you concur in the adoption of NSC 5820 to supersede NSC 5801/1 as U.S. policy toward the Near East.

For the Joint Chiefs of Staff:
N.F. Twining[2]
Chairman
Joint Chiefs of Staff

Source: Department of State, Central Files, 611.80/10–1458. Top Secret. On October 14 Lay transmitted this memorandum and its enclosure to the members of the NSC for their consideration prior to the meeting on October 16.

[1] See Document 46.

[2] Printed from a copy that bears this typed signature.

Appendix

COMMENTS AND RECOMMENDATIONS OF THE JOINT CHIEFS OF STAFF WITH RESPECT TO THE DRAFT STATEMENT OF POLICY

1. *Paragraph 4, page 3:* Support the Defense–Treasury proposal.[3]

Reason: The Joint Chiefs of Staff consider that it is in the U.S. interest to disassociate legitimate Arab nationalism from Nasser's leadership to the extent possible and to deal with Nasser only on those issues in which he has a legitimate interest as head of the nations under his direct political leadership.

2. *Paragraph 7, page 6:* Support the Defense–Joint Chiefs of Staff–Treasury proposal.

Reason: The basis for the diverse views expressed is the extent to which the United States should accommodate to the radical elements of the Arab nationalist movements and the extent to which the United States will recognize Nasser as the leader of all of the Arab nationalist movements. It is the opinion of the Joint Chiefs of Staff that the radical elements of Pan Arab nationalism, as symbolized by Nasser, are characterized by many elements inimical to basic U.S. objectives in the Near East, such as: unscrupulous expansionist tendencies; interference, including incitement to violence in the affairs of neighboring nations; and, unfriendly propaganda activities directed against other nations of the Near East, the West in general, and the United States in particular. A complete accommodation to Nasser would mean U.S. acceptance of these elements, and amounts to adoption of a policy of expediency in handling the problems in the area even though such handling might compromise basic U.S. principles. The Joint Chiefs of Staff consider that it is in the U.S. interest to disassociate legitimate Arab nationalism from Nasser's leadership to the extent possible and to deal with Nasser only on those issues in which he has a legitimate interest as head of the nations under his direct political leadership.

3. *Paragraph 10, page 7:* Support the majority view.

Reason: Even though the meaning of the OCDM proposal is not completely clear, it would appear to accept as a fact that a pro-Western orientation of nations in the area is impossible and that we should, as the next best thing, encourage neutralism in the area. As a U.S. policy it is largely negative and does not encourage an active program to win the Near Eastern states to the side of the Free World.

4. *Subparagraph 14–d, page 9:* Delete the phrase "... provide limited military aid, grant or reimbursable." and substitute therefor: "... pro-

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[3] See Document 46 for all references to paragraphs to the draft statement of policy cited here.

vide military aid in amount and type appropriate to meet the situation."[4]

Reason: As presently worded this phrase makes it appear that the Soviet offers of military aid can be met by comparatively minor outlays of equipment and money on the part of the United States. This in turn can lead to faulty U.S. budgeting to meet the policy, and place unexpected and unbudgeted requirements upon the Department of Defense when such offers by the Soviets must be countered.

5. *Page 12:* Insert the following new paragraph 21 and renumber the succeeding paragraphs accordingly:

> "21. Recognize that the United States has, through the London Declaration of 28 July 1958,[5] undertaken to increase U.S. participation in the Baghdad Pact and hence should be prepared to accept increased responsibility short of complete adherence."

Reason: The important subject of the U.S. relationship with the Baghdad Pact Organization has not been included in the draft policy statement. The above language reflects the most recent U.S. policy decision on this subject.

6. *Paragraph 24, page 14:* Support the Defense–Joint Chiefs of Staff–OCDM proposal.

Reason: The most recent intelligence estimate[6] dealing with the Arab-Israeli problem concludes that an outbreak of Arab-Israeli hostilities is possible at any time and that the chances of such hostilities are increasing. In view of U.S. objectives in this area, it is in the U.S. interest to take the initiative toward the settlement of this basic dispute. The need for the initiative is further emphasized by subparagraph 32–b of this draft statement of policy, which points out the need to ". . . develop on an urgent basis possible long-range solutions for the refugee problem."

7. *Subparagraph 36–a, page 18:* Support the Defense–JCS–Treasury proposal.

Reason: This is another manifestation of a basic divergence of views. The reasoning under paragraph 2 above applies here also.

8. *Subparagraph 37–d, page 20:* Support the JCS proposal and delete the bracketed portion.

Reason: The United States currently maintains its base at Dhahran pursuant to an agreement recently and freely made by the Saudi Ara-

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[4] All ellipses are in the source text.

[5] See Document 33.

[6] SNIE 30–4–58. [Footnote in the source text. SNIE 30–4–58, September 30, "The Arab Israeli Arms Problem—Relative Capabilities and Prospects for Control," is not printed. (Department of State, INR–NIE Files)]

bian Government and the U.S. Government. This agreement is of relatively short duration (5 years). Should this agreement be terminated by the unilateral action of the Saudi Arabian Government, the United States will have no choice but to withdraw its personnel and disestablish the facility. This contingency does not require recognition by a policy statement. Dhahran is the only sizeable military installation in the area available to the United States. There is a valid continuing requirement for U.S. use of the facility. The base should be looked upon as a "foot in the door" and as a springboard to strengthen Western position in the area. Therefore, barring political or economic blackmail on the part of Saudi Arabia, we should plan to retain the use of Dhahran Air Base on the best terms that are obtainable and not at this point in time give serious consideration to planning for withdrawal or reduction.

9. *Subparagraph 38–b, page 21:* Support OCDM–JCS proposal and delete the bracketed portion.

Reason: The probability of attaining the stated objective appears so remote as to render it of questionable value as a U.S. political objective.

10. *Subparagraph 39–a, page 22:* Delete the second sentence of the subparagraph.

Reason: The policy stated in the first sentence is complete and unambiguous. It enables the United States to meet all situations that may arise in the changing relations between the Governments of the United States and Iraq. The implementation of the policy stated in the second sentence would place the United States in the position of asking Iraq to accept U.S. technical assistance either as a continuation of the programs repudiated by the new regime, or of offering assistance before Iraq has asked for it. Either could degrade the prestige of the United States in the area. The United States should be prepared to consider any requests by Iraq for new programs or to reinstate certain old ones on the same basis as requests of other Near Eastern countries. Expeditious handling of such Iraqi requests would meet the purposes of indicating friendship and limiting Soviet influence.

49. Memorandum of Discussion at the 383d Meeting of the National Security Council

Washington, October 16, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–3.]

4. *U.S.Policy Toward the Near East* (NSC 5801/1;[1] NSC Action No. 1973;[2] SNIE 30–3–58;[3] SNIE 30–4–58;[4] Memo for NSC from Acting Executive Secretary, subject: "Factors Affecting U.S. Policy Toward the Near East", dated August 19, 1958;[5] NSC 5820;[6] Memo For All Holders of NSC 5820, dated October 7, 1958;[7] Memo for NSC from Executive Secretary, subject: "U.S. Policy Toward the Near East", dated October 14, 1958[8])

Mr. Gray briefed the Council in considerable detail on the difference between the new draft statement of policy on the subject contained in NSC 5820 and the old one in NSC 5801/1, dwelling at particular length on the fundamental issue as to how far the United States should go in its attempts to do business with Nasser, as well as with the problem of finding a settlement of the Arab-Israeli dispute. He then went on to note the relatively minor differences of view which occurred in the new draft. (Copy of Mr. Gray's briefing note is filed in the minutes of the meeting, and another is attached to this memorandum.)[9]

At the conclusion of Mr. Gray's briefing, the President referred initially to one of the minor differences mentioned by Mr. Gray. This difference occurred with respect to the question of how far the United States should go in collaborating with the United Kingdom with respect

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on October 17.

[1] Document 5.

[2] See footnote 7, Document 43.

[3] Document 40.

[4] See footnote 6, Document 48.

[5] See Document 42.

[6] See Document 46.

[7] This memorandum from Lay to the NSC transmitted the Financial Appendix; Annex A, "General Considerations Affecting U.S. Policy Toward the Near East"; and Annex B, "Summary of Publicly Announced U.S. Policy on Near East Questions"; for insertion into copies of NSC 5820. (Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5820 Memoranda)

[8] This memorandum from Lay to the NSC transmitted Document 48 to the NSC.

[9] Attached but not printed.

to the Near East problems. The JCS Adviser on the Planning Board had been concerned lest this collaboration go so far as to hinder the achievement of U.S. objectives. Apropos of this point, the President indicated that the United States had agreed with the United Kingdom, at the Bermuda meeting, that it would collaborate with the United Kingdom in dealing with problems of the Near East, and had actually set up a mechanism for such collaboration. Secretary Dulles added the information that our collaboration with the United Kingdom in this area had been working very well. Secretary Dulles then suggested the addition of wording to indicate that a channel for such collaboration had been agreed upon. General Twining said that he was not aware that collaboration with the United Kingdom had constituted a serious problem.

Thereafter, Mr. Gray called on Secretary Dulles, inviting him to discuss first the very fundamental problem, about which the Planning Board had differed, as to how far the United States should go in doing business with President Nasser.

Secretary Dulles stated, in reply, that as far as the various splits of language relating to this issue, as they appeared in the present draft statement of policy, were concerned, he would be prepared to accept either the majority language or the minority language proposed by Defense and Treasury. While the language differences seemed superficial to Secretary Dulles, he did admit that behind the language differences there were real differences of opinion and of legislative history. The implications of what he believed to be the majority proposals on dealing with Nasser and radical pan-Arab nationalism, went further than he himself was prepared to go, especially with respect to accepting Nasser not only as the head of the United Arab Republic, but as the leader of the whole Arab world. Secretary Dulles did not think we should go as far in our policy as to treat Nasser as the leader of the Arab world. There were several areas where Nasser's goals obviously conflicted very sharply with the nationalist aspirations of the various Arab states, such as Tunisia, the Sudan, and Iraq, the government of which was giving evidence that it did not wish to see Iraq absorbed by Egypt. There was also evidence that many Syrians were now unhappy about being absorbed into the United Arab Republic.

For reasons such as these, continued Secretary Dulles, he doubted whether we should throw our weight as a government behind Nasser in matters relating to areas other than the UAR. In the long run, indeed, more moderate views may prevail than the views now rampant in radical pan-Arab nationalism. At the moment, undoubtedly, Nasser was the object of hero-worship as a result of various achievements he has managed to pull off in one way or another. Nevertheless, Secretary Dulles was not at all sure that such hero-worship constituted an adequate long-

term basis for throwing the weight of the United States Government behind Nasser.

Secretary Dulles next suggested that perhaps the paragraph which most effectively indicated the line that the United States should follow in dealing with Nasser, was paragraph 36–b, which was agreed to by all the members of the Planning Board and which read as follows:

"b. Be alert to any possibilities which may occur for broader understanding or consultation between the United States and the UAR. Explore particularly the extent to which greater United States cooperation with the UAR might serve to limit UAR contacts with the Soviet Bloc and Soviet influence in the area and might also reduce UAR dependence upon Soviet trade and military assistance."

Secretary Dulles thought that this subparagraph was intrinsically sound and that the differences of view in the other disputed paragraphs should be revised and agreed to with paragraph 36–b as the touchstone. Paragraph 36–b represented the right emphasis for our policy toward the Near East, inasmuch as it indicated that our real enemy in the Near East was the USSR and not Arab nationalism. In concluding his comments on this point, Secretary Dulles again suggested that the several splits in NSC 5820, on the problem of dealing with Nasser and radical pan-Arab nationalism, be reviewed under the assumption that paragraph 36–b should constitute the guide for U.S. policy in dealing with this problem.

Secretary Dulles then turned to another fundamental difference of opinion in NSC 5820—namely, the difference set forth in paragraph 24 on ways and means of resolving the Arab-Israeli dispute. The first sentence of paragraph 24 read as follows:

"24. [Seek opportunities to]*[10] take the initiative, through the UN or through third parties, toward an Arab-Israeli settlement within the context of the Secretary of State's speech of August 26, 1955.

"*Defense–JCS–OCDM propose deletion."

Apropos of this split, Secretary Dulles said it didn't seem to make much sense to him to say that the United States Government should bull through an Arab-Israeli settlement whether or not the situation appeared to be ripe for such a settlement. On this problem he preferred the majority view, in which he understood State concurred, which was that we should seek opportunities to take the initiative toward an Arab-Israeli settlement.

In conclusion, Secretary Dulles said he was aware that there were a number of other detailed differences of opinion which there would not

[10] Brackets in the source text.

be time to discuss today, but he felt that if the major differences were resolved along the lines he suggested, the minor splits of view could be resolved and fall into place.[11]

Mr. Gray explained that he had been at some pains to clarify the differences between the majority and minority views of the Planning Board in the course of developing NSC 5820. He had, however, not directed the Council's attention to the actual splits as they appeared in the several paragraphs because he had hoped that the Council would provide sufficient general guidance to enable the Planning Board subsequently to resolve the specific splits.

The President commented that the revenue-producing countries of the Near East, he believed, had a natural antipathy toward Egypt, which was not, strictly speaking, an Arab state. If we could somehow bring about a separation of Syria from Egypt and thereafter a union of Syria with Iraq, this might prove very useful. The oil-rich Arab states of the Near East do not want to give away their revenues to Egypt, and we certainly don't want to be the agent through whom Nasser secures control of all these oil revenues. On the other hand, continued the President, he found himself in agreement at the moment with the picture of President Nasser which had just been drawn by the Secretary of State. Certainly there was no reason for the United States to go on and treat Nasser as the head of the whole Arab nationalist movement. If we did this, the President predicted, Nasser would become the biggest blackmailer this country ever faced.

At this point Mr. Gray called on Secretary Quarles and General Twining for an expression of their views on the fundamental issues set forth in NSC 5820.

Secretary Quarles replied first, and stated that he had expected that he would have to try to say, about dealing with Nasser, very much what the Secretary of State had just said, and said better than he could have said it. Accordingly, said Secretary Quarles, he had nothing to add to the discussion of that problem. If we could be dead sure that Nasser was to be the winner, it might be best for us to climb on Nasser's bandwagon now, but there were at the moment too many uncertainties in the outlook for Nasser for us to climb on the bandwagon yet.

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[11] Allen Dulles telephoned Secretary Dulles on October 15 at 12:09 p.m. to discuss NSC 5820. A memorandum of their call reads as follows: "AWD said he thinks the ME paper is premature. The Sec said he was expressing the same views in the meeting now etc. There should be more exchanges of views with our allies. AWD would not feel we had to deal with the big man [Nasser] as the leader—the Arab League is already groaning. AWD suggested taking this as a working draft—see how we can work under it and then come back." (Eisenhower Library, Dulles Papers, General Telephone Conversations) The meeting referred to was a briefing for Secretary Dulles on NSC 5820 by S/P and NEA officials from 11:09 a.m. to 12:25 p.m. (*Ibid.*, Dulles Appointment Book)

The President commented that the real question was where we would end up if we did climb on Nasser's bandwagon. Secretary Quarles continued by stating, with respect to the difference of view between Defense–JCS and the majority of the Planning Board on how best to resolve the Arab-Israeli dispute, as set forth in the split view in paragraph 24, that he would, in view of the handsome concession made by Secretary Dulles on the issue of handling Nasser, himself gladly agree to the majority language, which called for seeking opportunities to take the initiative to resolve the Arab-Israeli dispute, rather than the Defense–JCS language, which called for taking the initiative whether or not opportunities were discernible.

General Twining, in support of the Defense–JCS position on this issue, said he wanted to say that there might be something we could do in seizing the initiative in this dispute, inasmuch as Arab-Israeli tensions could break out into war at any time.

Secretary Dulles stated that he wanted it understood that the State Department had constantly in mind ways and means of taking the initiative to resolve the Arab-Israeli dispute. Far from putting this dispute on the shelf, the Department was constantly seeking opportunities to take the initiative. While the problem was certainly very grave, it was not neglected; but, rather, belonged in the category of the Kashmir problem, which was likewise under study in the Department all the time. We will have to keep after the Arab-Israeli dispute continuously, but we simply could not bull our way through to a settlement of the problem by our own efforts alone. The President seemed to agree with the position taken by the Secretary of State, who cited the President's recent letter to Ben-Gurion as evidence of the State Department's effort to take the initiative in resolving this dispute.

Mr. George Allen said that it seemed to him possible that Jordan would prove to be the key to an Arab-Israeli settlement. If Jordan collapses, Israel would be tempted to take over the cloverleaf part of Jordan. Instead, we could propose to go back to something like the terms of the 1947 Resolution of the United Nations and create an Arab state and also plug for the internationalization of Jerusalem. The President commented that any ideas on how to resolve the Arab-Israeli dispute were certainly worthy of discussion.[12]

The Acting Director of OCDM, Mr. Patterson, indicated the willingness of his agency to undertake the oil study called for by the footnote to paragraph 22 of NSC 5820, if this was the view of the Council. He also added that he could not wholly agree with the position taken by the

[12] Allen provided Gray with a reconstruction of his remarks to the NSC. They are printed as an attachment.

OCDM member of the Planning Board, in paragraph 10 and the footnote thereto, in which the OCDM member had called for a positive U.S. policy of encouraging neutralist policies in the states of the Near East. Mr. Patterson indicated that he had revised language to offer as a substitute for the suggestion made by the OCDM Planning Board member.

Mr. Gray suggested, at the end of the meeting, that the President direct the Planning Board to revise NSC 5820 in the light of the discussion at this morning's meeting. This proposal was accepted.

Mr. Allen Dulles indicated some dissatisfaction with the language of paragraph 41, dealing with Yemen. In turn, Secretary Dulles expressed his desire to retain in the final policy paper the statement, in paragraph 38–b on Jordan, that we should "seek to transfer to Jordan's Arab neighbors major responsibility for economic support of Jordan if at all possible." (The OCDM and JCS Planning Board representatives had proposed deletion of this statement as being intrinsically unrealistic.)

The National Security Council:[13]

a. Discussed the draft statement of policy on the subject contained in NSC 5820, prepared by the NSC Planning Board pursuant to NSC Action No. 1973–b; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of October 14, 1958.

b. Referred the draft statement of policy in NSC 5820 to the NSC Planning Board for revision in the light of the discussion at the meeting, especially the agreement that the statement in paragraph 36–b should be taken as the fundamental guide for U.S. policy in dealing with Nasser and radical pan-Arab nationalism.

c. Requested the Director, Office of Civil and Defense Mobilization, to undertake in coordination with other interested agencies, including the Departments of State, Defense, Commerce and the Interior, a study of the feasibility of using other sources of petroleum and additional transit facilities (taking into account available information as to other sources of energy) as a means of reducing the dependence of Western Europe on Middle East petroleum and on existing transit facilities; and to report to the Council at the earliest practicable time in 1959, with any policy recommendations found appropriate or necessary.

Note: The action in c above, as approved by the President, subsequently transmitted to the Director, OCDM, for appropriate action, with information copies to the Secretaries of State, Defense, Commerce and the Interior.

S. Everett Gleason

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[13] Paragraphs a–c and the Note that follows constitute NSC Action No. 1999, approved by the President on October 20. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[Attachment][14]

Memorandum From the Director of the United States Information Agency (Allen) to the President's Special Assistant for National Security Affairs (Gray)

Washington, November 13, 1958.

Mr. Allen said he believed the U.S. Government should consider the re-creation of an Arab State in the Palestine area of Jordan. He thought the time had come to acknowledge that Jordan is no longer viable and should be discontinued, the area east of the Jordan River going to Iraq, Syria and perhaps Saudi Arabia.

As General Twining had pointed out, the chief danger of renewed fighting between Israel and the Arab nations lay in any attempted occupation of Arab Palestine by Iraqi or UAR troops. This would undoubtedly be resisted by Israeli troops. The creation of a separate Arab state in Palestine, under U.N. auspices and possibly U.N. police control, would prevent such development.

The new state would be in economic union with Israel, as provided by the U.N. resolution of November 1947. We should recognize that it would become, in fact, more or less an economic dependency of Israel, but since some 400,000 of the Arab refugees reside in this area, Israel might be brought, in this way, to make a contribution to the support and possibly settlement of these refugees. The U.N. should continue, at least for the time being, to support and maintain the refugee camps with food, schools, etc.

This proposed solution would be accepted by Israel. The UAR would probably object, but the plan tends to return in some part to the 1947 resolution, which the Arabs constantly cite as the basis of their policy. More important, it is the best way to avoid another round of fighting, which would probably result in an Arab defeat.

Mr. Allen said he would not recommend re-opening the question of the 1949 armistice boundaries of Israel. He thought our position should be that this question be left to subsequent negotiation, possibly between Israel and the U.N. acting on behalf of Arab Palestine.

He thought Jerusalem should be internationalized to the extent feasible, and at least to the extent of providing full access to the Holy Places by any religious pilgrims or other visitors. Freedom of access could be supervised and assured by a U.N. commission.

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[14] Secret. A handwritten note at the end of the source text indicates it was sent to Gray on November 13.

50. Memorandum of Discussion at the 384th Meeting of the National Security Council

Washington, October 30, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–3.]

4. *U.S. Policy Toward the Near East* (NSC 5801/1; NSC Action No. 1973; SNIE 30–3–58; SNIE 30–4–58; Memo for NSC from Acting Executive Secretary, subject: "Factors Affecting U.S. Policy Toward the Near East", dated August 19, 1958; NSC 5820; Memos for NSC from Executive Secretary, subject: "U.S. Policy Toward the Near East", dated October 14[1] and 24, 1958;[2] NSC Action No. 1999[3])

In the course of briefing the Council on the changes made in the text of NSC 5820 by the Planning Board in the light of last week's Council discussion of this report, Mr. Gray emphasized that the revised paragraph 36–a illustrated the general approach which the paper as a whole took to the controversial issue of how best to deal with Nasser. Mr. Gray read paragraph 36–a in which the Council indicated its satisfaction and concurrence. Revised paragraph 36–a reads as follows:

"36. a. Seek to normalize our relations with the United Arab Republic. Recognizing that U.S. accommodation with Nasser would contain elements contrary to U.S. interests, deal with Nasser as head of the UAR on specific problems and issues, area-wide as well as local, affecting the UAR's legitimate interests, but not as leader of the Arab world."

(A copy of Mr. Gray's briefing note is filed in the minutes of the meeting, and another is attached to this memorandum.)[4]

Mr. Gray then called attention to paragraph 14–d on page 9 of NSC 5820, reading as follows:

"d. Nevertheless, if it is determined that U.S. objectives in the area would be advanced thereby (as might be the case if area states were to be prevented from becoming wholly dependent on Soviet bloc sources for military equipment), [provide limited military aid, grant or reimbursable.] [provide military aid in amount and type appropriate to meet the situation.]"[5]

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on October 31.

[1] See footnotes 1–8, Document 49.

[2] The October 24 memorandum contained the revisions to NSC 5820 made by the Planning Board as directed in NSC Action No. 1999.

[3] See footnote 13, Document 49.

[4] Attached but not printed.

[5] Brackets in the source text.

He pointed out that most members of the Planning Board preferred the language in the first bracket, whereas the Joint Chiefs of Staff preferred the language in the second bracket. Because this was the only remaining difference of view in the paper, Mr. Gray explained the positions taken by the two parties, and thereafter called on General Twining for further elucidation of the position of the Joint Chiefs of Staff on this difference.

General Twining explained his view and that of the Chiefs, that if we really proposed to keep the Soviets out of the Middle East, which was one of our major objectives, we should do whatever was necessary to secure this objective. Whether our aid was limited or otherwise would depend on the circumstances.

The President expressed his preference for the first version, containing the term "limited", because it seemed to him that the use of the term "limited" was consistent with what the United States always sought—namely, to avoid getting in the middle of nations competing for our arms. By and large the President expressed the thought that the differences in language in paragraph 14–d constituted a distinction without a difference.

Secretary Dulles commented that as far as the difference in language in paragraph 14–d was concerned, State was quite prepared to take either version. After all, the United States never did provide unlimited aid to any nation. On the other hand, our aid is always limited in some degree, and of course the term "limited" did not mean insignificant. The President suggested that the problem might be met by adding language to state that we would provide military aid in the amount necessary "to comply with our best interests." Mr. Stans, Director of the Bureau of the Budget, indicated certain anxieties as to the budgetary implications of the JCS language, and stated he preferred the first version, calling for the provision of limited aid. Mr. Stans pointed out that it was always possible for the Government to authorize exceptions to the provision of merely limited aid if the circumstances warranted.

Mr. Gray expressed the view that the members of the Planning Board had not intended the term "limited" to be synonymous with the word "token".

Secretary Quarles then suggested that the Council agree to take the second version, adding some such phrase as "in the minimum amount necessary to meet the situation." The Council agreed to this proposal.

Mr. Gray next called attention to paragraph 27, on pages 15 and 16 of NSC 5820, dealing with U.S. courses of action in the event of renewed Israeli-Arab armed conflict. Mr. Gray expressed the opinion that in view of Mr. Allen Dulles' warning of the possibility of a new outbreak of hostilities between Israel and the Arab states, the Council should be

particularly aware of the policy guidance on this subject in paragraphs 27, 28, and 29, which he proceeded to read, as follows:

"27. In the event of major Israeli-Arab armed conflict not coming within the American doctrine, the United States should be prepared to take the following concurrent actions against the state or states which are determined by a United Nations finding or, if necessary, by the United States, to be responsible for the conflict or which refuse to withdraw their forces behind the Palestine Armistice line of 1949:

"a. Raise the matter in the United Nations with a view to halting the aggression.

"b. Discontinue U.S. Government aid.

"c. Embargo U.S. trade.

"d. Prevent the direct or indirect transfer of funds or other assets subject to U.S. control.

"e. Seek a United Nations resolution calling on all states to desist from sending military matériel and personnel to such state or states.

"28. Take the following actions either before or concurrent with measures outlined in paragraph 27:

"a. Urge other countries, as appropriate, to take action similar to that of the United States.

"b. Make every effort to secure United Nations sanction and support for all such actions.

"29. Because the actions in paragraphs 27–28 above may not be sufficient to end the hostilities promptly, be prepared to take appropriate military action against the aggressor. Such action should be taken through the United Nations, although unilateral action by the United States might be required."

The President pointed out that these paragraphs emphasized the serious problem which might face the United States in attempting to determine who precisely was the aggressor in the event of a war between Israel and the Arab states. Secretary Dulles agreed with the President that it would indeed be very difficult to define the aggressor, particularly if the Kingdom of Jordan disintegrated. In short, an Arab-Israeli war would probably not develop in the way that the aforementioned paragraphs seemed to anticipate.

Mr. Stans called particular attention to the first sentence of paragraph 27, pointing out that if war occurred, Israel would almost certainly move beyond the Palestine Armistice line of 1949 and would, accordingly, be the aggressor. Secretary Dulles thought that Mr. Stans had made a good point.

The President turned to General Twining and asked him if the Joint Chiefs of Staff had ever war-gamed a situation in which the Egyptians and Syrians had moved against Jordan and the Israelis had replied by attacking first Syria and then Egypt. General Twining replied that the

Chiefs had not undertaken such a war game, but would be glad to look into it. The President cautioned that he did not wish an elaborate report, but merely a short memorandum on the subject. General Twining added that his views coincided with those of the President, that the Israelis could again defeat their enemies if war broke out in the Near East.

Secretary Dulles, reverting to the point that Mr. Stans had called attention to earlier, suggested that it might be wise to strike out of the first sentence of paragraph 27 the lines relating to the refusal to withdraw forces behind the Palestine Armistice line of 1949. Agreeing with the Secretary of State's proposal, the President added that of course no armistice line would exist between Jordan and Israel if the Jordanian state collapsed. Over and above this, the present phraseology seemed to the President too precise and narrow a definition of the aggressor. He suggested deletion of this phraseology.

Mr. Allen Dulles commented on the phraseology of paragraph 41, dealing with Yemen, reading as follows:

"41. Seek to improve the U.S. position in Yemen, as opportunities present themselves, through such measures as the establishment of resident diplomatic representation, the rapid implementation of a few sound development projects with impact value, and the encouragement of U.S. private economic activity. Seek through cooperation with other appropriate states to restrict Soviet penetration. Seek to lend good offices to the extent possible to improve United Kingdom–Yemen relations."

He pointed out that the Russians and Czechs had secured a strong foothold in Yemen. As a result, he felt it possible that certain tribal elements might well stage a revolt against the Imam, who had permitted this Communist infiltration. Thus a quite critical situation could develop. Mr. Dulles felt that the paragraph gave adequate guidance [*less than 1 line of source text not declassified*].

Finally, Mr. Gray suggested that the Council take a good look at paragraph 38, on pages 20 and 21 of NSC 5820, with regard to U.S. policy toward Jordan, reading as follows:

"38. a. Recognizing that the indefinite continuance of Jordan's political status has been rendered unrealistic by recent developments and that attempts on our part to support its continuance may also represent an obstacle to our establishing a working relationship with Arab nationalism, seek, in the context of constructive efforts by the UN and individual states, to bring about peaceful evolution of Jordan's political status and to reduce the U.S. commitment in Jordan.

"b. Bearing in mind that an abrupt change in Jordan's status would be viewed generally as a political defeat for the West, be prepared in the interim, for essentially political reasons, to provide necessary assistance which might be used for economic development, budgetary support, and military assistance. Seek to transfer to Jordan's Arab neighbors major responsibility for economic support of Jordan if at all possible.

"c. Make every effort to avoid conflict between the Arabs and Israel as a result of an abrupt change in Jordan's status.

"d. Encourage such peaceful political adjustment by Jordan, including partition, absorption, or internal political realignment, as appears desirable to the people of Jordan and as will permit improved relations with Jordan's Arab neighbors. Seek to insure the peaceful acquiescence of Israel and of Jordan's Arab neighbors in any such adjustment."

Mr. Gray said he felt that this was pretty strong language, especially in paragraph 38–d. On the other hand, of course, no one seemed to be suggesting that Jordan could continue to exist in its present form and structure.

The National Security Council:[6]

a. Discussed the draft statement of policy on the subject contained in NSC 5820, as revised by the NSC Planning Board pursuant to NSC Action No. 1999–b (revisions transmitted by reference memorandum of October 24, 1958).

b. Adopted the statement of policy in NSC 5820, as revised, subject to the following amendments:

(1) *Page 9, paragraph 14–d:* Delete the bracketed phrases, substituting therefor the following: "provide military aid in minimum amounts and of the type appropriate to meet the situation."

(2) *Page 15, paragraph 27, lines 6 and 7:* Delete the words "or which refuse to withdraw their forces behind the Palestine Armistice line of 1949:"

c. Noted the President's request that the Joint Chiefs of Staff make a brief report to him, giving a current appraisal of comparative Arab-Israeli capabilities in the event of hostilities.

Note: The statement of policy in NSC 5820, as amended and adopted, subsequently approved by the President; circulated, together with the Financial Appendix and Annex B thereof, as NSC 5820/1[7] for implementation by all appropriate Executive departments and agencies of the U.S. Government; and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

The action in c above, as approved by the President, subsequently transmitted to the Secretary of Defense for appropriate implementation by the Joint Chiefs of Staff.

S. Everett Gleason

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[6] Paragraphs a–c and the Note that follows constitute NSC Action No. 2003, approved by the President on November 4. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[7] Document 51.

51. National Security Council Report

NSC 5820/1 Washington, November 4, 1958.

U.S. POLICY TOWARD THE NEAR EAST

REFERENCES

A. NSC 5801/1
B. NSC Action No. 1973
C. SNIE 30–3–58; SNIE 30–4–58
D. Memo for NSC from Acting Executive Secretary, subject: "Factors Affecting U.S. Policy Toward the Near East", dated August 19, 1958
E. NSC 5820
F. Memos for NSC from Executive Secretary, subject: "U.S. Policy Toward the Near East", dated October 14 and 24, 1958
G. NSC Actions Nos. 1999 and 2003[1]

The National Security Council, the Acting Secretary of the Treasury, and the Director, Bureau of the Budget, at the 384th NSC Meeting on October 30, 1958, adopted the statement of policy contained in NSC 5820, as revised by the NSC Planning Board pursuant to NSC Action No. 1999–b, and transmitted by the reference memorandum of October 24, 1958, and as amended by NSC Action No. 2003–b.

The President has this date approved the statement of policy in NSC 5820, as revised, amended, and adopted by the Council and enclosed herewith as NSC 5820/1; directs its implementation by all appropriate Executive departments and agencies of the U.S. Government; and designates the Operations Coordinating Board as the coordinating agency.

Also enclosed, for the information of the Council, are a Financial Appendix and an Annex ("Summary of Publicly Announced U.S. Policy on Near East Questions").

The enclosed statement of policy, as adopted and approved, supersedes NSC 5801/1.

James S. Lay, Jr.[2]
Executive Secretary

[Here follows a table of contents.]

Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5820 Memoranda. Top Secret.

[1] See footnotes 1–8 and 13, Document 49, and footnotes 2 and 6, Document 50.

[2] Printed from a copy that bears this typed signature.

[Enclosure][3]

STATEMENT OF U.S. POLICY TOWARD THE NEAR EAST[4]

Introduction

1. Current conditions and political trends in the Near East are inimical to U.S. and other Western interests. The two basic trends in the area which have led to the weakening of the Western position have been the emergence of the radical pan-Arab nationalist movement and the intrusion of the USSR into the area. During the past three years, the West and the radical pan-Arab nationalist movement have become arrayed against each other. The West has supported conservative regimes opposed to radical nationalism, while the Soviets have established themselves as its friends and defenders. The virtual collapse during 1958 of conservative resistance, leaving the radical nationalist regimes almost without opposition in the area, has brought a grave challenge to Western interests in the Near East.

2. Faced with this challenge, we must determine which of our interests may be reconcilable with the dominant forces in the area. Similarly, we must reappraise our objectives and define those which are of such overriding importance that they must be achieved, if necessary, at the expense of others less essential. The critical importance of Near Eastern oil to our NATO allies requires that we make every effort to insure its continued availability to us and to our allies. Less essential, but of considerable importance to us and our allies, are the military and commercial transit facilities of the Near East.

3. The most dangerous challenge to Western interests arises not from Arab nationalism per se but from the coincidence of many of its objectives with many of those of the USSR and the resultant way in which it can be manipulated to serve Soviet ends. Soviet policy in the Near East is aimed at weakening and ultimately eliminating Western influence, using Arab nationalism as an instrument, and substituting Soviet influence for that of the West. Soviet domination of the Near East would constitute a major shift in the world balance of power, facilitate the penetration of Africa by the USSR, and have seriously adverse repercussions on our prestige and position elsewhere in the world. Moreover, Soviet domination would also deny our NATO allies assured access to

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[3] Top Secret.

[4] Includes UAR, Yemen, Jordan, Saudi Arabia, Lebanon, Iraq, Israel, Sudan, and the Arabian Peninsula Sheikdoms. Takes into account as appropriate, the importance of Iran, Turkey and Pakistan to the Near East, but does not attempt full coverage of U.S. policies toward Iran, Turkey and Pakistan, which are included in other NSC reports (NSC 5703/1, NSC 5708/2, and NSC 5701). [Footnote in the source text. See footnote 8, Document 5 regarding the three NSC papers cited here.]

Near East oil and would provide the Soviets with a lever to disrupt the NATO alliance.

4. It has become increasingly apparent that the prevention of further Soviet penetration of the Near East and progress in solving Near Eastern problems depends on the degree to which the United States is able to work more closely with Arab nationalism and associate itself more closely with such aims and aspirations of the Arab people as are not contrary to the basic interests of the United States. In the eyes of the great mass of Arabs, considerable significance will be attached to the position which the United States adopts regarding the foremost current spokesman of radical pan-Arab nationalism, Gamal Abdel Nasser. We must consider, at the same time, the degree to which this can be accomplished without destroying our freedom of action in dealings with other Arab leaders and in discreetly encouraging such leaders when we see signs of independent views and without resigning the United States to an acceptance of the inevitability of Nasser's undisputed hegemony over the whole of the Arab world. To be cast in the role of Nasser's opponent would be to leave the Soviets as his champion. At the same time, we face the fact that certain aspects of the drive toward Arab unity, particularly as led by Nasser, are strongly inimical to our interests. This is especially the case in various areas around the fringe of the Arab world—e.g., the Sudan, Libya, Tunisia, and Morocco—where Nasser's revolutionary influence and his welding together of pan-Arabism and Egypt's old aspirations in Africa threaten pro-Western regimes, and in Algeria. Moreover, the Arabs remain bitter over the U.S. role, as they see it, in the establishment of the State of Israel and over U.S. public and private financial assistance and political support for Israel during the past ten years.

Objectives

5. It is essential that the following *primary* objectives be achieved:

a. Denial of the area to Soviet domination.

b. Continued availability of sufficient Near Eastern oil to meet vital Western European requirements on reasonable terms.

6. It is desirable that the U.S. also achieve the following *secondary* objectives to the extent compatible with the two primary objectives:

a. Peaceful resolution as early as possible, in whole or in part, of the Arab-Israeli dispute.

b. Continued availability to the United States and its allies of rights of peaceful passage through and intercourse with the area in accordance with international law and custom and existing international agreements.

c. Political evolution and economic and social development in the area to promote stable governments, popularly supported and resistant to Communist influence and subversion.

d. Continued availability to the United States and its allies of important strategic positions, including military overflight, staging and base rights in the area.

e. The expansion of U.S. and, where appropriate, Free World influence in the area, and the countering and reduction of Communist influence.

Major Policy Guidance

General

7. Endeavor to establish an effective working relationship with Arab nationalism while at the same time seeking constructively to influence and stabilize the movement and to contain its outward thrust, and recognizing that a policy of U.S. accommodation to radical pan-Arab nationalism as symbolized by Nasser would include many elements contrary to U.S. interests.

8. Seek to demonstrate to the peoples and governments of the area that primary U.S. objectives are fundamentally compatible with the goals of Arab nationalism, whereas the objectives of international Communism are incompatible with the aims of true nationalism.

9. Recognize that the essentially neutralist character of radical pan-Arab nationalism may make it incompatible with maintenance of the special political, military and economic interests comprising the Western strategic position in the area. Seek to reconcile these interests with nationalist aspirations. To assure the achievement of our objectives, be prepared if it becomes necessary to make appropriate revisions in the existing Western strategic position. Seek to retain the existing Western military position to the maximum extent feasible consistent with the foregoing.

10. While seeking pro-Western orientation, accept neutralist policies of states in the area when necessary, even though such states maintain diplomatic, trade and cultural relations with the Soviet bloc (or receive military equipment), but endeavor to insure that these relations are reasonably balanced by relations with the West.

11. Support the idea of Arab unity and a closer association among the Arab states of the area, so long as that association is achieved in accordance with the apparent desires of the peoples of the states concerned and without posing a threat to the general peace and stability of the area.

12. Promote both national and regional economic development by:

a. Encouraging allocation of indigenous resources to economic development.

b. Encouraging private organizations and Free World governments interested in the area to contribute financial and technical assistance.

c. Supporting loans by international organizations where consistent with relevant U.S. loan policies.

d. Being prepared to support a soundly-organized Arab development institution should the nations of the area agree on the usefulness of such an institution and should they be prepared to support it with their own resources.

e. Being prepared to provide U.S. loans for projects which are consistent with relevant U.S. loan policies; and continue technical assistance.

13. Be prepared, on a case-by-case basis for essentially political reasons, to provide financial assistance which might be utilized for budgetary support, balance of payments support, or economic development.

14. a. Emphasize the political and economic aspects of our policy over its military aspects, but maintain a capability to use force to achieve our present objectives.

b. Endeavor to reduce the current preoccupation of area states with exaggerated needs for growing military establishments, and discourage their procurement of military equipment beyond their economic capabilities.

c. If desired by the countries of the area, support the establishment of an appropriate UN body to examine the flow of heavy armaments to the Near East with the aim of preventing a new arms race spiral.

d. Nevertheless, if it is determined that U.S. objectives in the area would be advanced thereby (as might be the case if area states were to be prevented from becoming wholly dependent on Soviet Bloc sources for military equipment), provide military aid in minimum amounts and of the type appropriate to meet the situation.

15. Support leadership groups which offer the best prospect of progress toward U.S. objectives in this area, but avoid becoming identified with specific internal issues or individuals. Seek to discredit groups which promote pro-Soviet thinking. Seek to increase the participation of urban "intellectuals" in Western-oriented activities.

16. a. Seek to create a climate favorable to the United States through the maximum encouragement of effective direct relations between U.S. citizens and peoples of the area.

b. Devote more effort to the development of local leaders, administrators and skilled personnel by strengthening educational institutions and by selectively expanding training programs in administrative and technical skills.

c. Provide selectively for emphasis on personnel exchange programs.

d. Emphasize those cultural efforts which in the long run develop better understanding of the United States and build better interrelationships with the peoples of the area. Continue to improve informational techniques which on a day-to-day basis promote a broader comprehension of U.S. policies and counter adverse propaganda.

17. Accept major responsibility for providing Free World leadership toward the area. Keep the United Kingdom currently informed through agreed channels of U.S. policies and programs and, to the extent compatible with U.S. area objectives, make a major effort to achieve and maintain harmony, particularly with the United Kingdom but also with other Free World countries interested in the Near East; but reserve the right to act alone. In consulting generally with the French, exercise appropriate caution, bearing in mind France's close relations with Israel.

18. Support a continued substantial British position in the Persian Gulf and Arabian Peninsula with particular reference to the Sheikdoms. Endeavor to influence peaceful and equitable solutions to questions in which Britain is interested, such as the frontier problems of Southeastern Arabia and the Yemen–Aden frontier. Recognizing that efforts to work constructively with Arab nationalism may sometimes conflict with interests of NATO allies, seek in particular to persuade the NATO governments of the advantages to the West of such efforts.

The East-West Conflict

19. Take action where necessary to demonstrate the continued U.S. willingness and intention to counter Communist aggression in the Near East under the policy established by the Middle East Resolution and related policies.

20. While continuing to encourage the resistance of Arab nations to Soviet imperialism, avoid for the present any active efforts to enlist Arab nations in regional collective security arrangements.

21. a. While recognizing Soviet presence and interest in the area, continue to make clear to the USSR the nature of Western interests in the area and Western determination to defend these interests.

b. Endeavor to place the USSR in positions, within the UN and elsewhere, wherein it cannot openly oppose constructive measures without bearing the onus for their failure.

c. Decline to enter into arrangements with the USSR in respect of the area except in forums in which the states concerned are duly represented.

d. In the context of the UN, seek to bring the USSR to accept responsibility in such matters as maintenance of the territorial status quo in the Near East against forcible change, a verifiable arms control system, steps toward an Arab-Israeli settlement, and a cessation of Soviet subversive activities within and directed at the area.

Oil

22. Be prepared, when required, to come forward with formulas designed to reconcile vital Free World interests in the area's petroleum

resources with the rising tide of nationalism in the area. Encourage broad diversification of means of transporting oil to the Free World.[5]

23. Be prepared to use force, but only as a last resort, either alone or in support of the United Kingdom, to insure that the quantity of oil available from the Near East on reasonable terms is sufficient, together with oil from other sources, to meet Western Europe's requirements, recognizing that this course will cut across the courses of action envisioned above toward Arab nationalism and could not be indefinitely pursued.

Arab-Israeli Dispute

Resolution of the Arab-Israeli Dispute

24. Seek opportunities to take the initiative, through the UN or through third parties, toward an Arab-Israeli settlement within the context of the Secretary of State's speech of August 26, 1955.[6] Elements of the problems which would have to be settled include: establishment of the boundaries of Israel, settlement of the refugee problem, a UN review of the Jerusalem problem, equitable division of the waters of the Jordan River system, relaxation of trade and transit restrictions, and limitation on annual immigration into Israel. Be prepared to accept, if necessary, a constructive settlement short of a formal peace treaty and addressed to only some rather than all of the outstanding issues, and with some rather than all of the Arab states.

Thwarting of Aggression

25. Seek to maintain the United Nations Truce Supervisory Organization (UNTSO) and the United Nations Emergency Force (UNEF) until such time as major differences between Israel and her neighboring states have been resolved and the likelihood of armed conflict has been significantly reduced. Seek full compliance with the Armistice Agreements of 1949 by the parties thereto.

26. On the grounds that the United States has not been a major supplier of arms to Israel, continue limitations on shipments of arms to Israel except for the minimum numbers and types necessary for maintenance of internal law and order, and on a realistic basis for legitimate self-defense. Solicit the assistance of other nations in implementing this policy of limitation.

27. In the event of major Israeli-Arab armed conflict not coming within the American doctrine, the United States should be prepared to

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[5] The Office of Civil and Defense Mobilization and other interested agencies have undertaken a study of the feasibility over the longer term of using other sources of petroleum and additional transit facilities (taking into account other sources of energy) as a means of reducing the dependence of Western Europe on Middle East petroleum and on existing transit facilities. (See NSC Action No. 1999–c.) [Footnote in the source text.]

[6] For text, see Department of State *Bulletin*, September 5, 1955, pp. 378–380.

take the following concurrent actions against the state or states which are determined by a United Nations finding or, if necessary, by the United States, to be responsible for the conflict:

a. Raise the matter in the United Nations with a view to halting the aggression.

b. Discontinue U.S. Government aid.

c. Embargo U.S. trade.

d. Prevent the direct or indirect transfer of funds or other assets subject to U.S. control.

e. Seek a United Nations resolution calling on all states to desist from sending military matériel and personnel to such state or states.

28. Take the following actions either before or concurrent with measures outlined in paragraph 27 above:

a. Urge other countries, as appropriate, to take action similar to that of the United States.

b. Make every effort to secure United Nations sanction and support for all such actions.

29. Because the actions in paragraphs 27–28 above may not be sufficient to end the hostilities promptly, be prepared to take appropriate military action against the aggressor. Such action should be taken through the United Nations, although unilateral action by the United States might be required.

Immediate Steps

30. Make clear as appropriate that, while U.S. policy embraces the preservation of the State of Israel in its essentials, we believe that Israel's continued existence as a sovereign state depends on its willingness to become a finite and accepted part of the Near East nation-state system.

31. Apart from possible financial assistance to Israel in the context of a satisfactory solution of the refugee problem, be prepared to continue economic assistance to Israel at about present levels.

32. a. During the remainder of the mandate of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which is due to expire on June 30, 1960, be prepared to continue to support the agency to an extent not to exceed 70 percent of all government contributions.

b. In anticipation of the end of UNRWA's present mandate, oppose the extension of UNRWA beyond June 30, 1960, under its present terms of reference and develop on an urgent basis possible longer-range solutions for the refugee problem.

33. Be prepared to support Israel's legal right to use the Suez Canal when it is at issue, but, recognizing the intransigent UAR attitude on this matter and its connection with the Arab-Israeli dispute and the Gulf of Aqaba question, discourage Israel for the time being from asserting the right of Israeli flag vessels to use the Canal.

34. Seek to prevent resort to force by any party over the question of the use of the Gulf of Aqaba by Israel-bound shipping. Seek to continue the neutralization of the Gulf through the presence of UNEF forces.

35. Support the development of segments of the Jordan River system when not in conflict with the unified plan for development of the Jordan River basin.

United Arab Republic

36. a. Seek to normalize our relations with the United Arab Republic. Recognizing that U.S. accommodation with Nasser would contain elements contrary to U.S. interests, deal with Nasser as head of the UAR on specific problems and issues, area-wide as well as local, affecting the UAR's legitimate interests, but not as leader of the Arab world.

b. Be alert to any possibilities which may occur for broader understanding or consultation between the United States and the UAR. Explore particularly the extent to which greater U.S. cooperation with the UAR might serve to limit UAR contacts with the Soviet Bloc and Soviet influence in the area and might also reduce UAR dependence upon Soviet trade and military assistance.

c. While seeking normal relations with the UAR, take discreet advantage of trends in the area which might render less likely further expansion of Nasser's position. However, recognize that too direct efforts on our part to stimulate developments lessening the pre-dominant position of Nasser might be counter-productive.

d. Avoid consultation with Nasser on African problems which might imply our encouragement of the extension of his influence into Africa.

e. Seek discreetly to maintain U.S. contact with and influence among Syrian leaders, primarily at the present time by the maintenance of strong consular representation.

Saudi Arabia

37. a. Maintain friendly relations with the Saudi Arabian Government, with the primary purpose of continuing effective U.S. influence in Saudi Arabia.

b. Encourage efforts by the Government of Saudi Arabia to undertake a program of financial, economic, and social reform.

c. Recognizing the position of reduced influence of King Saud, continue friendly contact with him and consider direct requests from him to the extent that such requests do not seriously prejudice U.S. relations with the Saudi Arabian Government. Recognize that King Saud continues to have important support from elements in Nejd.

d. Maintain a military assistance program, primarily in the form of procurement assistance arrangements and training for the Saudi

Arabian armed forces for internal security purposes. Continue to cooperate with Saudi Arabia at the Dhahran airfield in accordance with existing agreements. Anticipate a request for a substantial change in U.S. relationships at Dhahran upon expiration of the present agreement (1962).

e. Seek to increase U.S. influence and understanding among groups in Saudi Arabia from which elements of leadership may emerge, particularly in the armed forces and the middle level Saudi Arabian Government officials.

f. When feasible assist in the restoration of normal relations between Britain and Saudi Arabia.

Jordan

38. a. Recognizing that the indefinite continuance of Jordan's present political status has been rendered unrealistic by recent developments and that attempts on our part to support its continuance may also represent an obstacle to our establishing a working relationship with Arab nationalism, seek, in the context of constructive efforts by the UN and individual states, to bring about peaceful evolution of Jordan's political status and to reduce the U.S. commitment in Jordan.

b. Bearing in mind that an abrupt change in Jordan's status would be viewed generally as a political defeat for the West, be prepared in the interim, for essentially political reasons, to provide necessary assistance which might be used for economic development, budgetary support, and military assistance. Seek to transfer to Jordan's Arab neighbors major responsibility for economic support of Jordan if at all possible.

c. Make every effort to avoid conflict between the Arabs and Israel as a result of an abrupt change in Jordan's status.

d. Encourage such peaceful political adjustment by Jordan, including partition, absorption, or internal political re-alignment, as appears desirable to the people of Jordan and as will permit improved relations with Jordan's Arab neighbors. Seek to insure the peaceful acquiescence of Israel and of Jordan's Arab neighbors in any such adjustment.

Iraq

39. a. Seek to maintain friendly relations with the new Iraqi regime on a reciprocal basis including a willingness to continue U.S. technical assistance as appropriate as an indication of friendship and with a view to limiting Soviet influence.

b. Acquiesce in but do not actively encourage Iraqi withdrawal from the Baghdad Pact.

c. On request, indicate that we are willing to give sympathetic consideration to the continuance of military assistance in limited amounts if the Iraqis are prepared to cooperate in making its continuation

fruitful; if Iraqi cooperation is not forthcoming, take the initiative to terminate it.

d. Encourage elements within Iraq disposed to friendly relations with the West, but avoid becoming identified with specific individuals and political issues.

Lebanon

40. Support the continued independence and integrity of Lebanon, but avoid becoming too closely identified with individual factions in Lebanese politics and seek discreetly to disengage from relationships that may be disadvantageous to U.S. interests.

a. Provide Lebanon with political support and with military assistance for internal security purposes, stressing our support for the country as a whole rather than for a specific regime or faction.

b. Reduce grant economic assistance as feasible and emphasize Lebanon's capacity to borrow from international lending institutions for purposes of economic development.

c. Where appropriate seek to encourage the acceptance of Lebanon's unique status by its Arab neighbors, and, if desired by and acceptable to the people concerned, be prepared to subscribe to a United Nations guarantee of the continued independence and integrity of Lebanon.

Yemen

41. Seek to improve the U.S. position in Yemen, as opportunities present themselves, through such measures as the establishment of resident diplomatic representation, the rapid implementation of a few sound development projects with impact value, and the encouragement of U.S. private economic activity. Seek through cooperation with other appropriate states to restrict Soviet penetration. Seek to lend good offices to the extent possible to improve United Kingdom–Yemen relations.

The Sudan

42. a. Support the independence and territorial integrity of the Sudan. While avoiding specific commitments, extend general assurances to the Sudan Government regarding the continuing interest of the United States in the independence and integrity of small nations.

b. Work to keep the Sudan free of UAR domination, but recognize the vital importance of the Nile waters to the UAR economy and the understandable interest of the UAR in Sudanese policies and actions affecting the Nile. Recognize the Sudan's interest in international development of the Nile, but avoid espousing the specific position of the Sudan or any other riparian state with respect to this problem. Endeavor to facilitate in so far as possible the attainment among the states directly concerned of an equitable settlement of the Nile waters problem. Lend

appropriate support to Sudanese efforts to exercise a conciliatory role in Arab League councils.

c. Encourage closer Sudanese relations with friendly African states, especially Ethiopia. Foster efforts on the part of Ethiopia to assist the Sudan in solving its economic and security problems.

d. So long as the Sudan displays evidence of its intention to maintain its independence, be prepared to consider, on Sudanese request, a small program directed at increasing the internal security capabilities of the Sudanese internal security forces.

e. Provided there are indications that the Sudanese Government is succeeding in implementing measures necessary to protect the Sudan's independence and to assure the success of U.S. aid programs, be prepared to consider additional aid for specific development projects and, if necessary, balance of payments or budgetary assistance to strengthen the hand of pro-Western leaders. In the absence of such indications, carry out existing aid commitments but limit further assistance.

f. While recognizing the primary responsibility of the United Kingdom for training and equipping the Sudanese Army, be prepared for political reasons to consider a Sudanese request for military assistance in the event that the government succeeds in implementing the measures necessary to protect its independence and material aid is not forthcoming from the United Kingdom.

Agricultural Surplus Problems

43. Seek to find appropriate means whereby Free World countries, particularly the NATO countries, could work together to find markets for critical surpluses of the areas, and at the same time encourage the countries of the area to diversify their agricultural output so as to avoid over-production and undue reliance on a single crop.

44. In carrying out U.S. surplus disposal programs:

a. Give particular attention to the economic vulnerabilities of Near East states and avoid, to the maximum extent practicable, detracting from the ability of these countries to market their own exportable produce.

b. Give particular emphasis to the use of such surpluses to promote multilateral trade and economic development.

Psychological

45. In all our relations with the Near East, recognize that cultural and linguistic as well as other differences between the United States and the peoples of the area require a special effort on our part to promote better basic understanding and to reduce their suspicion of outsiders. Keep in mind the importance of using tactics that will not be misunderstood. Take into account that recent developments in the area have

reduced our prestige and popularity, as well as the receptivity of the peoples of the area to our statements of peaceful intentions.

46. Work to strengthen our influence and to better the comprehension of our aims by:

a. Stressing U.S. support for major Arab goals, including:

(1) Freedom and independence of Near East nations.
(2) Local responsibility for local problems.
(3) The idea of Arab unity and a closer association among the states of the area.
(4) Opposition to external domination and infringement of local sovereignty.

b. Seeking to demonstrate to the peoples and governments of the area that primary U.S. objectives are fundamentally compatible with the goals of Arab nationalism, whereas the objectives of international communism are incompatible with the aims of true nationalism.

c. Further and explain U.S. policies and objectives by emphasizing:

(1) U.S. willingness to contribute to local economic development.
(2) U.S. support for the United Nations.
(3) U.S. concern for the social and cultural advancement of the peoples of the area, without minimizing the dangers of communism and Soviet aggression.
(4) That the United States and the Free World generally desire (as contrasted with USSR and international communism) to see established in the area conditions of peace, and economic and human development.
(5) U.S. acceptance of neutralist policies on the part of Arab states.

[Here follow a financial appendix with Department of Defense comments and an annex entitled, "Summary of Publicly Announced U.S. Policy on Near East Questions."]

52. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to Secretary of State Dulles

Washington, December 27, 1958.

SUBJECT

Report on My Near Eastern Trip[1]

Within the past three months I made separate trips to New York to talk with Iraqi Foreign Minister Jomard and UAR Foreign Minister Fawzi. I found both meetings extremely useful and was encouraged by the Foreign Ministers to visit their respective countries for further talks. Developments in the area otherwise were such as to lead me to conclude that a personal survey of the situation in Lebanon, Jordan, the UAR, and Iraq might be advantageous at this time. Thus the visit was scheduled as a routine tour of a Departmental officer to the area of his responsibility. Advance consultations with our Chiefs of Mission in these four Arab states, as well as in Greece, confirmed that the scheduled visits were agreeable not only to them but to local authorities.

From the outset my visit received unusual area publicity, particularly in the countries to be visited. This was due in part to a natural interest in several of the countries, but can be attributed in large measure to a publicity campaign undertaken by the communists even before I left Washington. I am told that the Soviet radio, for example, had a ten-minute commentary in Arabic attacking me personally and the alleged purposes of my visit. On December 5, the day before I departed with my Special Assistant, Harrison Symmes, the Communist Party in Iraq issued printed matter strongly attacking me and my visit and setting the tone for communist inspired publicity which thereafter grew in intensity until it reached a fever pitch the day before my scheduled arrival in Baghdad. The Government operated radio in Iraq apparently broadcast no adverse material until two or three days before my arrival at which time it reported Soviet allegations and some adverse local comment. This government facility was, however, relatively restrained, as I understand it.

[Here follow individual reports of Rountree's visits to and discussions in Lebanon, Jordan, the United Arab Republic, Iraq, and Greece.]

Source: Department of State, Central Files, 110.15-RO/12-2758. Top Secret; Limit Distribution. Notes on this memorandum indicate that Dulles and Herter saw this report.

[1] According to Department of State *Bulletin*, December 22, 1958, pp. 1004–1005, Rountree arrived in Beruit on December 8, Jordan on December 10, Cairo on December 12, Baghdad on December 15, and Athens on December 18, and returned to Washington on December 21.

Conclusions

My visit to the Near Eastern states came at an opportune time. Arab leaders are beginning to worry about where their policies will take them. Those whom I met seemed earnestly to seek better relations with the West. While I have not yet had time fully to crystallize my thoughts, there are set forth below several tentative reactions and conclusions with respect to the Arab states:

1. For the first time Arab leaders are really concerned about communism, particularly in Iraq and Syria, as a threat to Arab nationalism. While they will not alter their public position with respect to "Western imperialism", some, including Nasser, are now prepared to speak out against communist imperialism. While I was in the area Lebanese Arab nationalist leader Saeb Salaa, during a visit to Cairo, made a public statement on this question which he probably would not have made without the approval of Nasser. Newspapers in the UAR, Lebanon, and Jordan are now publishing articles on the dangers of communism. Nasser himself has within the past few days made a speech in which he strongly attacked the communists, particularly in Syria. This has been reported in the world press as a highly significant development. (Unfortunately it has been referred to as a victory for US policy.)

2. As unpleasant as my visit to Iraq was, I believe it served a useful purpose in demonstrating to the Arab world the degree to which the communists have come into a position of influence in Iraq. The demonstrations no doubt have shocked non-communists within Iraq and might bring about useful counter-actions. On December 22 Fritzlan reported from Baghdad that two Iraqi Ministers had hinted strongly that the Iraqi Government was taking steps to curb communists, although they did not go into details. Fritzlan believes it might be that we are about to see such a development since there are various indications that the "anti-Rountree demonstrations" surprised and shocked Iraqi authorities and caused them to reflect seriously on the present course of events.

3. Recognition of the communist danger does not, of course, solve it. However, the problem cannot be solved in the absence of such recognition on the part of the Arabs themselves. Thus, recent developments provided a hopeful sign. I believe, however, that the solution to the problem essentially must be an Arab one and that the US and other Western countries can do little more than encourage them along right lines.

4. The ideal solution to the Iraqi problem would be for the anti-Nasser and pro-Nasser nationalist elements to come to some understanding, permitting them to join forces against the communists and cooperate in running an independent Iraq with good, although not subordinate, relations with the UAR. Notwithstanding charges by Arabs

who oppose him, I have by no means concluded that Qassim is a communist or would willingly see a communist takeover of power in Iraq, although he seems now to be leaning heavily upon them for support in his fight against "Nasserist elements". If Nasser was sincere in his statement to me that he does not want union with Iraq, getting the non-communist elements together should be a possibility for which we should work discreetly. It would be unrealistic in my judgment to expect that any likely Iraqi Government would not continue to seek good relations with the Soviet Union, particularly in view of what they have been able to get in the way of Soviet aid.

5. There are some signs of strain between the UAR and the Soviet Union. UAR officials are fully aware of comments appearing in the Soviet satellite press critical of the policies of the UAR Government. They are disturbed over the encouragement which has been given Bakdash, head of the Communist Parties in Syria and Lebanon, to advocate publicly a break-up of the union between Egypt and Syria as now constituted, with separate parliaments and a greater degree of autonomy in local affairs. The UAR is aware of Soviet opposition to any union between the UAR and Iraq. Notwithstanding these stresses and strains, however, we should not expect the UAR to decline continued Soviet aid, such as for the Aswan Dam, if it is in fact forthcoming. A principal consideration is that Nasser does not have and cannot have confidence that once he was in deep difficulty with the Soviet Union, the Western countries would not "stab him in the back". In the absence of full assurance that his needs will be met by the West, he will not unnecessarily incur Soviet displeasure.

6. I hope I have no illusions about Nasser. His objectives have remained unchanged and he still seeks leadership of the Arab world. Nevertheless, he has encountered real obstacles, one of which is communism. I believe that we should continue cautiously to move toward better overall relations with him, although we should not, of course, sacrifice our relations with independent Arab states, nor should we expect him to move away from a position of "neutrality". There are areas of mutual interest, such as in Iraq, upon which we should remain in close contact. If we were faced with a choice between a communist takeover in Iraq or a takeover by Nasser, the choice obviously would be the latter. However, it is possible and perhaps likely that Nasser himself has seen or will see the advantages of avoiding any program for union, at least in the near future. It is also possible that Qassim will soon move to reduce the influence of communists.

7. It seems to me that the US should reduce its "presence" and wherever possible take a back seat while indigenous forces develop resistance to communism and any other threat to their independence, such as "Nasserism". A significant aspect of my visit was the obvious

relief felt by the Arab leaders when it became apparent that I had not come to sell a new doctrine, to suggest an alliance, to ask that relations with the Soviet Union be terminated, or to do anything but consult with them. They seemed to feel that the US had thereby indicated a new willingness to allow the Arabs to solve their problems in their own way. It seems that for the time being at least we should endeavor wherever possible to hold the size of our missions to a minimum, to emphasize the consultative nature of our relations with the governments, and in general to avoid flamboyance in our relations.

8. We should take steps to avoid the use of terms like "pro-West" or "anti-Soviet" in making public references to the policies and actions of Middle Eastern leaders. I hope that we can develop slogans and terms which are consistent with the Arab awareness of their own problems and which do not identify Arab leaders or governments as being for or against the "West". This term, rather than giving a "free world" concept, now implies in the Arab world an identity with particular Western powers associated with imperialism and colonialism.

9. Arab leaders realize, even if vaguely, that many of their problems are economic in nature and they want outside help to solve them. All want bilateral aid in one form or another but, so far as regional development is concerned, they want to proceed at their own pace and through their own organization. The attitude we have recently followed toward formation of an Arab development institution—that is, to indicate our willingness to help when the Arabs have decided how they will proceed—has been appreciated. Meanwhile, the problem of marketing Arab cotton and wheat poses many difficulties in the development of our relations with several of the states of the area. We should give renewed attention to what can be done to help them with this problem if we want to prevent their turning even more to the Soviet bloc to dispose of their exportable surpluses.

10. The Arab-Israel problem and its main off-shoot, the problem of the Palestine refugees, continue to be primary obstacles to better US relations with the Arab states. It would certainly be helpful if we could find some way of moving toward solutions to these problems, although exactly where progress can be made is no more clear to me now than before my visit.

11. It is essential in the situation that Israel see that it is in its interest that the US be enabled to ameliorate its relations with Arab nationalism. Such amelioration is of course not inconsistent with our desire to preserve Israel's integrity. The Israeli Government seems highly nervous over recent indications that we are working to improve our relations with Nasser. We will be hearing much more about this in the days ahead.

12. American representatives in the countries which I visited are doing excellent work. Ambassador McClintock's relations with the new government seem excellent, as do Ambassador Hare's relations with the UAR. Both are wise and able. Our Chargé in Amman has the confidence of the King and the Prime Minister who, you will recall, even asked that he be named Ambassador to Jordan. Fritzlan showed great courage and intelligence during my visit to Baghdad. The American community there is living under very difficult conditions, yet their morale is high and they are meeting the situation with remarkable understanding and equanimity.

INCREASED U.S. EMPHASIS ON THE BAGHDAD PACT/ CENTRAL TREATY ORGANIZATION; ESTABLISHMENT OF THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES, 1959–1960

53. Telegram From the Department of State to the Embassy in Turkey

Washington, January 19, 1959, 7:10 p.m.

2282. Baghdad Pact. Ankara's 2048 rptd Tehran 242 Karachi 205[1] As stated Deptel 2258 to Ankara rptd Tehran 1778 and Karachi 1711[2] we intend approach forthcoming Karachi Council session in most constructive spirit possible. Further we do so in firm belief that proposed US positions on major items are markedly positive. US objectives at Council session outlined in separate telegram which accompanies this message.[3] In context these objectives our anticipated positions on various major items, some of which suggested reftel and related messages, are outlined below for your background info:

Source: Department of State, Central Files, 396.1–KA/1–1659. Secret; Prioity. Drafted by Eilts; cleared by Charles S. Whitehouse, Dillon's Special Assistant, and Bell; and approved by Rountree. Also sent to Karachi, Tehran, and London.

[1] In telegram 2048, January 17, Ambassador Warren expressed serious concern "over mounting feelings discouragement attending build-up for Karachi meetings," because of differences between the United States and the regional members of the Baghdad Pact on funding economic projects, the unwillingness of the United States to host the next pact council meeting, and dissatisfaction over the wording on a series of bilateral agreements for mutual security and defense. Warren suggested that the United States agree to the regional pact members' wording for the bilateral agreements, reorganize the military committee of the pact, host the next council meeting in Washington, and send to Karachi a message of Presidential support to be delivered by Secretary Dulles or Vice President Nixon. (*Ibid.*)

[2] January 16. (*Ibid.*, 780.5/1–1659)

[3] Reference is to telegram 2290 to Turkey, January 19, which provided U.S. objectives for the Karachi meeting as follows: (1) to increase awareness of the benefits and obligations of collective security; (2) to reaffirm U.S. support of the pact's collective security efforts; (3) to emphasize that current U.S. aid programs were designed to enhance defense and economic development; (4) to exchange views on current Middle East developments, without committing the United States; (5) to counsel restraint against possible actions against Iraq; (6) to promote better relations between Afghanistan and its free world neighbors; and (7) to dissuade the pact from involving itself publicly into intra-area disputes. (*Ibid.*, 396.1–KA/1–2059)

1. Deptel 2256 rptd Tehran 1776 Karachi 1708 shows extent to which we willing go accept substance joint counterdraft Article IV.[4] Believe moreover our proposed rearrangement this Article strengthens form bilaterals even though limitation existing authorization precludes giving blanket support desired by regional states. We awaiting further comment from Ankara on negotiations and Pakistani draft and, to extent legally permissible and politically desirable will continue explore possibility developing mutually acceptable formulae.

2. We have approved Defense-proposed position re establishment Permanent Military Representatives Group (PMRG) and Military Staff Headquarters purpose of which is reorganize CMPS into more meaningful organ consistent with objective Turk-proposed Standing Group.[5] By thus agreeing to what will in effect be present Military Deputies group in permanent session, we believe pace Pact defense planning can be usefully accelerated.

3. We have participated in past BP joint military exercises and will wish explore possibility doing so in future joint exercises as they develop.

4. While for reasons of which you aware we will not be able at Karachi extend invitation hold next Council session in Washington, we do not rule out possibility holding next meeting here. Once it is again feasible for us do so, we expect actively explore possibility inviting Council meet in Washington later this year, perhaps in September.

5. We exploring possibility sending Presidential message to Council[6] as suggested reftel and hope obtain favorable response.

6. We have agreed participate in proposed BP Multilateral Technical Assistance Fund.

7. Re Ankara's 2044[7] rptd Karachi 204 Tehran 241, present nonavailability DLF funds precludes us making any firm offer Turk-Iranian

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[4] In telegram 2256, January 19, the Department informed the Embassy in Ankara that it approved language for a new article II in the bilateral agreements providing for cooperation with other involved governments in preparing defensive plans to resist aggression, but that this was as far as the Department was prepared to go in accommodating the desires of Iran, Turkey, and Karachi as expressed in their proposed article IV. (*Ibid.*, 396.1–KA/1–1359)

Article IV, as proposed by Turkey, Iran, and Pakistan, provided for cooperation with the other signatories of the London declaration of July 28, to "prepare all necessary defensive plans for the purpose of putting into effect the provisions of the present agreement." (Telegrams 1740 from Ankara, 1415 from Karachi, and 1089 from Tehran, all December 12; *ibid.*, 782.5/12–1358, 790D.5/12–1258, and 788.5/12–1258, respectively)

[5] As stated in telegram 2331 to Ankara, January 23, not printed. (*Ibid.*, 780.5/1–2159)

[6] See Document 54.

[7] In telegram 2044, January 16, Warren expressed additional concern about the prospects for the Economic Committee meeting and recommended that the United States announce at the meeting that it approved in principal financial support for a Turkish-Iranian railroad. (Department of State, Central Files, 396.1–KA/1–1659)

railroad at this time. However USDels Economic Committee and Ministerial Council have been authorized state that if our current examination Turk-Iranian loan application convinces us of economic and technical feasibility this project, US prepared render DLF support for it subject to appropriation FY-60 funds which are being requested by Administration.

8. We have concurred Defense proposal that USDel Military Committee accept CMPS Land Force Goals Study for planning purposes, as written, even though we not able underwrite proposed force goals.[8]

Additionally, we firmly believe our substantial military and economic assistance programs with ME member states have made decisive contribution their military defense postures and their sound economic development. While ME member states' desires understandably exceed what available resources and US global obligations permit us give and will probably continue do so, they should be kept aware that we have gone long way meet their legitimate requests.

Bearing above observations in mind, we wish addressees strike strongly positive note in discussing forthcoming Karachi meeting with local officials. US emphatically supports BP and its objectives and, as in past, will do everything feasible further its progress. We see no need for apologia and, despite hard bargaining techniques individual ME members, believe that they not unaware benefits flowing to them from Pact membership and US support of Pact association.

FYI. Reftel suggestion Vice-President of Secretary fly Karachi address Council not possible End FYI.

Dulles

[8] As stated in a letter from Murphy to Irwin, January 16. (*Ibid.* 780.5/1–1759)

54. Editorial Note

On January 20, Assistant White House Staff Secretary John S.D. Eisenhower included the following preview of the Baghdad Pact meeting and related developments in his Synopsis of State and Intelligence Material reported to the President:

"As the Baghdad Pact meeting in Karachi approaches, we find many expressions of discouragement from its members. This, I am

advised, is partly a local rumbling prior to these meetings representing an effort on the part of the various member countries to secure more U.S. aid. However, we have the following reports:

"(a) Allen Dulles reported a couple of days ago that the situation in Iran has taken an ugly turn. The Shah has stated that he will have to turn more to the Communists for help if American aid is not increased. He may sign a non-aggression pact with the USSR.

"(b) Pakistan has shown discouragement over the amount of aid received by India, and has expressed a view that there is nothing to be gained by "standing up to be counted."

"(c) The policies of the opposition party in Turkey which I have mentioned advocate withdrawal from the Baghdad Pact. This is significant in view of the fact that the regime of Menderes is losing strength.

"(d) Qasim in Iraq is in a weak position and largely dependent on Communists. He has stated twice that he plans to maintain a strict neutrality. This can hardly be conducive to enthusiastic support of the Baghdad Pact.

"(e) Our Ambassador Warren (Turkey) has reported his concern over these feelings of discouragement and has urged forceful action, including acceding as far as possible to the regional members' wishes on the bilaterals, inviting the ministerial council to Washington for its next session, sending a strong Presidential message, and having the Vice President or the Secretary of State visit Karachi during the council session." (Eisenhower Library, Whitman File, Eisenhower Diaries)

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55. Memorandum From the Secretary of State Dulles to President Eisenhower

Washington, January 21, 1959.

SUBJECT

Personal Message to the Baghdad Pact Ministerial Council

The Sixth Session of the Baghdad Pact Ministerial Council will convene in Karachi on January 26. We continue to believe it to be in the United States' interest to give strong support to the Baghdad Pact even though we are not technically members of the Pact. As agreed in London and as announced on July 28, 1958 in a Declaration[1] in which

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Source: Eisenhower Library, Whitman File, Dulles–Herter Series. Confidential.

[1] See Document 33.

we participated, we have been engaged in negotiation of bilateral executive agreements with the Middle East member states to give further effect to our desire to cooperate in this regional collective security and defense arrangement.

We have had several expressions from these Middle East member states indicating a feeling that our support for the Baghdad Pact is beginning to wane. I feel it would be most useful if a personal message from you could be read to the Ministerial Council by Mr. Loy Henderson, who will be the Chief of the United States Delegation. There is enclosed a draft of such a message[2] for your consideration which, if you approve, we would send to Mr. Henderson telegraphically. I further suggest that your message be released to the press on January 26 at which time it would be delivered by Mr. Henderson to the Council meeting.

JFD

[2] After making minor revisions, the President approved the draft and it was read by Henderson at the opening session of the Council meeting in Karachi on January 26. For text, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower*, 1959, pp. 131–132.

56. Editorial Note

The Sixth Session of the Baghdad Pact Ministerial Session began on January 26 and concluded on January 28. For text of the final communiqué, see *American Foreign Policy: Current Documents, 1959*, pages 1018–1020. The accounts of the restricted sessions of the meetings are in Department of State, Central Files, 396.1–KA/1–2659 to 396.1–KA/1–2959. In addition to this file, information including side discussions on related matters, such as the ongoing negotiations for bilateral agreements between the pact members and the United States, is *ibid.*, 780.5.

One of the tangible economic results of the meeting was an agreement by the participants to contribute $150,000 ($50,000 from the United States, $50,000 from the United Kingdom, and $50,000 from the regional member states) to establish a Baghdad Pact Multilateral Technical Assistance Fund. The United States also agreed that if the present examination of the proposed Turkish-Iranian railroad proved that the

project was economically and technically feasible, the United States would be prepared to render financial support to it. Agreement was also reached to relocate the Baghdad Pact Atomic Energy Center from Baghdad to Tehran at the invitation of the Iranians. Iraq was not present at the meeting, and the member states agreed that its membership in the pact was a question for Iraq alone to decide.

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57. Letter From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to the Ambassador to Egypt (Hare)

Washington, March 3, 1959.

DEAR MR. AMBASSADOR: As a result of events in the Near East over the past several months, we have, as you know, been giving urgent consideration to the effect forces currently active in the area have upon our own objectives and policies. This consideration has embraced other Agencies and has been reviewed at the highest levels of the Government. I am enclosing a statement[1] that represents approved United States policy on the Near East for your information, for the information of the senior members of the Country Team, and for circulation in your discretion to the principal officers of the other posts in your country.

Two basic trends in the area which have appeared to us to be inimical to United States and Western interests and seriously to be weakening the general Western position are the emergence of the radical pan-Arab nationalist movement and the intrusion of the USSR into the area. We have supported regimes which have been opposed to radical nationalism, while the Soviet Union has established itself as its friend and defender. The virtual collapse during 1958 of conservative resistance, leaving the radical nationalist regimes almost without opposition in the area, has brought about this present grave challenge to Western interests.

Faced with this challenge, we have sought to determine, in this broad consideration, which of our interests may be reconcilable with

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Source: Department of State, Central Files. 611.80/3–559. Top Secret. Drafted by Newsom and cleared with Furnas. Identical letters were sent to Ambassadors in the Sudan, Saudi Arabia, Lebanon, Iraq, and the Chargés in Israel and Jordan.

[1] Not found attached; apparent reference to Document 51.

dominant forces in the area. There was general agreement that we should make a clear distinction between primary and less essential or secondary United States objectives in the Near East. Thus, in making this reappraisal of our interests and objectives, we have sought to define those which are of such overriding importance that they must be achieved, if necessary, at the expense of others less essential.

We have generally concluded that the most dangerous challenge to Western interests arises not from Arab nationalism per se, but from the coincidence of many of its objectives with many of those of the USSR and the resultant way nationalism can apparently be manipulated to serve Soviet ends. There seems little doubt that Soviet policy in the Near East is aimed at weakening and ultimately eliminating Western influence, using Arab nationalism as an instrument and substituting Soviet influence for that of the West. Soviet domination of the Near East would in our opinion constitute a major shift in the world balance of power, facilitate the penetration of Africa by the USSR and have seriously adverse repercussions on our prestige and position elsewhere in the world. Moreover, Soviet domination would most certainly deny assured access of Near Eastern oil for our NATO allies and would provide the Soviets with a lever to disrupt the NATO alliance.

It was the sense of our discussions on this matter that the prevention of further Soviet penetration of the Near East and progress in solving Near Eastern problems depends on the degree to which we will be able to work more closely with Arab nationalism and to associate ourselves more closely with such aims and aspirations of the Arab people as are not contrary to our basic interests. We recognize that, in the eyes of the great mass of Arabs, considerable significance will be attached to the position which we may adopt regarding Nasser who is currently the foremost current spokesman for radical pan-Arab nationalism. We have been aware, at the same time, that we must consider the degree to which this can be accomplished without destroying our freedom of action in dealing with other Arab leaders. We would not wish to forego the possibility of discreetly encouraging such leaders when we see signs of independent views. Neither would we wish to resign ourselves to an acceptance of the inevitability of Nasser's undisputed hegemony over the whole of the Arab world. At the same time we are aware that to be cast in the role of Nasser's opponent would be to leave the Soviets as his champion.

We, nevertheless, face the fact that certain aspects of the drive toward Arab unity, particularly as led by Nasser, are strongly inimical to our interests. This is especially the case in various areas around the fringe of the Arab world—e.g., the Sudan, Libya, Tunisia, and Morocco—where Nasser's revolutionary influence and his welding together of pan-Arabism and Egypt's old aspirations in Africa threaten

pro-Western regimes, and in Algeria. Moreover, we will recognize that the Arabs remain bitter over the United States role, as they see it, in the establishment of the State of Israel and over United States public and private financial assistance and political support for Israel during the past ten years.

We know that these are problems and thoughts which have also been much in your mind. Your reports and comments on the situation over these past critical months were of major assistance to us in seeking some conclusions to these problems. We hope in the months ahead to formalize certain of these thoughts into specific operating guidance papers. In the interim, we hope you will find this informal expression of views here in Washington both interesting and useful.

Sincerely yours,

William M. Rountree[2]

[2] Printed from a copy that bears this typed signature.

58. Editorial Note

On March 5 at Ankara, representatives of the Governments of the United States, Iran, and Pakistan signed identical bilateral agreements for cooperation in promoting the security and defense of the members of the Baghdad Pact. For text of the agreements, see *American Foreign Policy: Current Documents, 1959,* pages 1020–1023. See also Document 268.

59. Memorandum From the Deputy Under Secretary of State for Political Affairs (Murphy) to the Under Secretary of State for Economic Affairs (Dillon)

Washington, March 12, 1959.

Mr. Eugene Holman of Standard Oil Company (N.J.) called on me today at his request. He said that his purpose was to outline the anxiety which he and his associates felt regarding the general trend of affairs in the Middle East as it affects the oil industry and American interests. He discussed conditions in the Persian Gulf generally, the effects of the Japanese contracts, the operations of Mattei as well as the recent contract of Standard Oil of Indiana with Iran. He expressed considerable uneasiness regarding conditions in Kuwait and Iraq, and we touched on Saudi Arabia and the Trucial Coast area. He said he thought that the time had arrived where it might be hoped that the National Security Council could examine this question to see whether American interests are in danger. He would like to discuss it with the President at a convenient moment. He would also like to have a meeting here in the Department to which he would bring a number of the executives of the leading United States oil companies who have large-scale interests in the area.

I told Mr. Holman that we would examine the problem very carefully and would be in touch with him.

I mentioned the foregoing to Governor Herter who agreed that a study of the problem should be instituted.[1]

Source: Department of State, Central Files, 880.2553/3–1259. Secret.

[1] During a telephone conversation between Murphy and Herter, March 12, 4:30 p.m., "Mr. Murphy said he had just seen Eugene Holman of Standard Oil who thought there should be some NSC or other review to take a hard look at the Middle East as to where we are going and what we should be doing and expressed the anxieties of the oil companies operating in the area. CAH said he entirely agreed; that Allen Dulles had a very interesting map this morning indicating the concentration of oil reserves in Kuwait, Iraq and Iran. CAH said this question of the Persian Gulf and what we do if the Russians get control is vitally important and may very likely be a subject of discussion with Macmillan. It was agreed Mr. Murphy would get in touch with the JCS and start taking a good look at this in anticipation of the Macmillan visit." (*Ibid.*, Presidential Memoranda of Conversation: Lot 66 D 149.)

60. Memorandum of Conversation

Washington, March 18, 1959.

SUBJECT

Middle Eastern Oil

PARTICIPANTS

Mr. Herter, Acting Secretary
Mr. Dillon, W
Mr. Rountree, NEA

Representatives of American oil companies
Mr. Eugene Holman
Mr. J.W. Foley
Mr. Nickerson
Mr. Ralph Rhodes
Mr. Follis

The meeting took place initially in Mr. Herter's office, was later adjourned to Mr. Dillon's office, and finally, the representatives of the oil companies met with Mr. Rountree in his office.

The purpose of the meeting was to discuss generally the situation in the Middle East as it affects American oil interests. Representatives of the companies were particularly concerned lest Middle Eastern countries should endeavor to follow the lead of Venezuela in demanding revision of the 50–50 formula. They felt it imperative that American officials in the area be fully briefed with respect to the differences in the situations in the Middle East and Venezuela, respectively. Since operations in the Middle East under the 50–50 formula were based upon firm contracts, they thought it extremely important that American officials should emphasize their support for the "sanctity" of contracts. They were aware that the Department had sent out circular instructions to the various field posts, but they appeared to be concerned that the American representatives had not paid adequate attention to these instructions. They were pleased to be told that a circular telegram would be sent out to make certain that appropriate officers were properly briefed.[1]

The company representatives were also concerned with the forthcoming meeting in Cairo at which representatives of the Arab states

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Source: Department of State, Central Files, 880.2553/3–1859. Official Use Only. Drafted by Rountree; approved by Herter on March 27.

[1] Not further identified.

would discuss petroleum matters.[2] They said that, despite the possibility that the meeting would not in fact produce much in itself, individual country representatives might take the opportunity at that time to enunciate highly detrimental national policies with respect to petroleum. It might be possible that they would do so even though present difficulties among the Arab states render it less likely that the countries, particularly the UAR and Iraq, could get together on a unified petroleum policy. For this reason, the companies planned to have representatives as observers at the conference and they urged that the Department be adequately represented. They were told that we had not decided upon this question, but were giving thought to it. Even though officials might not be sent out especially for this purpose, we had highly qualified officers in Cairo who would, in any event, follow developments closely.

The company representatives referred to recent conversations which they had had in Iran, particularly with the Shah, concerning the consortium relationship with the GOI. They handed Mr. Rountree a copy of an aide-mémoire which the consortium representatives received in Tehran from the Shah, in which several requests were made.[3] While the memorandum was in courteous language, and contained no threats, at the time it was delivered the Shah mentioned that Iran was interested in participation in the consortium, so that Iran's share of the profits would be increased. It was not clear whether he had in mind paying for Iran's participation, but presumably he did. The company representatives had the impression that the extent to which participation would be pressed might depend upon the extent to which the consortium was able to meet the requests set forth in the aide-mémoire.

[2] The Arab petroleum conference, April 16–23. As part of the White House Staff Notes No. 516, March 19, the President received a written briefing on the forthcoming Petroleum Conference. According to the Saudi Director for Petroleum Affairs, the note stated, the conference was crucially important because it would provide oil-producing states with an opportunity to stabilize world crude prices. The Saudi Director stated that Venezuela had agreed that a uniform-country pricing policy was necessary and he believed Iran also would join in a united front of price stabilization. (Eisenhower Library, Whitman File, Eisenhower Diaries)

[3] Not further identified.

61. Editorial Note

British Prime Minister Macmillan and Foreign Secretary Lloyd were in Washington for an informal visit, March 19–23. They traveled to Camp David, Maryland, for meetings with U.S. officials. The President and Prime Minister met on March 22 at 9:30 a.m. for a general discussion of how to counter "Soviet probings for weak spots in the free world position." In the Middle East, Eisenhower predicted that the Soviet Union would make its next move in Iraq by organizing the Kurds. The President also suggested that Nasser had undergone an "apparent change" for the better. (Eisenhower Library, Whitman File, International Series, Macmillan)

Later in the day, the Prime Minister, President, Foreign Secretary, and Herter went to Secretary Dulles' residence for a meeting from 5:20 to 5:55 p.m. The Secretary's account of the discussion, March 22, includes the following extract on the Middle East:

"It was the view of Macmillan and Lloyd that Nasser by attempting to array the Arab world against Kassem was forcing him into the hands of the Communists. Actually he was not pro-Communist and had not done anything to intensify his links with Communism during the past few months. The British felt that some one intermediary should be sought who would try to mediate a modus vivendi between Nasser and Kassem, whereby both states would exist within the Arab world, without the UAR attempting to dominate or absorb Iraq. I said Italy would perhaps like to play some such role. Lloyd said the Lebanese were, he thought, making this attempt.

"I said I felt it was somewhat ominous that we know nothing about what the Soviets were doing in relation to Iraq and Iran. It seemed to me that it was inevitable that they were doing something and that they had momentous plans, and that our lack of any knowledge should not be taken as proof that nothing was going on, but rather should make us more alert." (*Ibid.*, Dulles Papers, Meetings with the President)

62. Memorandum of Conversation

MVW USDel MC/26 Camp David, March 22, 1959, 2 p.m.

PARTICIPANTS

United States

The President
The Acting Secretary of State
Mr. Allen Dulles
Ambassador Whitney
Mr. Reinhardt

United Kingdom

Prime Minister Macmillan
Foreign Secretary Lloyd
Sir Frederick Hoyer-Millar
Sir Patrick Dean
Ambassador Caccia

SUBJECT

Middle East

The Acting Secretary stated that the problem for the British was that Nasser had yet to carry out his undertakings in the financial agreement with the United Kingdom. Mr. Lloyd said the British felt Nasser had enormously increased Kassim's difficulty. It was agreed that as long as Kassim was a going concern, he should be supported. The British believed Nasser was a completely uncertain quantity. It was good that he was now anti-communist but they believed he must work his way. Dining with the devil called for a long spoon.

The President inquired whether any practical ideas had been developed for mediation between Kassim and Nasser. The Acting Secretary stated it was agreed that it must be an Arab exercise.

The President observed that if we could make Nasser more and more the object of hatred by Khrushchev the better off we would be. One of the troubles in the aftermath of Suez was that people all over the world were wondering whether the Soviet Union was going to get into Egypt. Nasser was not a character we respected. The problem here was degrees of disrespect.

Mr. Lloyd observed that Libya could be a stable area if Nasser were not intriguing there. The Prime Minister said that applied to the Sudan as well. The President inquired why we could not get some teachers into Libya where the Egyptians already had so many.

The Prime Minister asked why the Russians seemed ready to abandon the great asset they had built up in Egypt. Mr. Dulles thought the Russian timetable might be a bit out of gear. He had always believed that the Russians were trying to develop an advance through the Kurds

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Source: Eisenhower Library, Whitman File, International Series, Macmillan. Top Secret; Limit Distribution. Drafted by Reinhardt and cleared with Allen Dulles.

and Iraq. If they succeeded they would have it made. They were now risking their position in Egypt in order to pursue this grand design. The President said that this was the Shah's thesis. What the Russians wanted was a spearhead in the Middle East contiguous to their own territory. It looked to him that this was the likely answer, but he could not tell whether Kassim had any special relationship with the Russians. He was, however, more suspicious than were the British of Kassim who from the day he had murdered the King and Nuri Said had appeared to be a bad actor.

The Prime Minister said he thought that in general we were agreed on the short-term, although there might be a slight difference in emphasis. The President said we should try to bring Nasser and Kassim closer together if we could find the right mediator. Mr. Lloyd thought it was important that we have a working group to consider contingencies that might arise in Iraq, Iran and Kuwait. Sir Frederick noted that with respect to Egypt the U.K. had agreed not to ask the U.S. to hold back on the $13,000,000 counterpart but to agree to help the U.K. with respect to its mission problem in Egypt.

It was also important, said Mr. Lloyd, to keep Jordan afloat. Its collapse would not only damage Western prestige but would be most dangerous and involve Israel. The United Kingdom had searched its pockets and hoped the United States would do the same. The President thought it was strange that the [*less than 1 line of source text not declassified*]. King was coming here at such a critical moment in his country, to which Mr. Lloyd observed that he had had a rough time and it was good to get him out of the country. [*1 line of source text not declassified*]

The Prime Minister observed that Lebanon and Jordan had been a risky performance and that we had been lucky to get out as well as we did, but that it had stabilized the area somewhat. The President noted that it had been the kind of intervention which had not left a nasty aftertaste.

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63. Editorial Note

At the 400th meeting of the National Security Council, March 26, Director of Central Intelligence Allen Dulles briefed the Council on "Significant World Developments Affecting U.S. Security." Dulles' briefing occasioned the following exchange on the Middle East:

"With respect to developments in the Middle East, Mr. Dulles said that Nasser was still remaining firm in his attitude against Moscow and Baghdad. He commented briefly on the acrimonious exchanges between Nasser and Khrushchev. He also emphasized Nasser's remarks in his most recent speech that the Russian threat to use rockets against London and Paris at the time of the hostilities over the Suez Canal was merely an idle threat made too late to influence British and French policy.

"Meanwhile, said Mr. Dulles, Nasser's propaganda war against the Arab Communists continues. Indeed, a jihad or holy crusade had been proclaimed against these Communists by Cairo.

"The President interrupted [*3 lines of source text not declassified*] the President went on to point out that Rifai seemed very anxious to prevent the U.A.R. from making further attacks on Premier Qasim because of Rifai's fear that such attacks would drive Qasim still further into the arms of the Communists. Mr. Allen Dulles replied that inasmuch as our objective was to try to set the Arab Nationalist movement against Communism, all these matters must be handled very delicately.

"Secretary Herter commented briefly on the differing attitude of Turkey and Israel both of whom appeared to agree that Nasser was an even worse threat than Qasim and Communism. Mr. Allen Dulles then went on to report that Prime Minister Qasim had now called off Iraq radio and press attacks on Nasser. He thought it likewise significant that the Russians have not ceased to provide all kinds of assistance to the U.A.R. and so far there seems to be no outward change in Soviet policy toward the U.A.R. Mr. Dulles also emphasized the view of Ambassador Thompson in Moscow that the Soviets were actually embarrassed by the rapid growth of Communist influence in Iraq. The Soviets seemed to fear that if the local Iraqi Communists speed up their pace too much, the result might be to defeat the longer-range Soviet objective of securing all of the Near East for Communism.

"Mr. Dulles then pointed out that Soviet pressures against Iran and the Shah continue. This was a situation which he felt needed to be watched most carefully. There had been yesterday, for example, a very bitter Soviet attack on the Bilaterals. This attack had included the statement that these Bilaterals constituted a hostile action by the U.S. against the Soviet Union. Mr. Dulles predicted that the Soviets would cut down or indeed cut off all trade with Iran. He also pointed out that Soviet arms deliveries to Iraq were continuing at a high rate. Seven shiploads of such aid had already been identified and the tonnage of armaments landed amounted now to 16,300 tons. This was accompanied by very considerable economic, technical, and developmental aid to Iraq by the U.S.S.R." (Memorandum of discussion by Gleason, March 26; Eisenhower Library, Whitman File, NSC Records)

64. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to the Deputy Under Secretary of State for Political Affairs (Murphy)

Washington, April 22, 1959.

[Source: Department of State, Central Files, 611.80/4–2259. Top Secret; Limit Distribution. 2 pages of source text not declassified.]

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65. Editorial Note

On May 13 at the 406th meeting of the National Security Council, the Council discussed the issue of Western European dependence on Middle East petroleum. The Assistant to the President for National Security Affairs, Gordon Gray, reminded the Council that it had asked the Director of the Office of Civilian and Military Defense Mobilization to undertake with other agencies (State, Defense, Commerce, and Interior) a study on ways to reduce European dependency on Middle East oil. Gray called on Director Hoegh to summarize the report that his Office prepared and distributed on March 26. As background, Hoegh stated that the study resulted from a belief that the oil-producing countries of the Middle East were in a position to exert too much economic and political influence on Western Europe. The obvious solution would be the development of alternative petroleum sources in Europe and in other areas of the "Free World" accessible to Western Europe. Hoegh noted that the study suggested that North Africa and West African oil sources would be particularly valuable because of their proximity to Europe. The study recommended development of these and other non-Middle East sources and encouragement of European emergency planning to share oil in time of an energy emergency, including rationing, stockpiling, better storage facilities, and maintaining a surplus of obsolete oil tankers in reserve. It also recommended encouraging construction of oil pipelines from North Africa and research and development of alternatives to petroleum—oil shale, tar sand, natural gas, and nuclear energy. (Study prepared by an Interagency Group chaired by the OCDM; March 26; Department of State, S/P Files: Lot 67 D 548, Near and Middle East, 1959–1961) The study is scheduled for publication in volume III.

The Council also discussed at its meeting a split among the various agencies on whether the United States should attempt to reduce West-

ern European dependence on Middle Eastern oil (favored by Defense, Interior, Commerce, and OCDM) or merely retard it (favored by State, Treasury, and the Bureau of the Budget). Although supporting the measures recommended in the study, the Department of State did not want to imply any reduction of interest in the Middle East, to reduce oil revenues to Middle East countries, or to deprive Europe of low-priced Middle East crude. The Treasury's concern was that the study's recommendations would amount to U.S. support for development of petroleum by governmental monopolies.

President Eisenhower doubted whether under Europe's system of free enterprise, Europeans could be induced to reduce their dependence of cheap Middle East oil. He was not in favor of "crash programs" or "governmental programs for oil development" and thought that the United States was doing as much as could be expected to reduce European dependence. The President did not see much difference between "reduce" and "retard" and suggested that perhaps the U.S. objective should be to reduce dependence and the course of action should be to retard increasing dependence.

The Council agreed to "retard" Western Europe's dependence and to "continue to encourage such action as is economically and politically feasible" to develop alternative sources of oil and energy outside the Middle East. (Memorandum of discussion by Boggs, May 13; Eisenhower Library, Whitman File, NSC Records) The text of the National Security Council discussion is printed in volume IV, pages 610–616.

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66. Memorandum From Acting Secretary of State Dillon to President Eisenhower

Washington, May 22, 1959.

SUBJECT

Hosting Baghdad Pact Council Session in Washington[1]

The Baghdad Pact Council of Deputies in Ankara, at Iran's behest, has requested the United States to consider again the possibility of

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Source: Department of State, Central Files, 780.5/5–2259. Confidential. Drafted by Eilts.

[1] In a May 14 memorandum to Herter, Henderson recommended that the United States should come out "wholeheartedly" in support of the Baghdad Pact. He went on to state that although there were disadvantages in holding the next pact ministerial meeting in Washington, he felt that the advantages outweighed them.

inviting the Baghdad Pact Ministerial Council to hold its next session in Washington. The session would be of three-day duration. The most likely date would be early October, possibly October 7–9. Twice previously we have declined to invite the Baghdad Pact Council to meet here, but on both occasions pointed out that our action did not rule out the possibility of a future session here.

I have weighed the pros and cons of acceding to this request and I have concluded that on balance the time has come when it is in our interests to invite the Baghdad Pact Council to meet here. Secretary Herter has concurred from Geneva. Although there is apt to be difficulty with various elements in Congress, we are on technically sound ground and consider that the meeting has to be held here if we are to further our policy of strengthening the Pact and its objectives. Continued hesitation on our part to hold a meeting here might create serious misgivings in the minds of the members of the Pact, in particular Iran, and could even confront us with a demand for full United States membership as the price for maintaining the Pact.

We feel, however, that the question should be submitted to you before any action is taken. I am enclosing a memorandum giving pertinent background information.

It has been customary for the Chief of State of the host country to welcome the Council in some manner. I recommend that, if you concur in inviting the Council and if convenient to you, you agree to make such an address to the opening session.[2]

If you concur we would plan to inform the appropriate Congressional committees of our decision prior to the extension of the invitation.

Douglas Dillon[3]

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[2] According to a May 26 memorandum from Goodpaster to John A. Calhoun, Director of the Executive Secretariat, which was attached to the source text, the President "indicated general acceptance of the recommendations" in this memorandum, ordered the Department of State to prepare for "a short speech of welcome" rather than a "major address," and instructed the Department to consult with congressional leaders.

[3] Printed from a copy that bears this stamped signature.

[Enclosure][4]

BACKGROUND MEMORANDUM RE INVITING THE BAGHDAD PACT TO HOLD ITS NEXT MINISTERIAL COUNCIL SESSION IN WASHINGTON NEXT OCTOBER

At its recent session in Karachi[5] the Baghdad Pact Ministerial Council tentatively accepted an Iranian invitation to meet next in Tehran. Now, however, at Iran's behest, the Council of Deputies has requested that the United States consider the possibility of inviting the Council to convene instead in Washington. This reflects a long-standing conviction of the Pact member states that a Washington meeting venue would strengthen immeasurably the Baghdad Pact's standing in the international community at large and in the Middle East in particular.

Late last year, at the specific request of Foreign Ministers Zorlu and Hekmat of Turkey and Iran, respectively, we considered the desirability of inviting the Baghdad Pact Council to hold its January meeting here. We concluded there was then insufficient time to brief the incoming Congress. Since, therefore, such an invitation might have produced some adverse Congressional reaction and might have redounded to the Pact's disadvantage, we declined to do so at that time.

At the Karachi Council session in January the member states again pressed strongly for the United States Observer to invite the Council to meet next in Washington. After further consideration of the question in the Department of State, it was decided not to do so then since the bilateral agreements with Turkey, Iran and Pakistan were under negotiation and Congressional reaction to these agreements had yet to be ascertained. This resulted in the Iranian invitation cited above. It was clear from the outset, nevertheless, that this acceptance was tentative and that a new bid to invite the Council to meet here could be expected.

Holding the next Council meeting here would demonstrate publicly that the Pact association has, in our view, overcome the stresses occasioned by the Iraqi non-participation, that it remains a vigorous going concern, and that it continues to enjoy our strong support. As a corollary, it would raise the morale of the Middle East member states and encourage them actively to continue to support the Pact. This is of particular importance now when the first five-year span of the Treaty will draw to a close in early 1960 and when such evidence of United States support may be a decisive factor in influencing the Middle East member states to continue to participate in the Baghdad Pact association. Ad-

[4] Confidential. Drafted by Eilts on April 15.

[5] See Document 56.

versely, such an invitation could revive the lingering suspicion in some Congressional quarters that we are seeking obliquely to accede to the Baghdad Pact outside of the treaty process.

In considering this matter, several pertinent new factors deserve mention. First, the bilaterals with Turkey, Iran and Pakistan have now been successfully concluded and, in our view at least, lessen the need for formal United States adherence to the Baghdad Pact.[6] Second, the Congress was briefed extensively on the bilaterals during their negotiation and they elicited no significant adverse Congressional reaction. Third, Iraq, on March 24, 1959, formally withdrew from the Baghdad Pact. Finally, the Pact is now expected shortly to change its name.

On balance, we believe that the clear boost that inviting the Baghdad Pact Council to meet here would give to our basic objective of continuing and strengthening existing collective security arrangements in the Middle East outweighs the disadvantages. There is now adequate time to brief the Congress in advance on Baghdad Pact developments and to endeavor thereby to allay such Congressional misgivings as may exist. The cost of such a session would be kept to an absolute minimum and should be well within the figure budgeted to send United States delegates to Baghdad Pact sessions. While tentatively scheduled for September, it could doubtless be held at any time this autumn that suits our convenience.

On the basis of past practice, such a session would probably be attended by the Prime Ministers of Turkey and Iran as well as the Foreign Ministers of Turkey, Iran, Pakistan and the United Kingdom.

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[6] See Document 58.

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67. Memorandum From the Commander in Chief, U.S. Naval Forces, Eastern Atlantic and Mediterranean (Dennison) to Secretary of Defense McElroy

June 29, 1959.

SUBJECT

US/UK coordinated planning for operations in the Middle East; views of Mr. Duncan Sandys

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Source: Eisenhower Library, White House Office, Staff Secretary: Records, Defense Dept III. Top Secret. Presumably written in London. A copy of this memorandum was sent to the Joint Chiefs of Staff.

1. As the Specified Commander for the Middle East, I am engaged in coordinated planning with British military authorities for operations in that area, under directives to me by the Joint Chiefs of Staff.

2. Before leaving London to attend the Quantico Conference, I had a lengthy private talk with the British Defense Minister, Mr. Duncan Sandys. During the course of our conversation, Mr. Sandys asked me to convey to you the following views:

a. He is completely satisfied with the manner and with the progress of our planning for the Middle East and feels that "now we are talking the same language."

b. He understands our reluctance to placing command of US forces in the hands of other than a US commander and wishes to assure you that there will be no difficulties on that score. In the event combined command is required the British would be pleased to place their forces under a US commander regardless of the relative size of the forces which may be committed.

c. He believes that in most situations in the Middle East, which require military operations, time of reaction is of the essence. Therefore, he hopes that we will consider taking all practicable measures such as designating, alerting or prepositioning forces in order that we may be capable of speedy action.

3. My comments on Mr. Sandys' points of view follow:

a. His expressed satisfaction with US/UK planning represents a favorable shift from his previous view, as I understood it. This may be because of his increasing familiarity with the matter. In London we have completed the following studies:[1]

(1) Persian Gulf (a coordinated communication plan)
(2) The Sudan
(3) Libya
(4) Iran
(5) Jordan
(6) Kuwait

These studies have either been approved by the US and UK Chiefs of Staff or are in various stages of review.

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[1] After close relations during the operations in Jordan and Lebanon, U.S. and U.K. military planning liaison was increased. At the suggestion of the British combined U.S.-U.K. strategic study was initiated and contingency plans formulated to accompany it. The Joint Chiefs of Staff, however, wished to prevent any revival of U.S.-U.K. Combined Chiefs of Staff Planning that characterized World War II. Therefore they permitted U.S. Commanders and their staffs to discuss, exchange information, and perform liaison functions with their British counterparts, but prohibited actual combined planning or U.S. military support of U.S.-U.K. plans without specific JCS approval. The informally designated "US/UK Planning Group" was responsible for the studies listed in the memorandum, which were intended to coordinate the existing unilateral plans of both countries. (Historical Studies Division, Joint Secretariat, Joint Chiefs of Staff, *The History of the Joint Chiefs of Staff: The Joint Chiefs of Staff and National Policy*, Volume VII, 1957–1960 (February 1, 1968), pp. 480–482

b. As regards combined command, my current instructions prohibit me from developing such an arrangement. The British military authorities accept this restriction and understand it. Mr. Sandys feels that such an arrangement may be necessary. I have explained to him that if this is so, the command could speedily be set up. There is in effect a combined plan for operations in Lebanon (Operation Blue Bat). This could serve as a model. In addition, we have just completed a combined training exercise "White Bait" which featured landings in Libya by US/UK forces under the command of the Commander Sixth Fleet. My view is that combined command arrangements should not be fixed and that planning for coordinated operations provides us with highly desirable flexibility. We should remember that our recent successful operation in Lebanon was unilaterally accomplished under the US portion only of the Blue Bat plan.

c. My instructions prohibit me from committing US forces in our coordinated planning. The British understand this, knowing full well that we cannot predict where such forces might be most needed at the time. They themselves are not in a position to designate specific forces for a given operation. We all would agree completely with Mr. Sandys' view that reaction time is of the essence. Under the current world-wide strategic circumstances, however, we must be highly dependent on strategic warning signals to give us the needed time for readying and movement of forces to the Middle East. For many reasons, with which you are familiar, prepositioning of such forces is not only undesirable but probably infeasible.

4. If you will permit me, I should like to express some personal views on the entire matter of US/UK planning. First, I feel that my instructions are adequate and appropriate and will permit me to proceed in the best interests of the United States. The British political side of their government may be using pressure for closer military association to strengthen political ties. Current arrangements seem entirely satisfactory, both to my British military colleagues and apparently now to their Defense Minister. Second, I believe that within current guidelines we should be willing to discuss and plan for any situation they may wish to select. I can see nothing but mutual benefit to be derived from such comprehensive treatment. While the British military resources may, in some cases, represent an inadequate contribution we may badly need their help. Base privileges are a case in point. Furthermore, as you of course know, in the Middle East the national interests of our two governments are compatible or synonomous in many instances. For this reason, I feel that close association with consequent mutual understanding on the military level is most important. I assure you that I will continue to work to this end.

Very respectfully,

Robert L. Dennison
Admiral, U.S. Navy

68. Letter From the Acting Assistant Secretary of State for Policy Planning (Mathews) to the Assistant Secretary of Defense for International Security Affairs (Knight)

Washington, July 21, 1959.

[Source: Department of State, PPS Files: Lot 67 D 548, Near and Middle East. Top Secret. 2 pages of source text not declassified.]

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69. Memorandum From the Deputy Assistant Secretary of State for Policy Planning (Mathews) to the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones)

Washington, July 27, 1959.

SUBJECT

S/P Views on the Baghdad Pact

In response to your oral request, I send you this brief statement of S/P's views on the Baghdad Pact.

Since the Iraqi coup a year ago and particularly since Iraq's recent formal withdrawal from the Pact, earlier notions of building upon Iraq's membership to expand the Baghdad Pact further into the Arab world have been abandoned. It is recognized that of the remaining regional members Turkey looks primarily to NATO for support and Pakistan to SEATO. The Pact is increasingly coming to be regarded as a device to bolster and support one member—Iran. The other members now argue that the US should adhere to the Pact and/or agree to a more formal military structure in order to improve the confidence and morale of the Shah and his supporters in Iran.

If it is the judgment of the US Government that Iran needs greater assurance of US support, S/P believes that the proper course is to enter into a bilateral treaty of alliance and guarantee with Iran. Provision of these assurances through the Baghdad Pact seems unnecessarily

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Source: Department of State, PPS Files: Lot 67 D 548, Near and Middle East, 1959–1961. Secret.

cumbersome and likely to have important adverse consequences for US national interests.

S/P foresees the following adverse consequences of either US adherence to the Baghdad Pact or US agreement to a combined military command structure under the Pact:

1. The regional members, particularly Iran and Pakistan, would expect and demand substantially increased military aid from the US. Given the prevailing trend of Congressional opinion, substantially increased military aid is hardly likely to be forthcoming, with resultant disappointment and recriminations on the part of the regional members.

2. Whether or not increased US military aid were forthcoming, the regional members would be encouraged to give even more attention to military strength at the expense of economic progress. The prospect for Iran and Pakistan appears bleak indeed unless their governments give much higher priority than they have in the past to effective measures to bring about economic improvement.

3. US relations with other area states would be seriously damaged. Iran and Pakistan make no secret of their view that the Baghdad Pact should deal with alleged threats from their area neighbors as well as the USSR.[1] India would regard US adherence or agreement to a command structure as an unfriendly act and anti-US elements in India would be strengthened. Afghanistan might well feel impelled to even closer relations with and greater dependence on the USSR. Our efforts to rebuild normal relations with Iraq would be jeopardized. New suspicions of our intentions would be aroused in the UAR.

In view of the present extent of US involvement in the Baghdad Pact, a collapse of the Turkey–Iran–Pakistan alliance would be a blow to the US.[2] It is necessary, therefore, that the US continue to support the alliance. S/P believes that this support should be increasingly directed toward economic projects with a Pact coloration.

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[1] There was an exchange of views between the Department of State and U.S. Embassies in the Baghdad Pact regional member states on whether the pact should initiate contingency planning against Soviet-inspired aggression—either direct or indirect—from Afghanistan and Iraq. As a result the Department concluded that such planning would be a mistake since it would introduce into Baghdad Pact military planning the "Pandora's Box" of intra-area disputes. In addition, knowledge of such planning would surely leak out. (Telegram 704 to Kabul, repeated to Karachi and Tehran, June 18; telegram 2806 from Karachi, June 23; telegram 2582 from Tehran, June 30; telegram 22 from Baghdad, July 2; telegram 23 from Kabul, July 9; and telegram 200 to Iraq, also sent to Kabul, Karachi, Tehran, and repeated to Ankara and London, June 22. (*Ibid.*, Central Files, 780.5/6–1859; 780.5/6–2359; 780.5/6–3058; 780.5/7–259; 780.5/7–959; and 780.5/7–2259, respectively)

[2] Ambassador Warren was a strong proponent of the view that the Baghdad Pact was at a critical stage and might well disintegrate unless positive steps were taken. (Despatch 788 and telegram 216 from Ankara, June 11 and July 21; *ibid.*, 780.5/6–1159 and 780.5/7–2159)

70. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to the Deputy Under Secretary of State for Political Affairs (Murphy)

Washington, July 28, 1959.

SUBJECT

Baghdad Pact

Existing NSC policy guidance on U.S. association with the Baghdad Pact is general in nature. Thus, for example, paragraph 39 of NSC 5821/1[1] speaks of exercising a "positive role" in Pact affairs, but short of adherence. It does not cover the spectrum of operating problems confronting us in day-to-day Baghdad Pact relationships. Hence, needed positions on specifics have customarily been developed through interagency consultation and clearance. Final Department of State approval has usually been at Assistant Secretary or higher level. From an operational viewpoint, this arrangement has been satisfactory. It has permitted us to support reasonable Baghdad Pact proposals. Conversely, it has allowed us to demur on unreasonable Baghdad Pact demands (i.e., U.S. support of unrealistic Baghdad Pact land force goals) or on Baghdad Pact proposals incompatible with our area-wide interests.

Our Embassy in Ankara has recently expressed concern that the United States may not be supporting the Pact adequately on a number of the major issues, viz., (a) full U.S. membership, (b) agreement to a Baghdad Pact Command Structure and to the related question of the Shah as Baghdad Pact Commander-in-Chief, (c) agreement to Baghdad Pact military contingency planning against Afghanistan and Iraq, and (d) increased economic assistance for Baghdad Pact multilateral economic programs. Clearly, all of these issues are in the sensitive zone of doubtful acceptability.

The Department still does not favor U.S. membership in the Pact, which is hardly likely to solve any of our basic problems with the regional states. Our recently concluded bilaterals with the three regional states have already set up a similar, but parallel, obligation to that contained in the Baghdad Pact, i.e., to cooperate for security and defense, and thus lessen the need for formal U.S. adherence. The establishment of a Baghdad Pact Command Structure would have an unsettling effect in the Middle East and remains politically premature. The Shah's interest in becoming Baghdad Pact Commander-in-Chief is an old problem, and we share Tehran's view that it is not really a burning issue with him.

Source: Department of State, NEA Regional Files: Lot 66 D 8. Secret. Drafted by Eilts.

[1] Document 257.

We think it can be effectively handled by reiterating to him, informally, our opposition to a Command Structure, which makes consideration of a Commander-in-Chief unnecessary. Finally, our limited grant-aid funds and vast global commitments preclude us from increasing materially our grant-aid support of Baghdad Pact economic programs. DLF assistance may, however, be possible. Moreover, we should be able to accelerate our disappointingly slow implementation of U.S. supported Baghdad Pact economic projects.

We think Ankara's estimate of the Baghdad Pact situation is overdrawn. None of the above positions should occasion any surprise to the regional states. We doubt that they will cause any of the regional states to jettison the Pact. The Shah's attitude remains a knotty problem, as it does in our bilateral relationship with him. It is doubtful that we can ever fully satisfy him. We should continue to support those Pact activities which further sound regional cooperation and are in consonance with U.S. area-wide interests. We should not support Baghdad Pact aspirations which are potentially harmful to our over-all area interests. An NSC policy paper defining the extent to which we should support Baghdad Pact political, military and economic programs might be helpful. The Department would be happy to participate in its preparation. Such a paper would also be useful for the forthcoming U.S.-U.K. reappraisal of the Baghdad Pact.

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71. National Intelligence Estimate

NIE 30–59 Washington, August 25, 1959.

MAIN CURRENTS IN THE ARAB WORLD

The Problem

To assess the principal forces at work in the Arab World and their implications for future developments in the area.[1]

Source: Department of State, INR–NIE Files. Secret. A note on the cover sheet indicates that this estimate, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the U.S. Intelligence Board (successor to the IAC) concurred with this estimate on August 25 except the representatives of the AEC and FBI who abstained on the grounds that the subject was outside their jurisdiction.

[1] This estimate is designed to place in perspective the main currents at work in the Arab World in order to lay a foundation for future estimates. It is not aimed at providing specific predictions on the whole range of questions in the area. Particular emphasis has been given to the UAR and Iraq, although we have not excluded consideration of other states. [Footnote in the source text.]

Conclusions

1. For some time, Arab affairs have been dominated by a struggle between defenders of the status quo and advocates of change. This struggle has been complicated by the Iraqi revolution of 1958. The new Iraqi Government has permitted Arab Communists to gain important influence. Its left-wing elements have shown a tendency to take a more radical approach toward social change than has the UAR leadership. The use of popular pressures by both the regime and its opponents have given the Iraqi population a sense of political participation which may be difficult to control. Iraq thus may come to offer a more radical challenge to traditional Arab institutions than the UAR. Nasser, once considered the most radical advocate of social change, now appears a moderate reformer in comparison to certain elements in Iraq. (Paras. 9, 12, 23–24, 26)

2. The contest for power in Iraq continues, and the character of the regime which will ultimately emerge is still uncertain. As long as this situation obtains, Nasser will almost certainly persist in his efforts to counter the Communist threat from Iraq, and will seek a limited rapprochement with the US. Other states of the area will attempt to cope with the Iraqi Communist threat without augmenting Nasser's influence in the process. (Paras. 29, 31)

3. A Communist takeover in Iraq would present serious dangers for the UAR and for other states of the area. Yet it would draw the battle lines more sharply between Arab nationalism and Soviet aspirations, and would probably tend to drive other Arab governments closer together. On the other hand, a non-Communist Iraq would demonstrate to the Arab World that there was an alternative to Nasser's leadership. In any case, Cairo–Baghdad rivalry is almost certain to continue in one form or another. (Paras. 29–30, 32)

4. The Soviets face a major problem in determining whether or not to move for the establishment of a Communist regime in Iraq. Under present circumstances, the Soviets probably prefer that the Iraqi Communists acquire the substance of power through some form of popular front, thus reducing the risks of foreign intervention and of offending Nasser and the nationalists in the area. If in time, however, they came to believe that the Iraqi Communists could take over and retain power, they would be likely to support them in doing so, particularly if the situation in Iran seemed to be developing in a manner favorable to Soviet interests. (Paras. 41–47)

5. Nasser's future in the Arab World will largely depend on the success of the UAR, which in turn is likely to depend on developments in Syria. Nasser's long run chances of establishing the UAR as a firm and enduring unitary state appear no better than even, though we do not an-

ticipate a complete breakup. A clear loss of control in Syria would shake Nasser's claims to Arab leadership, but it would probably not prove fatal to his position in Egypt. (Paras. 35–42)

6. At least in the short run, the outlook for Western influence in the Arab World has improved, largely because of the reactions of Nasser and other Arab leaders to the Communist threat. The longer-term outlook remains highly uncertain. Israel will continue to be a formidable obstacle to real amity between the West and the Arabs. The Soviets have established a position of influence in the area that is not likely to disappear. Arab nationalists, whether radical or reformist, will continue to pursue their aims of eliminating special Western positions in the area and regimes identified with the West. While a Communist takeover in Iraq would increase the threat to other Arab states, it would at the same time afford the West opportunities for a substantial increase of influence elsewhere in the area. (Paras. 48–55)

7. In spite of many areas of friction between the West and the Arab states, we believe that basic Western interests in the Middle East—access to oil and the maintenance of reasonably stable non-Communist governments—are not incompatible with those of the Arab states themselves. (Paras. 53–55)

[Here follows the "Discussion" portion of the estimate (paragraphs 8–55) with sections headed "Fundamental Political and Social Factors," "Main Domestic Political Patterns," "The Role of Iraq," Nasser and the UAR," "The Sino-Soviet Position," and "Position of the West."]

72. Memorandum of Conversation

US/MC/12 London, August 28, 1959, 4:30 p.m.

PRESIDENT'S TRIP TO EUROPE

August–September, 1959

PARTICIPANTS

United States

The Secretary
Ambassador Whitney
Mr. Gates
Mr. Merchant
Mr. Irwin
Mr. Berding
Mr. White
Mr. Farley
Mr. McBride

United Kingdom

Foreign Minister Lloyd
Sir Richard Powell
Ambassador Caccia
Mr. Hoyer-Millar
Mr. Ormsby-Gore
Mr. Dean
Mr. O'Neill
Mr. Hope
Mr. Laskey
Mr. Wilford

SUBJECT

Coordinated Military Planning in Middle East

Mr. Lloyd noted that Lord Mountbatten would be seeing the JCS on August 31[1] to discuss the subject of coordinated military planning in the Middle East. The Secretary said he thought our planning was getting on extremely well. Mr. Gates added there appeared to be no unresolved problems on the military level but noted that the advanced commitment of forces was virtually impossible, as he believed Mr. Sandys and the British Chiefs of Staff agreed. Rather, added Mr. Gates, what we should do was to exchange military plans and coordinate them, and likewise have a policy of complete disclosure. To plan a specific airlift would be impossible, but we could indicate to each what type of forces we might use.

Sir Richard Powell agreed that things were all right so far as they had gone in the field of joint studies, but he was asking that the US/UK plans and studies should be refined and carried further. More detailed annexes should be developed so that in the event of emergency further weeks of planning would not be required. He said Mountbatten in his Washington talks would propose necessary precautions, and would make it clear no military or political commitments were sought.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1449. Top Secret. Drafted by McBride on August 29, cleared by White and Gates, and approved by Herter on September 1. The meeting was held at the British Foreign Office. Secretary Herter accompanied President Eisenhower on his trip August 26–September 4 to Bonn, London, and Paris.

[1] No record of this meeting has been found.

Lloyd reiterated the British were not seeking any specific commitments but merely more detailed plans involving, for example, the Jordanian situation or an Iraqi invasion of Kuwait, in order to ascertain what could be done separately or jointly if necessary. He wanted to be clear what was available in an emergency. The UK would like to go further than merely exchanging plans and know, for example, what joint logistical support might be possible. Powell added that a combined military plan was not sought.

Lloyd said he thought there had been some misunderstanding, and Mountbatten felt that the JCS opposed any joint integrated plans. However, what the British wanted was coordinated planning. Mr. Gates said this was for the JCS to consider but he did not see any reason we could not go further in developing coordinated plans. He did not see why we could not accept the British point as outlined by Mr. Lloyd. Powell said what was wanted, without committing forces, was to translate existing studies into more detailed and specific plans. In some areas, such as the Sudan, Mr. Gates pointed out, where we did not have interests as great as the British, perhaps there should only be one unilateral plan. Mr. Lloyd agreed and referred to Iran as a case where we both had interests and a contribution to make. Powell thought that we were already in general agreement but that we could and should go further into detail. The Secretary noted that commitment of forces was always a hypothetical matter in these cases anyway, and Powell said this was true for the UK too. Mr. Gates pointed out we had no forces assigned to CINCNELM or in the Middle East.

Lloyd said he was somewhat dissatisfied to date because we had moved too slowly and we must do further planning and discover means for deploying our effort more rapidly. Mr. Gates agreed this was a sound objective. Lloyd observed we had been relatively lucky in Lebanon and Jordan but the logistic situation was much more difficult in the Persian Gulf, and we must know how long it would take to mount an operation. Our studies might show, for instance, that greater forces should be deployed in the Middle East.

Powell said it would now take so long to mount an operation to assist Kuwait that we must shorten this lead time. A military judgment was required. Lloyd said we must build up a striking force and not be defeatist. The whole area was in danger, and we must react. He thought the most imminent threat was the collapse of Iran.

Powell expressed the hope that the JCS would be authorized to talk with Mountbatten along the lines of this meeting. Mr. Gates said that, as the British had outlined it, we saw no difficulty in their proposals. He agreed with the desirability of quickening our reactions in the event of

trouble, and of developing plans which could lead to more definitive actions. He would see that the JCS would proceed along these lines.

In closing Lloyd stressed he was not trying to trick us into any commitments but believed we should coordinate planning and hypothetical actions, the results of which might be to change our military dispositions. Mr. Gates said concepts covering these situations existed but they had not been studied in detail. Powell said he believed there had been progress in the last two or three months.

The Secretary said he did not realize there had been any difficulties on this score. Powell said there had not been difficulties but simply that the authority for pushing these studies further had been lacking. Mr. Gates concluded the discussion saying he believed this situation could be remedied during Lord Mountbatten's forthcoming talks with the JCS.

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73. Letter From the Acting Assistant Secretary of Defense for International Security Affairs (Knight) to the Under Secretary of State for Political Affairs (Murphy)

Washington, August 31, 1959.

DEAR BOB: The Department of Defense has become increasingly concerned about the possibility that the Central Treaty Organization (CENTO)[1] may be seriously weakened, if not dissolved, as the result of an apparent feeling on the part of Middle East members that the United States refuses to give this organization whole-hearted support. A number of our people are convinced that this possibility may arise as a result of the negative attitude which the United States has had to take toward some of the proposals of Turkey, Iran, and Pakistan. The consequences of dissolution of CENTO are so grave as to mean that we must take every reasonable action to remove the risk of such a development.

The Joint Chiefs of Staff have presented a number of proposals directed toward the assertion on the part of the United States of a more

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Source: Department of State, Central Files, 780.5/8–3159. Top Secret. On August 14 Murphy's position was raised to Under Secretary of State for Political Affairs.

[1] The Middle East Treaty Organization (Baghdad Pact) was redesignated the Central Treaty Organization (CENTO) on August 21, 1959.

active role in the Central Treaty Organization's military affairs. Foremost among these is the proposal that the United States immediately join CENTO as a full member rather than participating, as it does now, as an observer having full membership on certain subordinate committees.

In the past, Defense has been advised that joining the Baghdad Pact might place some limitations on our relations with the Arab States and with Afghanistan and India, and that, additionally, political problems might be presented by submission of our joinder to Congress for ratification. However, in view of the changes which have taken place in the Middle East and in India and of our present commitments through bilateral agreements with the present CENTO Treaty members, and particularly in view of the needed strength that CENTO would derive from our membership, this Department believes that a reappraisal of the U.S. position on joining CENTO is urgently required.

In addition it is requested that urgent attention be given to the following JCS proposals:

(a) That the Military Committee be invited to participate in informal discussions just prior to the Council meeting in October.
(b) That the United States announce that we support the concept of the Permanent Military Deputies Group and are prepared for its early establishment.
(c) That the United States accept the position of Chief of Staff of the Combined Military Planning Staff as a continuing commitment.[2]

Sincerely yours,

Robert H. Knight

[2] In a letter to Knight, September 11, Murphy responded that the Department of State concluded that because of the political risks involved, the time was not right for the United States to join CENTO, although the Department did not rule out the possibility of U.S. adherence in the future. Murphy agreed that the United States should take every reasonable effort to strengthen CENTO and stated that the Department of State concurred in JCS proposals (a) and (b), but did not concur with proposal (c). (Department of State, Central Files, 780.5/8–3159)

74. Memorandum From the Under Secretary of State (Dillon) to Secretary of State Herter

Washington, September 23, 1959.

SUBJECT

Iran and CENTO

In accordance with your desire, I have reviewed our position in regard to CENTO in view of the strong desire of the Iranians that we join as full members. In order to arrive at a sound position it is first necessary to make an estimate of the Iranian reaction in case we fail to join. It is the considered opinion of our best experts on the subject that Iran will not leave the CENTO Pact and adopt a neutralist attitude in her relationships with the Soviet Union simply because we fail to become full members of CENTO.

This being the case, arguments against joining would seem to considerably outweigh those in favor. If we should join it would sharply reduce our influence in another critical country—Afghanistan, and we would also have little ability to mediate between India and Pakistan on such matters as Kashmir and the Indus Waters.

In addition, our membership in CENTO would not diminish the Shah's appetite for military assistance and might even increase it. The final argument against joining CENTO is the vague character of the treaty itself. In Senate considerations of the treaty it is likely that the Foreign Relations Committee would either through reservation or legislative history try to define more precisely our obligations under the treaty. This could very well lead to a situation where even though the treaty was accepted our hands would be more closely tied than they are at present, and our freedom of action restricted. For all these reasons, I believe that our present policy of avoiding full membership in CENTO should be maintained.

Since we are not in a position to give substantially increased military or economic aid to Iran, I have organized an inter-departmental working group to see if we cannot break a number of bottlenecks on smaller projects which are of importance to the Shah, the execution of which could help to strengthen our position in Iran.

I also feel it is important that we treat the Prime Minister of Iran with the greatest courtesy possible during his visit at the time of the CENTO Meeting. I believe that arrangements should be made for the President to see him and the Turkish Prime Minister separately in their

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Source: Department of State, Central Files, 378/9–2359. Secret. Copies were sent to Murphy and Jones.

capacities as Heads of Government. I also feel we should take special steps through protocol to assure that high level attention in the form of greeters at airports, etc., is provided for both the Prime Ministers of Iran and of Turkey. This means that they would be treated more as Heads of Government on an informal visit to the United States than as merely members of a conference.

Finally, if it should continue to develop that the Iranians and other members of CENTO really wish us to chair the CENTO meeting here, I would recommend that we recede from our opposition and gracefully accept that chore, which has no practical effect. We have, as you know, some indication from our Embassy in Tehran that the Iranians might feel flattered at the opportunity of serving as chairman themselves, and I would only consider our serving if this proved not to be the case.

Douglas Dillon[1]

[1] Printed from a copy that bears this typed signature.

75. Telegram From the Department of State to the Embassy in Turkey

Washington, September 29, 1959, 8:10 p.m.

1001. CENTO. Following are US objectives at forthcoming CENTO Council session:[1]

1. To infuse, as necessary, an appreciation of continuing need for CENTO and benefits regional states derive from it.

2. To persuade CENTO members—particularly Iran—of our continuing strong support of CENTO and its objectives.

3. To reassure regional states Eisenhower–Khrushchev exchange of visits[2] does not alter US policy re CENTO.

4. To impress upon regional states that US military and economic aid programs have been generous, are soundly based and materially enhance their defense capabilities and their healthy economic development.

Source: Department of State, Central Files, 396.1–WA/9–2959. Secret. Drafted by Eilts; cleared by Jones and Wright; cleared in draft by Herter, Reinhardt, Owen Jones, Moffet, and Bartlett; and approved by Murphy. Sent also to Karachi, London, and Tehran and repeated to Baghdad, Kabul, and New Delhi.

[1] October 6–7 in Washington.

[2] Khrushchev visited the United States September 15–27; Eisenhower did not visit the Soviet Union.

5. As corollary, to impress on regional states that limited appropriations make it impossible increase MAP programs and that US and its partners in MSP will have to produce more for less money in immediate period ahead.

6. To exchange views freely and frankly on current ME problems, yet avoid any commitment to a common policy.

7. To impress upon Pakistan and Iran in particular that we are not prepared to write off Afghanistan and Iraq as Soviet satellites and to urge them, as appropriate, to take constructive action to improve their relations with these states and with other free world neighbors.

8. To dissuade discreetly regional states from undertaking CENTO activities inconsistent with US global and area-wide interests and to keep CENTO militarily and publicly out of existing intra-area disputes.

9. Since Iran is a key in CENTO situation, particular attention should be focused on stiffening Iranian morale through all reasonable means.

Be guided by foregoing in any discussion of specific issues likely arise at CENTO session.

Herter

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76. Editorial Note

As suggested by Dillon (see Document 74), President Eisenhower met with the Turkish and Iranian Prime Ministers and the Pakistani Foreign Minister who were leading their nations' delegations to the Central Treaty Organization (CENTO) meeting in Washington October 7–9. President Eisenhower met on October 9 at 3 p.m. with Prime Minister Adnan Menderes of Turkey. Menderes' opening comments were nonsubstantive, although he informed the President that he thought the CENTO meeting had greatly reassured the Pakistanis who, like the other members, had been concerned about the pact's fate after the last meeting in Karachi.

According to the memorandum of conversation of the meeting, Eisenhower's comments to Menderes read as follows:

"The President brought up the question of the radio propaganda attacks against Iran. The Secretary referred to the special declaration

issued by the CENTO Council of Ministers in this regard. Mr. Menderes confirmed that these propaganda attacks were continuing and said that they had had the interesting effect of stiffening the resistance of the Iranian people and causing a 'rallying to the throne'. The President then spoke to the Secretary regarding the editing of a statement re Iran which the President was to issue after seeing Eqbal.

"The President told Mr. Menderes that nothing would give him greater pleasure than to visit the CENTO countries. The trouble was that he was bound to his desk. He could not delegate his responsibilities to the Vice President. If it were possible to make the Vice President Acting President then Mr. Eisenhower would not be abroad as President. If he went abroad he would have to be pursued by a stream of papers on which only his signature would serve. Moreover, once he started visiting countries he would have to visit many countries. 'It is impossible to visit 10–12 countries for two days each.' Mr. Menderes said that Turkey understood the President's problem, but nonetheless hoped sincerely it would be possible for him to visit Turkey at some stage. He said. 'Your visit to the CENTO countries would be worth three American divisions.' (Memorandum of conversation, October 9, USDel/MC/13; Department of State, Conference Files: Lot 64 D 560, CF 1503)

The text of the CENTO declaration condemning the Soviet Bloc propaganda campaign against Iran, October 9, 1959, is printed in *American Foreign Policy: Current Documents, 1959*, pages 1027–1028.

Eisenhower next met with Iranian Prime Minister Manoutchehr Eqbal at 3:30 p.m. According to the brief account of the meeting, Eqbal's comments were nonsubstantive and appreciative of the CENTO meeting and the reception he received. Eisenhower made the following comments to Eqbal:

"The President said that we consider the flank extending eastward from Turkey to Iran and Pakistan very important. Therefore, we must be sure not only that Iran's economy is kept strong through a rising standard of living but also that Iran's military strength and the heart of its people is maintained. We and Iran's other allies can help Iran militarily and economically in this effort but it is up to Iran to find the necessary courage. That is why we are pleased that in the present situation Iran has given us so good an example of spiritual strength." (Memorandum of conversation, October 9, USDel/MC/15; Department of State, Central Files, 396.1–WA/10–959)

After the meeting with Eqbal, the White House issued a statement condemning the campaign of Soviet Bloc propaganda against Iran and reaffirming U.S. support for Iran's efforts to maintain its independence. The statement stressed that the United States viewed any threat to Iran's territorial integrity and political independence with gravity. For text, see *American Foreign Policy: Current Documents, 1959*, pages 1065–1066.

A memorandum of a telephone conversation between Major John Eisenhower and Herter, October 9 at 12:55 p.m., relates to the decision to issue a press statement on the President's meeting with Eqbal. It reads:

"Telephoned Maj. Eisenhower. Secy said since he talked to the President this morning at which time they discussed communiqué after this afternoon's meetings, we found the Iranians are very unhappy and feel there should be a separate communiqué on Iran. This has been discussed with Turks and Pakistanis and they are agreeable to being left out and just having communiqué on Iran meeting. Secy will have draft communiqué read to Maj. Eisenhower's secy over the telephone. (Eisenhower Library, Herter Papers, Telephone Conversations)

Pakistani Foreign Minister Manzur Qadir met with President Eisenhower from 4 to 4:55 p.m. His conversation with Eisenhower was the most substantive of the three, but it dealt almost exclusively with Pakistani-Indian relations. (Memorandum of conversation, October 9, USDel/MC/14; Department of State, Conference Files: Lot 64 D 560, CF 1503; times for Eisenhower's meetings are from Eisenhower Library, President's Daily Appointments, 1959) The discussion between Eisenhower and Qadir is printed in volume XV, pages 187–190.

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77. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to the Under Secretary of State (Dillon)

Washington, October 10, 1959.

SUBJECT

CENTO Ministerial Council Session

General

The CENTO Ministerial Council session, October 7–9, was satisfactory. Despite earlier reports, the representatives of the regional states acted with restraint and moderation. As had been anticipated, they all stressed the need to strengthen CENTO through additional military and economic aid. Iran and Pakistan expressed misgivings over Soviet penetration of Afghanistan. Iran also cited the growing Communist influence in Iraq. The United States, United Kingdom and Turkey stressed the need for a positive policy toward Afghanistan and Iraq to prevent

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Source: Department of State, NEA Files: Lot 65 D 365, 7th Ministerial Meeting—Correspondence. Secret. Drafted by Eilts.

these countries from being driven closer to the Soviet camp. The Iranians were particularly pleased with the Declaration on Soviet Propaganda against Iran,[1] which was issued concurrently with the Final Communiqué.[2] Additionally, the subsequent White House statement[3] praising Iranian steadfastness was greatly appreciated.

Economic

No specific economic offers were made by the United States. In his public opening remarks,[4] the Secretary referred to the substantial U.S. military and economic assistance programs to the regional states. He pointed out that in FY–58 U.S. economic aid to the regional countries had totaled approximately $300 million and in FY–59 approximately $470 million—an increase of more than 50 percent. With reference to U.S. support of CENTO multilateral economic programs, he cautioned, "Clearly, the United States cannot underwrite all CENTO economic projects. Indeed, it has honest doubts about the economic potential of some proposals." He added that the United States will continue to explore with the CENTO members ways and means in which it may be able to help "in this very important aspect of CENTO activities."

The Council approved the Report of the Economic Committee and the various resolutions attached to it. Such approval does not constitute any U.S. obligation to finance these projects, but does obligate us to explore whether and how we can help to implement some of them. Much of this can be done in the context of existing technical cooperation programs. The financing of joint capital development projects is still unresolved and the regional states continue to look hopefully to the United States for needed funds.

In this connection, when specifically urged by Iran to give support to the Turk-Iranian railroad link, the Secretary said we were still studying the matter but could make no commitment at this time. [In the meantime, an amended PROAG has been signed with Iran making available to it the $1.9 million of the Richards commitment for use in engineering and construction of the Sharafkhaneh-Qara Tepe segment in Iran. In the case of Turkey, a DeLeuw–Cather group engaged by DLF (using ICA funds) is now in Turkey collecting data to allow a more meaningful study of the economic feasibility of the Mis-Tatvan segment and its possible eligibility for DLF assistance. Thus, some progress is being made in moving the respective rail-heads closer together.][5]

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[1] See Document 76.

[2] For text of the Final Communiqué, see *American Foreign Policy: Current Documents, 1959*, pp. 1028–1029.

[3] See Document 76.

[4] For text, see *American Foreign Policy: Current Documents, 1959*, pp. 1024–1027.

[5] Brackets in the source text.

Turkey expressed interest in an Ankara–Tehran–Karachi air navigational aid system, which had been broached by the U.S. delegate to the Economic Committee for the consideration of the member governments. Iran and Pakistan are yet to be heard from on this possible project. ICA's preliminary planning on the project suggests it may cost about $4.5 million. No firm allocation of funds has yet been made and should not be made until the interest of the other regional CENTO states has been ascertained.

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78. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to the Under Secretary of State for Political Affairs (Merchant)

Washington, March 10, 1960.

SUBJECT

CENTO Command Structure

I understand that the agenda for your discussions with the JCS on March 11[1] includes Middle East command. As I believe the JCS may be considering this subject partly in connection with another matter which is not on the March 11 agenda, namely CENTO command structure, I believe the information set forth below may be of use to you as background.

The three regional members of CENTO (Iran, Pakistan and Turkey) have long favored the establishment of a command structure complete with theater and service headquarters. They believe this is essential in order to strengthen the military side of CENTO. There are clear indications that they intend to pursue this subject vigorously at the CENTO Military Committee meeting, March 28–30, and in the CENTO Ministerial meeting, April 28–30. For instance, CENTO's Secretary General, who previously has served as the Shah's cat's paw in the Shah's efforts to garner for himself the role of CENTO commander-in-chief, has informally asked Ambassador Warren what would be the U.S. reaction to a request that we provide a commander-in-chief for CENTO forces.

Source: Department of State, NEA Regional Files: Lot 66 D 8. Secret. Drafted by Michael R. Gannett of NEA/NR.

[1] See Document 79.

The United States has opposed a CENTO command structure on the ground it would be both a political and an economic liability at this juncture. The Department has felt its creation would be seriously misunderstood by other countries in the area and would intensify pressure by the CENTO regional members for increased military aid, for CENTO "common infrastructure," and for the assignment or earmarking of U.S. forces. The JCS has felt, on the other hand, that a command structure is warranted from a military viewpoint, when conditions permit, meaning in effect when the Department withdraws its political objection. There are indications that the Air Force feels less strongly on this matter than the Army and possibly than the Navy. Our military may, from a military viewpoint, find interesting the possibility of providing a CENTO Supreme Commander.

The British have felt less strongly than ourselves but last summer, after some indecision, agreed with us that on political grounds a command structure is politically premature. Embassy London reported last week that the Foreign Office still is "not advocating command structure, only examining how question should be handled tactically". The Counselor of the British Embassy here told me somewhat more forthrightly that the Foreign Office was thinking along the line that, if we must give in later in 1960 to the regional states' views on this matter—and the Foreign Office thought we would—then why not do so gracefully now and thus be able more effectively to limit the scope of the structure created.

The current situation within CENTO as regards planning on command structure is as follows. The Ministerial Council in Washington last October directed the Military Committee to undertake planning on this matter. Thereupon the Combined Military Planning Staff (CMPS), CENTO's international military planning body, took up the matter and, according to our latest information, is still seized with it. Customarily the CMPS's study would be subjected during consideration by the Permanent Military Deputies Group (PMDG) to the national views of the participating countries, before being sent to the Military Committee. But in view of the shortness of time remaining before the Military Committee meets on March 28, the PMDG's consideration is likely to be perfunctory at best. In order to have ready instructions for General White, who is to represent us in the Military Committee meeting, the JCS is now considering CENTO command structure, even though it does not have before it a CMPS paper on the subject. Not having yet completed its own study on the matter, the JCS may not wish to take the initiative in raising CENTO command structure with you or to engage in a substantive discussion on the subject.

Recommendation

That you indicate to the Joint Chiefs your hope that you and they may discuss CENTO command structure at an early date, in anticipation of the Military Committee meeting.

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79. Editorial Note

At a meeting of the Joint Chiefs of Staff and high-level Department of State officials on March 11, Under Secretary of State for Political Affairs Merchant raised the issue of a CENTO command and noted that U.S. involvement in a CENTO command structure was "premature," would cause misunderstandings with other countries, and undoubtedly would lead to increased financial demands from pact members. Speaking for the Joint Chiefs of Staff, General Picher stated that as a military problem the Chiefs had a right and a responsibility to consider a CENTO command structure. Admiral Burke asked if State opposition to a command was "anchored in hard concrete," and noted that "if we have CENTO we ought to have a command structure." Merchant replied that the Department's position was "anchored in soft concrete," but the Department thought the idea politically premature. The Joint Chiefs felt that a command structure was a "question of keeping CENTO alive." Asked by General Decker how the United States joining CENTO as a full member would affect the U.S. position in the Middle East, Merchant replied it was a combination of "unfulfillable expectations," a possible diminution of NATO, false deductions which other Arab nations and the Soviet Union would draw, and probable increased Soviet pressure on Iran. Merchant stated that it was in U.S. interest to associate with CENTO "only a little bit at a time." (Department of State, PPS Files: Lot 67 D 548, State–JCS Meetings)

80. Memorandum of Conversation

Washington, March 22, 1960.

SUBJECT

CENTO Command Structure

PARTICIPANTS

Defense
General Thomas D. White, Chief of Staff, USAF
Major General Douglas Johnson, USA—Joint Staff
Brigadier General L. J. Fields, USMC—Joint Staff
Admiral Elonzo B. Grantham, Jr.—DOD/ISA
and others

Department of State
Assistant Secretary G. Lewis Jones—NEA
Michael R. Gannett—NEA/NR

This conversation took the form of exploring the ground between the position of the Department of Defense on Command Structure as set forth in Mr. Irwin's letter of March 21, 1960, to Mr. Merchant,[1] on the one hand, and the Department's traditional position on this subject, on the other hand.

Mr. Jones noted that Mr. Irwin's letter had reached the Department only today and thus there had not been opportunity to consider it as yet; nevertheless, he would find useful an exploratory conversation even if no firm conclusions could be reached at this time. He described at some length the political factors on which the Department has maintained its position that a Command Structure at this time would be premature, noting in particular (1) the adverse reactions which the establishment of a Command Structure would create in the Middle East and particularly in India, (2) our concern that regional states would endeavor to use U.S. participation in a Command Structure as support for their own positions in intra-area disputes, and (3) the inability of the regional members to support a Command Structure in the absence of extensive additional assistance from us. Mr. Jones also described the proposal contained in Ambassador Caccia's letter of March 18, 1960, to the Secretary.[2] (*Note:* This proposal was to the effect that the U.S.–U.K. seek

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Source: Department of State, Central Files, 378/3–2260. Secret. Drafted by Gannett.

[1] Not printed, but the letter is summarized in this memorandum. (*Ibid.*, NEA Regional Files: Lot 66 D 8, CENTO Military Committee, 8th Session, 1960)

[2] In this letter, Caccia stated that British Foreign Secretary Lloyd believed that before long the United States and United Kingdom would have to agree to a command structure to avoid a crisis of confidence in CENTO. Caccia then proposed the plan described in the note. (*Ibid.*, Presidential Correspondence Files: Lot 66 D 204)

through diplomatic action removal of Command Structure from the Military Committee's agenda and reserve it for discussion by the Ministerial Council, indicating that the two Governments were favorably disposed toward some form of Command Structure; the Ministerial Council would then agree in principle to establishment of the structure but, in view of Summit considerations, public announcement would be deferred until the following Council meeting. This proposal was subsequently withdrawn following comments made by U.K. Embassies in the CENTO countries.)

Using the analogy of buying a house, Mr. Jones asked why the JCS thought it was desirable to commit ourselves in principle to a Command Structure without having first negotiated the terms of sale. General Fields replied that the JCS had addressed itself to the military desirability of a Command Structure; having reached an affirmative answer, the JCS stated its conclusion and the condition upon which it is based, namely, agreement on the terms of reference. In response to Mr. Jones' next query, as to what in the JCS's opinion is the U.S. military requirement for a CENTO Command Structure, General White spoke briefly of the convenience which such a structure would provide in straightening out U.S. national command arrangements in the Middle East area.

Mr. Jones noted that the JCS guidance would leave open the possibility of the appointment of a U.S. officer as Supreme Commander failing the selection of a regional national, an alternative to which Mr. Jones took exception on political grounds. General White replied that the JCS did not have strong views on a U.S. officer. General White and his staff stated in response to another query that, in reviewing legal aspects of possible U.S. participation in CENTO Command Structure, they had considered merely whether there are prohibitions to U.S. involvement, not whether it would be advisable to seek Congressional views or specific approval.

General White gave the impression that the Joint Chiefs in considering the question of Command Structure had in fact informally delegated to him responsibility on the matter. He seemed relaxed and in fact expressed a personal preference to see the matter dumped into the lap of the Ministerial Council where, because of its political implications, a decision could be more conveniently made. With perfect equanimity he summarized as follows the four alternatives which he found open to us, listing them in order of descending preference:

1. The position outlined in Mr. Irwin's letter of March 21, namely, that the U.S. representative in the Military Committee not oppose establishment of a CENTO Command Structure subject to subsequent agreement on terms of reference, and that the matter be referred back to the CENTO Military Planners for the detailed study and staff work which it requires before action could be taken to implement the decision.

2. The Military Committee and the Ministerial Council should not pass upon the need for a CENTO Command Structure in advance of further study and staff work on the matter, to which CENTO's military planners should now address themselves.
3. Removal from the agenda and referral to the Ministerial Council, as proposed by the U.K.
4. The Department's traditional position.

In listing these alternatives, General White indicated that the Department of Defense and the Joint Chiefs were prepared to agree to whatever the Department directs on the matter, in view of the political ramifications involved in the proposal to establish a Command Structure.

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81. Memorandum of Conversation

Washington, April 4, 1960.

SUBJECT

Revision of NSC 5820/1, U.S. Policy toward the Near East

PARTICIPANTS

Mr. Gordon Gray, Special Assistant to the President for NSC Affairs
Mr. James S. Lay, Jr., Executive Secretary, NSC
Mr. Livingston T. Merchant, Under Secretary for Political Affairs
S/P–Mr. Gerard C. Smith
NE–Mr. Nicholas G. Thacher

Mr. Merchant said that in accordance with Mr. Gray's request made in early February when the OCB considered a report[1] on the NSC policy paper for the Near East (NSC 5820/1),[2] the Department was agreeable to a revision of the policy paper. He suggested that the State Department should undertake this revision which would then in the ordinary course be presented to the NSC Planning Board for consideration. The new draft would aim at updating language in the paper which had been

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Source: Department of State, Central Files, 611.80/4–460. Secret. Drafted by Thacher.

[1] OCB Report on the Near East (NSC 5820/1), February 3. (*Ibid.*, OCB Files: Lot 61 D 385, UAR Documents)

[2] Document 51.

made inapplicable by events in the area and would exclude the Sudan since this had been moved from NEA to the Bureau of African Affairs. In addition, it was contemplated some revision should be made in Section 23 dealing with steps the U.S. might take to insure that oil from the Near East remains available for European requirements.

Mr. Gray concurred with this approach noting that the prospect of expanding North African oil production made particularly pertinent the desirability of review of the section dealing with oil availability. Mr. Smith agreed but commented that it might perhaps be two years before North African oil production became a significant factor in determining our attitude towards the indispensability of Middle East oil.

Mr. Gray noted that, in drafting the report, the NIE now in preparation on the UAR[3] might usefully be consulted as well as a study now being prepared by OCDM on European dependence on Middle East oil.[4]

Mr. Lay pointed out, and it was agreed, that the sections on Iraq might well be scrutinized carefully to insure their applicability to the present situation there.

Mr. Gray agreed with Mr. Merchant's suggestion that a redraft of the paper should be ready in about a month's time and that if it is approved by the Planning Board it should be sent to the NSC for approval by buckslip. Mr. Gray noted the possibility that the Council might wish to discuss some parts of the paper.

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[3] NIE 36–60, "The Outlook for the UAR," April 26. (Department of State, INR Files)
[4] See Document 65.

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82. Telegram From the Embassy in Iran to the Department of State

Tehran, April 16, 1960, 5 p.m.

2465. CENTO. Conversations we have had here with representatives regional CENTO members, especially Iran and Pakistan, since meetings of military and economic committees have revealed high degree frustration and disillusionment. What we believe is new element is unprecedented stress, not as in past on degrees of US material contribution to CENTO project, but on regional members uncertainty re basic US attitude toward CENTO itself. Several fairly high-ranking officials have said they felt US policy treats regional members as if they children, and

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Source: Department of State, Central Files, 378/4–1660. Secret. Repeated to Ankara, Karachi, and London.

that US gives lip service to CENTO but more and more clearly reveals US heart not in it. There is feeling that US has been stringing regional members along re US support for organization, that CENTO without full US support cannot have vitality or meaning, and that unless US attitude changes regional members might as well reconsider what value CENTO is to them. One Iranian official has just expressed to us hope that at forthcoming ministerial meeting US can make some gesture to demonstrate its faith in CENTO. Command structure not necessary, he said, just something to give members confidence in US commitments to CENTO. I know that it is customary prior to ministerial meetings for regional members to press for greater US support, but I believe that above conversations have revealed degree of bitterness and frustrations re US attitude toward CENTO much deeper than in past. There is feeling CENTO deliberations becoming farcical owing ambivalent US attitude, which casts regional members in undignified and even insulting role.

Given factors governing US attitude toward CENTO difficult see how US policy could be radically altered in direction regional members would like, but if above conversations are any indication would seem current US policy may be on point of running its course as far as regional members concerned. In view of this, and presuming that US delegation is bringing nothing basically new for ministerial meeting, what delegation says and attitudes it displays toward regional members will be of signal importance. Anything which can be done to remove "bad taste" left by discussion on command structure and telecommunications circuit will be well worth the effort. There is feeling CENTO, let alone going forward, is not even standing still but slipping backward.

I should emphasize above reflects attitude middle-level officials, and that I have received no indications this dissatisfaction from Shah, Prime Minister or Foreign Minister. In fact, Department will recall (Embtel 2246)[1] Prime Minister exhibited sense of relief that command structure decision once again deferred. Shah April 16 merely said he hoped we would be ready proceed on command structure after Summit meeting. Nonetheless, I believe there is important undercurrent of disillusion in CENTO which must be taken into account.

Would be of interest know if Ankara and Karachi have same impression.[2]

Wailes

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[1] Dated March 29. (*Ibid.*, 378.75/3–2960)

[2] In telegram 2286 from Ankara, the Embassy reported that although it had received no recent expressions along the lines of Tehran telegram 2465, it did believe that the telegram "fairly reflects widely held views working level regional officials concerning CENTO." (Department of State, Central Files, 378/4–2160) No documentation has been found on the views of the Embassy in Karachi.

83. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to the Legal Adviser (Hager)

Washington, April 20, 1960.

SUBJECT

Request for Views on Foreign Relations Implications of Divestiture or Substantial Alteration of Interests in Joint Companies Owned by Defendants in International Oil Cartel Antitrust Case

As requested in your memorandum of April 11, 1960,[1] there follows an assessment of the impact on foreign relations in the NEA area should the Department of Justice seek divestiture of joint production, refining transportation and storage activities of defendants.

In my opinion, the mere announcement that the U.S. Government, through the Antitrust Division of the Department of Justice, was seeking divestiture of the facilities indicated would in itself have unfavorable repercussions on U.S. relations with countries in the NEA area. In Saudi Arabia for example, the affirmation that the four stock-holding companies of Aramco were charged by the U.S. Government with conspiracy involving restraint of trade and monopolistic practices would provide substantial support to elements in that country which have been pressing for Arabization of the company on integrated lines. While this might not lead immediately to nationalization of the company or cancellation of the concession, it would certainly upset seriously the relations of the company with the Government and strain U.S. Government relations with the Saudi Government. It is reasonable to expect this would be accompanied by a chain effect bringing into question the equity of petroleum concession terms generally.

As we are requested, as I understand it, to speculate on the consequences of an unfavorable court decision, without specific assumptions as to the detailed nature of such a decision, I have chosen to outline the unfavorable potentialities only with regard to the three principal companies in the NEA area involved in the case—Aramco in Saudi Arabia, Kuwait Oil Company in Kuwait and IPC in Iraq.

With regard to Aramco a judgment seeking divestiture by the four parent companies might be satisfied by reposing ownership in just one

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Source: Department of State, Central Files, 800.2553/4–2060. Secret. Drafted by Raymond S. Williams, Jr., of NE/E.

[1] In this memorandum the Legal Adviser informed Jones that the Department of Justice requested the advice of the NSC concerning national security implications of possible relief directed at oil companies in the oil cartel case initialed in 1953 and being litigated by the Department of Justice. (*Ibid.*, 800.2553/4–1160)

of them. This would, however, raise a problem as to marketing since at present all of Aramco's one million barrel a day output is purchased by the parent companies and it is unlikely that any one of them could market this output by itself. Even allowing for substantial reduction of output in a single owner company's production sources elsewhere, a severe cut in Saudi Arabian output would probably be indicated. The consequent decrease in revenues for Saudi Arabia could create political instability. Continuance of the concession would be brought into question and it is not to be excluded that hostile external political influences would begin to play a strong role.

In my opinion, the possibility that the four companies could as an alternative to single company ownership achieve agreement with the Saudi Government to split the concession into four parts is entirely to be excluded. Most of the production comes from two fields and I am told it is technically impossible to split these into four parts without at the same time agreeing to a unified production policy for each of them.

With regard to *Kuwait*, the fifty per cent interest of the British Petroleum Company in this enterprise provides a significant source of revenue to the British Commonwealth. It is almost certain that the British Government would not even consider selling out its interest to Gulf, the American partner. Moreover, the value of the fifty per cent share which Gulf under these conditions would be compelled to sell to companies other than the defendants in this suit is so great that it seems quite unlikely that any combination of petroleum companies of lesser resources than the so-called "majors" in the U.S. could find it possible to acquire this interest. In other words, Gulf would in effect be forced to sell to British Petroleum, Shell, or possibly the French Petroleum Company. Kuwait Oil Company controls one of the most significant reserves of petroleum in the world and its forced transfer from American ownership would seem obviously very much against U.S. national security interests.

With regard to *Iraq*, it is to be recalled that the 23.75 per cent interest which American companies possess in the Iraq Petroleum Company was made possible primarily as the result of U.S. Government pressure in the period after World War I. The value of this holding is less than Gulf's fifty per cent ownership of Kuwait, but I would estimate that the action proposed would probably require transfer of this holding to non-American purchasers. The impact of such an action would seriously undermine the relations of IPC with the Iraqi Government. It seems reasonable to forecast, therefore, a political crisis which would be detrimental to U.S. relations in the area and with the Government of Iraq in particular.

I understand that the American companies participating in the Iranian Consortium will be excluded from the case because of previous

NSC determinations that national security interests were involved. This raises the possibility that the Arab countries would consider prosecution of just those U.S. companies operating in Arab areas as discriminatory with a consequent deleterious effect on our relations with these countries.

Conclusions

Announcement of divestiture action by the Department of Justice would (1) intensify pressures currently being exerted by ME oil states on American oil concessionaires, which in turn would inevitably lead to serious problems in the U.S. Government's relations with these countries and (2) accelerate the trend toward nationalization or Arabization to the detriment of American private and public interests. In addition, actual divestiture of the non-marketing facilities of American companies in the area would be directly counter to a major U.S. national security interest in the area—i.e., assuring continued availability to the West of ME oil on reasonable terms.

Recommendation

On balance, NEA would support a recommendation that the NSC declare a national security interest in regard to the question posed by the Department of Justice.[2]

[2] For an account of the discussion at the NSC meeting, see Document 86.

84. Telegram From the Delegation to the CENTO Ministerial Meeting to the Department of State

Istanbul, April 30, 1960, 11 p.m.

Secto 41. CENTO Round-up.

1. General atmosphere meeting maintained high plateau established at Washington. Chiefs of delegations met as old friends prepared talk frankly about their problems and relatively uninhibited by suspicions. Important in establishing this friendly state of affairs were recent visits of President to Turkey, Iran and Pakistan. I am told my heading USDel was greatly appreciated.

Source: Department of State, Central Files, 396.1–TE/4–3060. Confidential. Repeated to Karachi, Tehran, London, Kabul, and Ankara.

In Cahto 5 to Istanbul, April 30, Herter as head of the U.S. Observer Delegation to the Ministerial Council meeting of CENTO, April 28–30 at Tehran, gave the President a brief and upbeat report. (*Ibid.*)

2. Regional members appeared more self-confident at Tehran than at Washington. Iranians, who had most problems last time, displayed calm and aplomb. They did not even mention problems with Iraq; briefly referred to Helmand waters problem.

3. Nearest approach to problem children this time were Pakistanis who dealt at some length with Afghanistan-Pakistan difficulties although with no particular heat. Qadir said Pakistan appraisal degree Soviet penetration in Afghanistan evidently differed from that of US and UK (with whom we saw eye to eye). Qadir said he looked forward to comparing with Rountree in near future US and Pakistan intelligence evaluations.

4. When Selwyn Lloyd and I made frank statements on disarmament and summit regional members followed with keen interest. This evidently what they hoped for and member self-esteem enhanced by being taken into US and UK confidence. After hearing our presentations regional members vied with each other in expressing thanks and asserting their full confidence in US and UK at summit.

5. Military Committee reports (including controversial section re [command] structure) went through without difficulty; emphasis this meeting almost wholly political; beyond thanks for US help in past none of regional members plugged during meeting for increased US military aid.

6. Regional members evidently arrived considerably exercised over communications project delay but ruffled feathers quickly fell into place when I stated this problem now resolved. Turks had already received favorable indications re railway loan before arriving Tehran and had no complaint on this score. Regional members stressed importance they attach to Turk-Iranian rail link.

7. Presence General White greatly appreciated as evidence importance US attached CENTO. White did excellent job in presenting Military report.

8. Student demonstrations Turkey, although prime topic in corridors, never referred to in meetings. Zorlu turned in particularly able performance in discussing ME affairs and exhibited high degree self-confidence.

9. At no time were quips and innuendoes made re US observer status. This accepted as a matter of course and made no difference in nature US participation in meeting.

10. Iranian Government from point of view of hospitality did its superior best. Shah arranged private meeting with heads of all delegations, but paid particular attention to US delegation.

Herter

85. Memorandum From the Assistant Secretary of State for Economic Affairs (Martin) to Acting Secretary of State Merchant

Washington, May 3, 1960.

SUBJECT

Department of State Comments on a U.K. Staff Paper on Middle East Oil Concession Problems[1]

Discussion

The Department has made a careful study of a U.K. paper on Middle East Concession Problems which was given to us last year for comment and informal discussion.[2] On Pages 1 to 7 of the attached document are Conclusions and Guidelines which, if you approve, will be used in these informal discussions with the U.K. representatives.

The basic problems outlined in the British paper relate (1) to the rapidity and probable result of current trends in the relations between host governments and the concessionaire companies, and (2) to the actions which the U.K. and U.S. Governments can and should take in this connection.

We recognize that trends now under way will probably continue with respect to demands for larger shares of profits and greater host government control over company operations. We believe that the companies' bargaining position vis-à-vis host governments is relatively favorable now and will continue to be so over the next few years. In view of this we believe that the concessionaire companies have considerably greater scope to oppose concession changes which might basically affect their management prerogatives and their overall position. However, from time to time, it may be tactically useful for the companies to give way on issues of lesser importance. While the Department stands ready to consult with the companies at their request on their negotiations with host governments, we believe that the companies themselves should be responsible for such negotiations and that the United States Government should not enter into or interfere with such negotiations except in extreme cases involving major questions of security, national policy or

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Source: Department of State, Central Files, 880.2553/5–360. Secret. Drafted by Earl R. Becker, Chief of the Fuels Division, with concurrences from Deputy Assistant Secretaries Kennedy of NEA, Ivan B. White of EUR, Avery F. Peterson of FE, Lester D. Mallory of ARA, Political-Economic Adviser George Dolgin of AF, Deputy Legal Adviser John M. Raymond, Morgan of S/P, and Harvey J. Winter, Assistant Chief of BP.

[1] Attached but not printed.

[2] Received from the British Embassy, May 22, 1959, not printed. (Department of State, Central Files, 800.2553/6–2359)

international law. The U.K., on the other hand, appears to prefer a more direct working relationship between the U.K. and U.S. Governments and their respective companies, and to favor government initiative, if necessary, to encourage the companies to institute and accelerate appropriate concession changes.

The U.K. paper also suggests that the U.S. and U.K. Governments attempt to reach a broad measure of agreement on principles and policies. Rather than have a fairly formal arrangement for consultations, and a formal agreement on principles and policies, we prefer to continue our present method of informal consultations between the Department and British Government officials as the need arises.

The U.K. have shown the draft of their paper to their two companies, British Petroleum and Shell, and have authorized us to show the paper to our companies. We believe it inadvisable to show either the U.K. paper or our own draft to our companies. Instead, we recommend that we continue as before to talk informally with U.S. company representatives as occasion arises on the various problems connected with their company-host government problems.

We recommend that a suitably modified version of our draft paper be given to the U.K. Government prior to the setting up of informal discussions of their paper.

Recommendations[3]

1. That the Conclusions and Guidelines set forth in the U.S. draft be approved for use in informal discussions with U.K. officials.

2. That the U.S. continue to adhere to its policy of non-interference with the relations of our companies with their host governments, except in extreme cases involving major questions of security, national policy or international law.

3. That the Department should not enter into formal discussions with oil company officials on the U.K. and U.S. papers, but should continue as before to talk informally with representatives of individual U.S. companies on their company-host government problems.

4. That the Department should not attempt to reach formal agreement with the U.K. on principles and policies, but should continue our present method of informal consultations as the need arises.

5. That the Department provide the U.K., for U.K. Government use only, our draft paper with appropriate deletions of a nonsubstantive character.

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[3] Merchant approved all the recommendations on May 10.

86. Editorial Note

On May 9 at its 444th Meeting, the National Security Council took up the request of Attorney General William P. Rogers for advice on the national security implications of a possible settlement of the oil cartel case. The Department of Justice had been approached by lawyers of two of the defendant oil companies (Jersey and Gulf) who expressed a willingness to settle the case on the basis of an injunction against cartel activities abroad substantially affecting U.S. commerce, an injunction against joint markets abroad, and a separation of marketing assets. Before deciding to proceed with the settlement along those lines, the Department of Justice wanted to determine the implications for national security of stronger action against the defendant oil companies; specifically, a possible court order requiring divestiture or substantial alteration of the joint production, refining, transportation, and storage companies. The Department of Justice required an evaluation of how such stronger action would affect U.S. interests both with the countries in which the joint companies had concessions and with countries whose companies were concerned as partners in such joint companies (U.K./British Petroleum or Shell/Netherlands).

The President's Special Assistant for National Security Affairs, Gordan Gray, briefed the Council on the issue. Gray stated that all the defendant companies would settle along the lines suggested by Jersey and Gulf. The Council took the following action:

"a. Noted and discussed the Attorney General's request for the advice of the National Security Council concerning the national security implications of possible relief directed at joint production, refining, transportation and storage companies participated in by the defendants in the international oil cartel anti-trust case presently being litigated and whether national security considerations suggest that the Department of Justice not secure, either by negotiation or by trial upon failure of negotiation, the divestiture or substantial alteration of defendants' interest in such joint companies as well as prohibition against defendants entering into similar joint companies in the future.

"b. Noted that the Department of State considers that U.S. interests from the standpoint of national security would be adversely affected in the following respects:

"(1) There might result a reduction in the U.S. control over the supply of oil for U.S. and Free World needs.

"(2) There might be withdrawal of U.S. companies from some particularly important and sensitive country.

"(3) Soviet penetration into oil areas not heretofore occupied by them might take place in certain situations.

"(4) The movement to nationalization might be encouraged in several ways.

"(5) It is very probable that concessions would have to be renegotiated and that certain countries would attempt to secure better terms.

"(6) The relative position of oil exporting countries in the total pattern of world trade might be strained or indeed altered.

"(7) The proposed relief would provide propaganda ammunition to leftists, nationalists and the Soviet Union for undermining and discrediting the prestige of the United States Government as well as its companies.

"c. Noted the views of the Joint Chiefs of Staff that:

"(1) Any action which could tend to reduce, and thus weaken, the U.S. position vis-à-vis the USSR or reduce the capability of the United States to continue its progress in developing oil resources, in conjunction with its allies, which will provide an adequate supply of petroleum products to meet their combined requirements in a future war, is contrary to the interests of national security.

"(2) The conclusion and implications listed in the Department of State memorandum are valid, and are consistent with the view expressed above.

"d. Agreed, with the concurrence of the Attorney General, to recommend to the President that in the interests of national security, the Attorney General be requested to conduct proceedings in the international oil cartel case with due regard to their effect on U.S. national security interests, as noted in b and c above, consulting as appropriate, with the Departments of State and Defense.

"e. Further agreed to recommend to the President that the Attorney General be advised that it would not be inconsistent with d above if the Attorney General should, as he deems appropriate in accordance with law, consulting as appropriate with the Departments of State and Defense, proceed with the negotiation of consent judgments with the defendants on the basis of an injunction against cartel activities abroad substantially affecting U.S. commerce, an injunction against joint marketing abroad with any of the other defendants or co-conspirators, and an agreement providing for separation between various defendant partners of the marketing assets which they presently control.

"f. Agreed that, after the Attorney General consults with the Departments of State and Defense as provided in d and e above, either of the latter departments may refer back to the National Security Council any questions regarding the conduct of the proceedings or the proposed consent judgments which appear to involve possible adverse effects on U.S. national security interests.

"*Note:* The above actions, as approved by the President, specifically including the approval of the recommendations in d and e above, subsequently transmitted to the Attorney General and the Secretaries of State and Defense." (Memorandum of discussion by Boggs, May 13; Eisenhower Library, Whitman File, NSC Records)

The extract from the National Security Council discussion printed here became NSC Action No. 2233, approved by the President on May 13. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

87. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to Acting Secretary of State Dillon

Washington, July 6, 1960.

SUBJECT

Revised NSC Paper on the Near East (6011)[1]

Discussion:

The policy paper on the Near East has been rewritten primarily to bring it up to date. No significant policy changes are recommended although a few changes in policy emphasis have been included. There are no "splits" with other agencies.

The introduction has been rewritten to describe general problems with which we have to deal in the area and to lessen the previous paper's stress on the threat of radical pan-Arab nationalism. The statement of policy objectives remains essentially unchanged. The first two paragraphs of guidance play down, as we believed changed conditions now justify, an earlier preoccupation with coming to terms with Arab nationalism.

The previous paper, drafted in November 1958,[2] was felt to be unsatisfactory in that it indicated a use of force only when there might be a serious threat to availability of Middle East oil to Western Europe on reasonable terms. It was felt that any use of force envisaged should be in connection with our overall interests in preventing Soviet domination of the area. Accordingly, Section 33 prescribes use of force should it appear that "peaceful counter-measures would no longer suffice to prevent Soviet dominance in the area." Section 37 retains use of force with regard to oil, suggesting it be used as a last resort, in cooperation with the United Kingdom, to insure that, "Near Eastern oil is sufficient on reasonable terms, together with available oil from other sources including North Africa, to meet Western Europe's vital petroleum requirements." (Maintenance of "a capability to use force" is mentioned in 25a and paragraph 43 allows for "appropriate military action" by the United States to end possible Israeli-Arab hostilities.)

The last sentence of paragraph 51d, in language suggested by the Defense Department, proposes we should seek a new agreement with

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Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6011. Secret. Drafted by Thacher and cleared by Meyer.

[1] Document 89.

[2] Document 51.

the Saudi Arabian Government for the Dhahran Airfield. Paragraph 53e suggests how we should be prepared for any turn for the worse, not foreseen as an immediate possibility, in the situation in Iraq.

In accordance with the shift of responsibility for Sudan affairs from NEA to AF, portions on the Sudan have been eliminated in this rewriting and policy on the Sudan will be set out in another policy paper.

The Financial Appendix (A) has been brought up to date as have the accompanying comments by Defense and ICA. In general the projections of expenditure are based on existing patterns and commitments. Appendix B containing official public statements on United States policy has been updated by eliminating certain statements relative to CENTO of which no Near Eastern country is now a member.

Recommendation:

That you approve at the NSC meeting the revised policy paper on the Near East (NSC 6011, June 17, 1960).

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88. Memorandum of Discussion at the 451st Meeting of the National Security Council

Washington, July 15, 1960.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–4.]

5. *U.S. Policy Toward the Near East* (NSC 5820/1;[1] NSC Action No. 2080;[2] NIE 30–59;[3] NIE 36–60;[4] NSC 6011;[5] Memos for All Holders

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Johnson on July 18. President Eisenhower was on a month-long vacation in Newport, Rhode Island, and did not attend this NSC meeting. On July 19 at 5:30 p.m. Gordon Gray briefed the President on NSC consideration of NSC 6011 "with particular emphasis on the change in the priority of the objectives and in the language of the paragraphs with respect to oil." Gray also told the President that although the Council had unanimously agreed to the amendments to the paper, Secretary Anderson believed that this policy should not "restrain a President from using force to act alone with respect to oil." President Eisenhower indicated that he understood Anderson's position and felt that "no change in the language was indicated." (Memorandum of discussion, July 26; *ibid.*, White House Office Files, Project Clean Up)

[1] Document 51.

[2] See vol. IV, p. 615, footnote 9.

[3] Document 71.

[4] Entitled "The Outlook for the UAR," April 26, 1960. (Department of State, INR–NIE Files)

[5] For text of NSC 6011 as approved, see Document 89.

of NSC 6011, dated June 27 and July 1, 1960;[6] Memo for NSC from Executive Secretary, same subject, dated July 6, 1960[7])

Mr. Gray briefed the Council on the subject. (A copy of Mr. Gray's Briefing Note is filed in the Minutes of the Meeting and another copy is attached to this Memorandum).[8]

When he had concluded, Secretary Anderson, referring to Paragraph 37 of NSC 6011, stated that in his judgment whether or not we defend Middle East oil will depend on the situation at the time. However, he believed we could not have a mutual security program without that oil. It was as essential to mutual security as atomic warheads. The needs of Europe for oil were increasing annually by 320,000 barrels per day. Even this annual increment in European demand could not be supplied without Middle East oil. He did not object, he said, to the paper as written but he felt that the U.S. would act as necessary in any situation. He said that North African oil was a long way off yet. Mr. Dulles agreed that it would be two to three years before oil in significant quantity was coming out of North Africa. Secretary Herter agreed that the increasing European demand meant that Europe would need just as much oil as in the past from the Near East. Secretary Anderson again emphasized that if we were to continue to have a mutual security program and if there was a circumstance where we had to send in forces all by ourselves, we should cross that bridge at the time. Secretary Herter believed that the only area in which we were likely to have to use military force was in the Persian Gulf and that there we would surely act with the British.

The National Security Council:[9]

a. Discussed the draft statement of policy on the subject contained in NSC 6011; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of July 6, 1960.

b. Adopted the statement of policy in NSC 6011.

Note: NSC 6011, as adopted by the action in b above, subsequently approved by the President to supersede NSC 5820/1, except for paragraph 42 relating to the Sudan, with the understanding that paragraph 42 of NSC 5820/1 be continued in effect pending a review of U.S. policy toward the Sudan. The President directed implementation of NSC 6011

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[6] These memoranda from Lay to the NSC contained revisions to NSC 5820/1. (Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6011)

[7] In this memorandum Lay transmitted the views of the JCS on the draft of NSC 6011 to the Secretary of Defense. The JCS considered that the statement of policy was "acceptable from a military point of view" and recommended that Gates support it. (*Ibid.*)

[8] Attached but not printed.

[9] Paragraphs a and b and the Note that follows constitute NSC Action No. 2264, approved by the President on July 19. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

for implementation by all Executive departments and agencies of the U.S. Government, and referred it to the Operations Coordinating Board as the coordinating agency. The above understanding regarding paragraph 42 of NSC 5820/1 subsequently transmitted to all holders of that paper.

[Here follow agenda items 6 and 7.]

Robert H. Johnson

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89. National Security Council Report

NSC 6011 Washington, July 19, 1960.

SUBJECT

U.S. Policy Toward the Near East

REFERENCES

A. NSC 5820/1
B. NSC Action No. 2080
C. NIE 30–59; NIE 36–60
D. NSC 6011
E. Memo for NSC from Executive Secretary, same subject, dated July 6, 1960[1]
F. NSC Action No. 2264[2]

The National Security Council, the Secretary of the Treasury, and the Director, Bureau of the Budget, at the 451st NSC Meeting on July 15, 1960 (NSC Action No. 2264):

a. Discussed the draft statement of policy on the subject contained in NSC 6011; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of July 6, 1960.
b. Adopted the statement of policy in NSC 6011.

The President, on this date, approved NSC 6011 to supersede NSC 5820/1, except for paragraph 42 relating to the Sudan, with the understanding that paragraph 42 of NSC 5820/1 be continued in effect pending a review of U.S. policy toward the Sudan.[3] The President directed

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Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6011. Top Secret.

[1] See footnotes 1–7, Document 88.

[2] See footnote 9, Document 88.

[3] NSC 6106 supersedes paragraph 42 of NSC 5820/1 ("US Policy Toward the Near East"). [Footnote in the source text. NSC 6106, "U.S. Policy Toward the Sudan," January 10, 1961, is in Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6106.]

implementation of NSC 6011 for implementation by all Executive departments and agencies of the U.S. Government, and referred it to the Operations Coordinating Board as the coordinating agency. The above understanding regarding paragraph 42 of NSC 5820/1 is transmitted to all holders of that document.

James S. Lay, Jr.
Executive Secretary

[Here follows a table of contents.]

[Enclosure]

STATEMENT OF U.S. POLICY TOWARD THE NEAR EAST[4]

Introduction

1. The United States has a great interest in denying the Near East to Soviet domination, in maintaining Free World access to its oil, rights of peaceful passage through the area, and in keeping important strategic positions available to ourselves and our allies. We are, moreover, interested in orderly progress in the area and in a peaceful settlement of the Arab-Israeli problem, which constitutes a potential threat to world peace.

2. While the Near East presently enjoys some respite from the acute tensions which have afflicted the area, this respite is likely to be only temporary. The Near East is still in the throes of a major nationalist and social-economic revolution; internal instability characterizes almost all of the countries in the area. The predominant force in the area is nationalism with strong anti-Western overtones, which has contributed to neutralism and provided opportunities for Soviet penetration. Thus the present temporary lull could easily yield to greater tensions and unrest with adverse effects on our interests.

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[4] Includes the UAR (Egypt and Syria), Yemen, Jordan, Saudi Arabia, Lebanon, Iraq, Israel, and the Arabian Peninsula Sheikdoms. Takes into account as appropriate, the importance of Iran, Turkey and Pakistan to the Near East, but does not attempt full coverage of U.S. policies toward Iran, Turkey and Pakistan, which are included in other NSC reports (NSC 6010, NSC 5708/2 and NSC 5909/1). [Footnote in the source text. For text of NSC 6010, "U.S. Policy Toward Iran," July 6, see Document 293; and for texts of NSC 5708/2, "Statement of U.S. Policy on Turkey," see *Foreign Relations*, 1955–1957, vol. XXIV, pp. 720–727; NSC 5909/1, "U.S. Policy Toward South Asia," August 21, 1959, see vol. XV, pp. 29–46.]

3. The most dangerous challenge to long-range Western interests in the Near East arises not from Arab nationalism per se, but from the short-term coincidence of many of its objectives with those of the USSR. As a result, Arab nationalism has frequently appeared to serve Soviet ends, but, in the last analysis, Communist aims are incompatible with the essentially neutralist cast of Arab nationalism and we must devise ways and means of making this incompatibility serve our own ends.

Major Forces in the Area

4. *Arab Nationalism.* Arab nationalism, the principal ideological force of the area, proclaims the ideal of the freedom of Arab countries from external influences and generally advocates greater political unity among the Arabs. As such it is fundamentally incompatible with ultimate Communist objectives, although many of its short-term aims have been and still are coincidental with those of the Soviet Union.

5. Arab nationalism has been the impelling force in rallying Arab energies to contribute to the ousting of Western influences from the area. The overturn in 1958 of a pro-Western regime in Iraq and removal of outspokenly pro-Western leaders in Lebanon reflected the strength and direction of Arab nationalist sentiment. The creation of the United Arab Republic in 1958 reflected the urge for unity.

6. In the last year and a half the dynamism of Arab nationalism has been reduced at least temporarily and has lost a good deal of its radical and unifying appeal. With shifts by Iraq and Lebanon away from their former close association with the West, Nasser's campaign to reduce Western influence in the area has slackened noticeably. Moreover, the emergence of the Kassem regime in Iraq has challenged Nasser's previously unquestioned leadership of the movement. Nasser has also become increasingly aware of the threat of Communism and has sought to turn Arab sentiment against it in the Near East, particularly in Iraq. Finally, he appears to be increasingly preoccupied with problems of the UAR's internal administration and development.

7. One important result has been an increasing Arab awareness of the dangers of Communism and of its deep differences with Arab nationalism. This awareness has reduced the Soviet capacity to utilize a presumed identity of Arab nationalist and Soviet interests to reduce Free World positions in the area. In this atmosphere, the United States has been able to achieve progress in improving its relations with the UAR and in maintaining its friendly ties with several other countries in the area.

8. *Neutralism.* As new nations recently emerged from foreign domination or binding ties with Western countries, the states of the Near East incline understandably toward neutralism. Only Jordan and Israel have close ties with the United States, though Lebanon's neutral-

ism is tilted toward the Free World. There seems little prospect that other countries of the area will seek openly to align themselves more closely with the Free World. While more willing support for the Free World among Near Eastern countries would be to our advantage, prevalence of neutralist attitudes need not be an insurmountable obstacle to achievement of U.S. goals in the area.

9. *Communism.* Developments in Iraq have proven how quickly the Communists, given freedom to operate in the Near East, can rapidly expand from underground cadres into positions of strength with a potential for seizure of power. Fortunately throughout most of the rest of the area, Governments have kept Communist subversion closely in check. We can expect that where real Communist strength becomes evident, a strongly hostile reaction from Arab nationalist groups and leaders is likely. Dominant groups in the military share the ideological outlook of important elements among the Arab middle class and, combined, the two groups constitute another significant counter-force to Communism.

Major Special Problems

10. *Soviet Intentions in the Near East.* An increase in Soviet power in the Near East to the point where Western special interests in oil, lines of communication and strategic installations might be denied to the West would be a major setback for U.S. interests. Soviet ambitions in the area are probably restrained by realization that Western reaction to Soviet initiatives in this direction would be vigorous. Nevertheless, the Soviets probably regard with satisfaction the simple fact of their substantial entry into a new arena and will continue to seek means for expanding their position. In the UAR, in Iraq, and in Yemen, the Sino-Soviet Bloc has moved promptly and on a large scale to assume an important role in the economic programs and expectations of the controlling regimes. While Soviet credits have not enabled the Bloc to exercise in these countries any substantial degree of political or economic control, nor had the effect of strengthening indigenous Communist forces significantly, except in Iraq, they have advanced Communist prestige in the area and laid the groundwork for further penetration.

11. *Other Special Problems of the Area.* Deeply affecting the interplay of the foregoing forces are certain basic problems peculiar to the area.

a. The problem of maintaining a demonstrably impartial position in the *Arab-Israel dispute* and of resisting efforts of one side or the other to maneuver the United States into special support for individual grievances will remain one of the most harassing and delicate situations with which we have to deal in this area. The Arab-Israel dispute involves on the one hand Arab refusal to accept the status quo and fears of Israeli expansion. The Arab position is hardened by their bitter resentment at what they consider the injustice they have sustained as well as the loss of

territory suffered at the hands of the Israelis. On the Israel side there is the inflexible determination of Israel's people to retain and develop their country. The United States and the United Kingdom seek to promote the peaceful solution of the problem whereas the Soviets see the conflict as a source of weakness and disunity in the area which they can exploit to their gain and our disadvantage. Any advance toward solution of the Arab-Israel dispute, particularly the refugee problem, would be very much in the interests of the United States.

b. *Jordan* remains dependent on the United States and the United Kingdom, and in this condition it is not only a claimant on U.S. resources but tends also to be isolated politically from its Arab neighbors. The problem of Jordan will remain, however, until some new relationship with the surrounding Arab world is evolved. Until this can be brought about peacefully, the United States and its Free World allies have little choice but to continue support of Jordan lest without it the state collapse and the peace of the Near East be severely endangered in the ensuing scramble for Jordan's territory among Jordan's neighbors.

c. *British Interests in the Region.* The United Kingdom retains interests in the Near East which it considers vital and which are generally consistent with U.S. objectives. British relations with the area have improved from the low point following the Suez incident. Nevertheless, over a period of time, Arab nationalism may be expected to bring increasing pressure on the British position in the various U.K. dependencies on the Arabian Peninsula. As these develop, the United States will face problems in maintaining friendly relations with the Arab countries while giving appropriate support to vital British interests in the area.

d. *Oil.* Although the recent petroleum developments in Algeria and Libya and elsewhere will reduce Western Europe's *relative* dependence upon the Near East and Iran, present estimates indicate that by 1965 the area will still be supplying Western Europe with the bulk of its petroleum requirements. The effect of the North African discoveries is to retard the growth in Western Europe's reliance upon the area, not to eliminate it. Under present circumstances, there is in sight no wholly adequate substitute for the vast oil reserves of the area.

Objectives

12. As of paramount importance, continued denial of the area to Soviet domination.

13. Continued availability of sufficient Near Eastern oil to meet vital Western European requirements on reasonable terms.

14. Peaceful resolution as early as possible, in whole or in part, of the Arab-Israeli dispute.

15. Continued availability to the United States and its allies of rights of peaceful passage through and intercourse with the area in accordance with international law and custom and existing international agreements.

16. Political evolution and economic and social development in the area to promote stable governments, popularly supported and resistant to Communist influence and subversion.

17. Continued availability to the United States and its allies of important strategic positions, including military overflight, staging and base rights in the area.

18. The expansion of U.S. and, where appropriate, Free World influence in the area, and the countering and reduction of Communist influence.

Major Policy Guidance

General

19. As appropriate, seek to develop solutions to problems of the Near East region, and cooperate with other nations in developing such solutions, particularly when our cooperation is sought by countries concerned or when necessary to prevent serious deterioration in the prospects for peace and stability of the area.

20. Seek to demonstrate to the peoples and governments of the area that primary U.S. objectives are fundamentally compatible with orderly progress toward their chosen economic and political goals, including those of Arab nationalism. Facilitate increased awareness that the objectives of international Communism are incompatible with the aims of true nationalism.

21. Seek to develop and encourage pro-Western tendencies among peoples and governments of the area but refrain from pressing them for closer overt political alignment with the West. Accept prevalent neutralist postures when necessary but endeavor to maintain diplomatic, trade and cultural relations between the individual states of the area and the United States and its allies which at least reasonably balance those maintained by these states with the Sino-Soviet Bloc.

22. Be sympathetic toward the idea of Arab unity and a closer association among the Arab states of the area, so long as that association is achieved in accordance with the desires of the peoples of the states concerned and without posing a threat to U.S. interests or to the general peace and stability of the area.

23. Promote both national and regional economic development by:

a. Encouraging the governments of the nations of the area to follow policies and develop institutional arrangements which would facilitate mobilization of local capital for domestic economic development and would promote both domestic and foreign private investment.

b. Encouraging the governments of the nations of the area to use oil revenues for economic development and the welfare of their people.

c. Pressing the industrialized countries of the Free World to facilitate movements of private capital and to supply public capital to the nations of the Near East, and where appropriate to join with the United States in combined efforts to build economic strength in these nations.

d. Encouraging U.S. private industries and foundations to participate increasingly in providing investment capital and technical know-

how which would facilitate the economic growth of the nations of the area.

e. Utilizing and supporting the efforts of Free World international institutions to promote economic development and to bring about economic reform in the area and, in general, supporting loans by international organizations to these nations where consistent with relevant U.S. loan policies.

f. Being prepared to provide U.S. loans for projects consistent with relevant U.S. loan policies, unless such loans would be likely to have undesirable political consequences.

g. Continuing technical assistance.

h. Being prepared to support a soundly organized Arab development institution should the nations of the area agree on the usefulness of such an institution, and should they be prepared to support it with their own resources.

24. Be prepared, on a case-by-case basis for essentially political reasons, to provide financial assistance which might be utilized for budgetary support, balance of payments and support, or economic development.

25. a. Emphasize the political and economic aspects of our policy over its military aspects, but maintain a capability to use force to achieve our present objectives.

b. Avoid for the United States a significant role in the supply of weapons to countries of the Near East, and, in consultation with our allies or through the United Nations, seek to prevent an arms spiral of procurement of military equipment beyond economic capabilities of countries of the area.

c. If desired by the countries of the area, support the establishment of an appropriate UN body to examine the flow of heavy armaments to the Near East with the aim of preventing a new arms race spiral.

d. Nevertheless, if it is determined that U.S. objectives in the area would be advanced thereby (as might be the case if area states were to be prevented from becoming wholly dependent on Soviet Bloc sources for military equipment), provide military aid in minimum amounts and of the type appropriate to meet the situation.

26. Support leadership groups which offer the best prospect of progress toward U.S. objectives in this area, but avoid becoming identified with specific internal issues or individuals. Seek to discredit groups which promote pro-Soviet thinking. Seek to increase the Western orientation of urban "intellectuals."

27. Where feasible, encourage growth of anti-Communist, Western-oriented, democratic, Near East trade union movements.

28. a. Seek to create a climate favorable to the United States through the maximum encouragement of effective direct relations between U.S. citizens and peoples of the area.

b. Continue to develop local leaders, administrators and skilled personnel by strengthening educational institutions and by selectively expanding training programs in administrative and technical skills.

c. Emphasize personnel exchange programs on a selective basis.

d. Emphasize those cultural efforts which in the long run develop better understanding of the United States and build better relationships with and among the peoples of the area.

29. Accept major responsibility for providing Free World leadership toward the area as a whole. However, encourage the United Kingdom to make a vigorous effort to promote Free World interests in the area whenever such effort could be expected to contribute to U.S. objectives. Keep the United Kingdom currently informed through agreed channels of U.S. policies and programs and, to the extent compatible with U.S. area objectives, make a major effort to achieve and maintain harmony, particularly with the United Kingdom but also with other Free World countries interested in the Near East; but reserve the right to act alone. In consulting generally with the French, exercise appropriate caution, bearing in mind France's special relations with Israel. Recognizing that efforts to work constructively with Arab nationalism may sometimes conflict with interests of NATO allies, seek in particular to persuade the NATO governments of the advantages to the West of such efforts.

30. Support a continued substantial British position in the Persian Gulf and Arabian Peninsula with particular reference to the Sheikdoms. Endeavor to influence peaceful and equitable solutions to questions in which Britain is interested, such as the frontier problems of Southeastern Arabia and the Yemen-Aden frontier.

Psychological

31. In all of our relations with the Near East recognize that the Arabs' experience with and fear of Western domination and the cultural and linguistic as well as other differences between the United States and the peoples of the area require a special effort on our part to promote better basic understanding and to reduce their suspicion of the West. Recognize also the Arabs' deep-rooted suspicion of the United States based on their belief that the United States is the special friend and protector of Israel.

32. Work to strengthen our influence and to better the comprehension of our aims by:

a. Stressing U.S. sympathy for certain major Arab goals, including:

(1) Freedom and independence of Near East nations.
(2) National responsibility for local problems.
(3) The idea of Arab unity and a closer association among the states of the area.

(4) Opposition to external domination and infringement of national sovereignty.

b. Seeking to demonstrate to the peoples and governments of the area that U.S. objectives are generally compatible with goals of Arab nationalism, whereas the objectives of international Communism are incompatible with the aims of true nationalism.

c. Further and explain U.S. policies and objectives by emphasizing:

(1) U.S. willingness to contribute to economic development.

(2) U.S. support for the United Nations.

(3) U.S. concern for the social and cultural advancement of the peoples of the area, without minimizing the dangers of Communism and Soviet aggression.

(4) That the United States and the Free World generally desire (as contrasted with USSR and international Communism) to see established in the area conditions of peace, and economic and human development.

(5) U.S. acceptance of neutralist policies on the part of Arab states.

(6) U.S. impartiality in the Arab-Israeli dispute.

Countering Soviet Influence

33. Take action where necessary to demonstrate the continued U.S. willingness and intention to counter Communist aggression in the Near East under the policy established by the American Doctrine and related policies. Be prepared to use force in the Near East region should it appear that peaceful countermeasures will no longer suffice to prevent Soviet dominance in the area.

34. While continuing to encourage the resistance of Arab nations to Soviet imperialism, avoid for the present any active efforts to enlist Arab nations in regional collective security arrangements.

35. a. While recognizing Soviet presence and interest in the area, continue to make clear to the USSR the nature of Free World interests in the area and Free World determination to defend these interests.

b. Endeavor to place the USSR in positions, within the UN and elsewhere, wherein it cannot openly oppose constructive measures including such matters as an Arab-Israeli settlement and a verifiable arms control system, without bearing the onus for their failure.

c. Decline to enter into arrangements with the USSR in respect of the area except in forums in which the states concerned are duly represented.

Oil

36. Be prepared, when circumstances demand, to assist in reconciling vital Free World interests in the area's petroleum resources with the rising tide of nationalism in the area.

37. In cooperation with the United Kingdom, and other allies as appropriate, endeavor to ensure by all feasible means, being prepared for

the use of force as a last resort, that the quantity of oil available from the Near East on reasonable terms is sufficient, together with available oil from other sources including North Africa, to meet Western Europe's vital petroleum requirements.

[Here follow paragraphs 38–47, which are similar to those in Document 51, but are differently numbered.]

Israel

48. Make clear as appropriate that, while U.S. policy embraces the preservation of the State of Israel in its essentials, we believe that Israel's continued existence as a sovereign state depends on its willingness to become a finite and accepted part of the Near East nation-state system.

49. Apart from possible financial assistance to Israel in the context of a satisfactory solution of the refugee problem, be prepared to continue economic assistance to Israel up to the present level, abandoning as soon as feasible the grant economic aid component.

United Arab Republic

50. a. Seek to keep our relations with the UAR on a plane of normal intercourse among governments, developing cooperation in areas of mutual interest without arousing expectations of large amounts of U.S. aid.

b. Be alert to any possibilities which may occur for broader understanding or consultation between the United States and the UAR. Explore particularly the extent to which greater U.S. cooperation with the UAR might serve to limit UAR contacts with the Soviet Bloc and Soviet influence in the area and might also reduce UAR dependence upon Soviet trade and military assistance.

c. While avoiding a stance antagonistic to the goals of Arab nationalism, make clear, as circumstances require, to the leaders of the UAR that we do not condone the imposition of these goals on peoples of other Arab states.

d. Seek discreetly to maintain U.S. contact with and influence among Syrian leaders.

e. Without encouraging or supporting UAR ambitions in Africa, exploit, as feasible, any UAR anti-Communist efforts that may develop in the area.

[Here follows paragraph 51 on Saudi Arabia, which is similar to paragraph 37 in the enclosure to Document 51.]

Jordan

52. a. Accept, and, where we believe reasonably stable conditions may result, encourage Jordan's peaceful evolution toward association with a larger Arab entity acceptable to the people of Jordan and to the

other areas affected and tending to reduce the U.S. financial burden in Jordan.

b. Bearing in mind that an abrupt change in Jordan's status would be viewed generally as a political defeat for the Free World and contribute to instability of the area, be prepared in the interim, for essentially political reasons, to provide military assistance, assistance which might be used for economic development, and budgetary support. Seek to transfer to Jordan's Arab neighbors major responsibility for economic support of Jordan if at all possible.

c. Continue to urge the United Kingdom to assume an increased share of the burden of financial assistance to Jordan until such time as major responsibility for such assistance can be shifted to Jordan's Arab neighbors.

d. Make every effort to avoid conflict between the Arabs and Israel as a result of change in Jordan's status.

Iraq

53. a. Seek to maintain friendly relations with the Iraqi Government on a reciprocal basis, keeping under careful observation the implications of increased Communist influence in Iraq but discouraging Iraq's neighbors from interference in Iraq's affairs.

b. Seek gradually, and without pressing for Iraqi concessions, to expand and normalize the U.S. presence in Iraq through such activities as continuance of U.S. technical assistance programs, reestablishment of modest USIS facilities, negotiation of routine treaty arrangements, and exchange of persons.

c. For essentially political reasons indicate on request that we are willing to give consideration to extension of limited military assistance.

d. Discreetly encourage tendencies in Iraq which may in time lead to a further lessening of Soviet Bloc and Communist influence and to a continued improvement in Iraq's relations with the Free World. Should a regime favorable to Free World interests come to power in Iraq, be prepared to support it promptly.

e. In the event of civil war or an attempted Communist takeover in Iraq, be prepared to support elements favorable to Free World interests if it appears at the time that such action would have a reasonable chance of success. Continue the preparation of appropriate contingency plans, in cooperation with the United Kingdom to the extent deemed appropriate, dealing with the possible developments outlined above.

Lebanon

54. Support the continued independence and integrity of Lebanon, but avoid becoming too closely identified with individual factions in

Lebanese politics and seek discreetly to disengage from relationships that may be disadvantageous to U.S. interests.

a. Provide Lebanon with political support and with military assistance for internal security purposes, stressing our support for the country as a whole rather than for a specific regime or faction.

b. Where appropriate seek to encourage the acceptance of Lebanon's unique status by its Arab neighbors.

Yemen

55. Seek to improve the U.S. position in Yemen, as opportunities present themselves, through such measures as the rapid implementation of a few sound development projects with impact value and the encouragement of U.S. private economic activity. Seek through cooperation with other appropriate states to restrict Sino-Soviet penetration. Seek to lend good offices to the extent possible to improve United Kingdom-Yemen relations.

Agricultural Surplus Problems

56. Encourage countries of the area to adopt realistic production and export policies and programs aimed at meeting the problem of their critical surpluses.

57. In carrying out U.S. surplus disposal programs:

a. Give particular attention to the economic vulnerabilities of Near East states and avoid, to the maximum extent practicable, detracting from the ability of these countries to market their own exportable produce.

b. Give particular emphasis to the use of such surpluses to promote multilateral trade and economic development.

[Here follow a 13-page Financial Appendix that includes Defense and ICA comments; Annex A, "Strengths and Capabilities of Near Eastern Forces"; and Annex B, "Summary of Publicly Announced U.S. Policy on Near East Question."]

90. Telegram From the Embassy in Iraq to the Department of State

Baghdad, September 15, 1960.

403. Conference five oil producing states ended September 14 after agreeing establish permanent body called Organization Petroleum Exporting Countries. Baghdad conferees are founding members, but OPEC open to "any country which exports large quantity crude oil". Conference also set up Secretariat for OPEC and directed it prepare agenda, rules, and documentation for second meeting scheduled for January in Caracas. OPEC expecting carry out regular consultations with members to coordinate and unify their policies and determine line be followed in future "emergencies."

According press producing states decided they must voice their objections to attitudes shown by oil companies in reducing prices recently and call upon companies maintain fixed stable prices. Conference also decided producing states should take all possible steps restore crude prices to level prevailing before recent cuts and agreed participants should study measures be taken ensure stable prices in future. Official announcement decisions conference will be released simultaneously September 24 in all capitals participants.[1]

Press commented conference decisions stemmed from realization by producers that their development programs dependent on oil revenues and that "any fluctuations in oil prices will halt economic development in oil producing and exporting countries" as well as affect economies oil consuming nations. GOI Min Oil in public statement declared producing states not seeking anything which might harm either companies or consumers. "Our cause just and we not demanding anything which unjust". Prior departure all delegates expressed complete satisfaction with accomplishments conference.

No public reference made to proposals for joint prorationing although hope expressed each participant would study ways to secure stability prices and limit production in order ensure stable and regular revenue to producing states.

Davies

Source: Department of State, Central Files, 800.2553/9–1560. Unclassified. Repeated to Beirut, Cairo, Caracas, Dhahran, Jidda, Kuwait, London, and Tehran.

[1] Text in despatch 395 from Baghdad, September 26. (*Ibid.*, 800.2553/9–2660)

91. Memorandum of Discussion at the 460th Meeting of the National Security Council

Washington, September 21, 1960.

[Here follows a paragraph listing the participants at the meeting.]

1. *Western European Dependence on Middle East Petroleum* (NSC Action No. 2080;[1] Memos for NSC from Executive Secretary, same subject, dated March 26, 1959,[2] and June 28, 1960;[3] NSC 6011;[4] Memos for NSC, same subject, dated August 9 and 29, and September 19, 1960[5])

Mr. Gray introduced the subject to the Council. (A copy of Mr. Gray's Briefing Note is filed in the Minutes of the Meeting and another copy is attached to this Memorandum.)[6]

At the conclusion of Mr. Gray's presentation, the President said he had received the most glowing reports on the prospects for petroleum production in Libya. He had been told that the Libyan reserves exceeded even the Sahara reserves. He asked whether Mr. Gray had available an estimate of possible oil production in Libya. Mr. Dulles remarked that the latest estimates on Libyan oil production were not quite as optimistic as the estimates which were current a year ago. The President said reports he had received indicated that Libya had a great oil field and would receive huge amounts of money from oil production.

Mr. Gray said the Libyan oil field was expected to produce 250,000 barrels per day in 1965 compared to a production of 375,000 barrels per day in Mexico, 250,000 in Brazil, 450,000 in Tunisia, and 3,350,000 in Venezuela. The President asked whether figures for Algeria were available. Mr. Gray said Algeria was expected to produce 560,000 barrels per day in 1965.

Secretary Mueller said he had recently been in Libya and had talked with oil experts in that country. In his view, the Libyan oil field had

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Boggs.

[1] See vol. IV, p. 615, footnote 9.

[2] See Document 65.

[3] In this memorandum, Lay transmitted the first annual progress report by OCDM on development of free world energy resources outside the Near and Middle East. Gray's briefing to the NSC, which summarized this progress report, is printed in vol. IV, pp. 647–648.

[4] Document 90.

[5] In these memoranda, the Executive Secretary transmitted to the NSC the text of the draft action and Treasury and JCS comments on the draft. (Department of State, S/P–NSC Files: Lot 62 D 1, Middle East Petroleum, Western European Dependence on, Act. 2080)

[6] See footnote 3 above.

reserves in excess of present estimates. Mr. Randall said he leaned toward Mr. Dulles' estimate rather than toward the estimate just mentioned by the Secretary of Commerce. He had recently talked with oil experts at our Embassy in Libya and had concluded that the Libyan oil field had substantial but not tremendous reserves. He remarked that the oil companies operating in Libya were being required to make a selection of the acreage they would exploit and to release the remaining acreage for redevelopment by other companies. Secretary Mueller thought this last requirement was responsible for pessimistic reports on Libyan oil reserves. Secretary Dillon agreed, adding that the oil companies were pushing ahead with production in Algeria but were holding back in Libya.

Mr. Gray then reported on the formation last week of the new Organization of Petroleum Exporting Countries, with Saudi Arabia, Iraq, Iran, Kuwait, and Venezuela as members. The purpose of the Organization was to control production and prices. What impact it will have on the world oil picture remains to be seen. The President said that as far as the Middle Eastern countries in the new Organization were concerned, anyone could break up the Organization by offering five cents more per barrel for the oil of one of the countries. Mr. Dulles said that the five countries represented 80 per cent of the oil reserves in the world and half of the oil in world trade. Egypt had not been invited to be a member of this Organization because it was thought Egypt would not collaborate with Iran due to Iranian-Egyptian tension over Israel. The President said he thought Egypt had no oil in any case. Mr. Dulles agreed that Egypt had very little oil; however, the country was interested in oil questions because of the Syrian pipelines. He said that Venezuela intended to seek Soviet cooperation with the OPEC, taking the line that Soviet price cuts will hurt the underdeveloped countries. Secretary Dillon thought this Venezuelan initiative would be helpful. It had been demonstrated in the past that the USSR was responsive to protests from underdeveloped countries.

The National Security Council:[7]

a. Noted and discussed the progress report on the subject transmitted by the reference memorandum of June 28, 1960, together with the accompanying letter from the Director, Office of Civil and Defense Mobilization, and the views of the Treasury Department on the progress report, transmitted by the reference memorandum of August 9, 1960; in the light of the views of the Joint Chiefs of Staff, transmitted by the reference memorandum of September 19, 1960.

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[7] Paragraphs a–d and the Note that follows constitute NSC Action No. 2302, approved by the President on October 5. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

b. Reaffirmed NSC Action No. 2080–b.

c. Agreed that where appropriate the United States should continue and, if necessary, increase efforts with foreign governments to encourage investment of private capital for petroleum development which would assist in achieving the objectives of NSC Action No. 2080–b.

d. Agreed, in the light of progress already achieved toward the objectives of NSC Action No. 2080–b, to rescind the Note to NSC Action No. 2080, with the understanding that any Council member may request a progress report should circumstances change.

Note: The actions in b, c and d above, as approved by the President, subsequently referred to the Director, OCDM, to coordinate the implementation thereof in collaboration with the Departments of State, Defense, the Treasury, the Interior, and Commerce.

The action in d above, as approved by the President, subsequently transmitted to all holders of NSC Action No. 2080.

[Here follow agenda items 2–6. For text of agenda item 2, "Petroleum Development in Free World Countries," see volume IV, pages 640–645.]

Marion W. Boggs

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92. Memorandum of Conversation

Washington, October 19, 1960.

SUBJECT

Standard Oil Company (New Jersey) views on the Organization of Petroleum Exporting Countries

PARTICIPANTS

Standard Oil Company (New Jersey):
Mr. Leo Welch, Chairman of the Board
Mr. E.G. Collado, Board Member
Mr. M.A. Wright, Board Member

Department of State:
Under Secretary Dillon
FSD—Mr. Beckner

The Jersey company representatives called at their own request to discuss problems resulting from the formation of the Organization of Petroleum Exporting Countries (OPEC).

Mr. Welch stated that the Jersey company is greatly concerned about the implications for the oil industry and the security position of

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Source: Department of State, Central Files, 800.2553/10–1960. Confidential. Draft-ed by Beckner and approved by Dillon's Special Assistant, Theodore L. Eliot, Jr.

the West resulting from the formation of OPEC. He fears that the companies will be caught between producer country controls and the demands of consuming countries. They will no longer be able to manage their business in a normal way since the governments would take over the determination of oil prices, the amounts of oil to be produced, and the destination of oil shipments.

The Jersey representatives believe a sharp distinction should be drawn between prorationing in Texas and the international prorationing scheme proposed by OPEC. They also believe that experience with other commodities is not pertinent in determining whether an international oil agreement is feasible or desirable.

Although OPEC has been set up in a preliminary form, Jersey thinks it has basic weaknesses which will prevent the development and administration of a restriction program. Iran and Iraq would not be reliable members since they badly need increased output. The Iranian minister in charge of oil matters has indicated that he did not know that Rouhani, Iranian delegate to the Baghdad conference, had been authorized to sign the OPEC agreement. This may result in dissension within the Iranian Government on relations with OPEC. The Kuwaiti representative is reported to have stated that Kuwait would be willing to reduce its crude production in the general interest; but Jersey believes that the Ruler of Kuwait, for prestige reasons, may not be able to do this if the other OPEC members' production increases. Moreover, Kuwait is requesting bids on its potentially rich offshore area. Venezuela, although very optimistic about OPEC, may find itself in a weak competitive position and be unable to protect itself vis-à-vis Arab countries or to influence Soviet oil export policies. Jersey thinks the Soviets cannot be trusted to cooperate on oil although they are cooperating on tin and diamonds. Mattei, head of the Italian Government oil company, is currently buying oil from the Soviets at 90 cents per barrel below posted price and Soviet price cutting would continue. Mr. Rathbone, President of Jersey, is now in Libya attempting to convince Libyan officials that they would have much to lose by joining OPEC. Libya will have low cost oil favorably situated for the European market. By 1962 the Jersey company may be producing 200,000 b/d in Libya and in four years as much as 500,000 b/d. Oasis may also be able to reach this amount by 1964. With such prospects Libya would have little advantage from joining a production cartel. Output from the French Sahara will also be large. France is not expected to join OPEC.

The Jersey officials expect that there will be a large surplus crude oil producing capacity for quite a number of years. They are uncertain, however, how long crude oil without a "home" will remain a serious problem. The major producers, who can increase their output to an almost unlimited degree, may cut prices, if necessary, in order to protect

their marketing position. How long the present unsatisfactory situation will exist will depend largely on Soviet Bloc price pressures and the sales efforts of newcomers. Cutting below posted price is still prevalent. Mr. Welch pointed to recent quotations to Ancap, the Uruguayan oil agency. Creole and Shell did not bid since Venezuela objects to big discounts off posted price, but bids at 90 cents below postings were received from other companies.

Jersey thinks that progress can be made with the Arabs by talking oil economics. They would urge the Arabs not to go too fast in OPEC without knowing what the consequences may be. The companies can show the Arabs that they have not been hurt by the present concessional system or by the recent price cuts; there has been no reduction in national revenues from oil, and increases in world demand should protect governments against future loss of revenues. OPEC on the other hand might hold production back, for example in Iran, Iraq, and Kuwait, without offering certainty of higher prices to compensate for it. Moreover, the companies can point out that if a bloc of powerful consuming countries is formed and new oil and energy sources are tapped, the OPEC countries would be hurt.

Mr. Welch stated that he thought the companies could work out arrangements with individual countries to meet their most pressing problems. He stated also that he hoped it would be possible to convince the Arabs that if any future discounts below posted prices are required they should share the reduction in income with the companies. No further reduction of postings is contemplated.

Mr. Welch stated that he hoped the U.S. Government would use its influence in urging the OPEC countries to go slowly in completing the OPEC organization and implementing its program. He said that the United States obviously cannot say that it opposes OPEC, but he did think that the U.S. Government could express the hope that the OPEC countries would consider fully the economic factors involved in their program and would not reach hasty decisions.

Mr. Welch said that he understood that the U.K. Government was opposed to the formation of OPEC and is believed to be approaching Iran regarding it.

Mr. Dillon expressed appreciation on behalf of the Department for Jersey's views on the OPEC.[1]

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[1] The following sentence was originally in the memorandum, but was crossed out and replaced by the paragraph as printed: "Mr. Dillon indicated interest in the suggestion that the United States might discreetly attempt to discourage certain countries, particularly Iran, from going ahead with its membership in OPEC, but did not indicate whether or not the U.S. Government would take any action." (*Ibid.*, Secretary's Memoranda of Conversation: Lot 66 D 199)

In closing, Mr. Welch stated that the Jersey company was deeply concerned about the situation in Peru, where the Government, as a result of communistic and nationalistic pressures, was not using its strength in the Parliament to push through the bill which is designed to settle the International Petroleum Company's concession problem. Mr. Dillon suggested that the Jersey representatives discuss this problem with Assistant Secretary Mann. This they agreed to do.

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93. Letter From the Deputy Secretary of Defense (Douglas) to Secretary of State Herter

Washington, October 31, 1960.

DEAR MR. HERTER: During a meeting between representatives of the Department of State and the Joint Chiefs of Staff on 12 August 1960,[1] the State representatives agreed with the JCS that a review of the U.S. position with regard to the Central Treaty Organization should be made. The State representatives requested that the JCS furnish their military views for consideration in the Department of State during this review. Accordingly the military views of the JCS, with which I am in general agreement, are enclosed.

Reassessment of the U.S. posture toward CENTO seems especially appropriate at this time because of recent developments in each of the regional countries. Reports from Turkey indicate that her new government is reexamining Turkish foreign policy at a time when her lack of political and economic stability may make her unable to resist tempting offers of Soviet aid. President Ayub has recently indicated that Pakistan intends to seek more agreeable relations with the Soviet Union. The Government of Iran has expressed similar views. In addition, the latest communication from Mr. Khrushchev to the Shah makes it clear that

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Source: Department of State, Central Files, 378/10–3160. Secret.

[1] At this meeting the Joint Chiefs urged again that the United States do something positive for CENTO lest the organization fall apart. (*Ibid.*, State–JCS Meetings: Lot 70 D 328) In an August 30 memorandum to Merchant, Jones referred to the discussion with the JCS on August 12, writing that "it would be very helpful to know the latest JCS thinking and, in particular, whether there is a *United States military requirement* involved or whether the JCS recommendation made orally is wholly based on political and psychological factors." (*Ibid.*, NEA Regional Files: Lot 65 D 365, U.S. Adherence to the Baghdad Pact)

Iran continues to be under heavy pressure as a prime target for the USSR in the Middle East. It appears to me that a renewed and concrete demonstration of U.S. interest in the security of the regional states of CENTO would do much to fortify these countries against Soviet inducements and threats.

In brief, developments over the past several months and the present trend of events in the regional states of CENTO lead me to the conclusion that military considerations indicate the need for urgent State–Defense consultation regarding the courses of action recommended by the Joint Chiefs of Staff as means for strengthening CENTO and the United States security position in the area. I propose that we undertake such consultations at the earliest possible date.[2]

Sincerely,

James H. Douglas

Appendix[3]

Paper Prepared by the Joint Chiefs of Staff

JCSM–449–60 Undated.

JOINT CHIEFS OF STAFF VIEWS ON THE ROLE OF THE UNITED STATES IN CENTO

1. The relationship of the United States to the Baghdad Pact and CENTO has been a subject of controversy, both within the United States Government and between the governments concerned, ever since the Pact came into existence in 1955. The regional member nations of the organization have consistently pressed for U.S. adherence and for more active U.S. military participation. The Joint Chiefs of Staff and the Department of Defense have generally supported, on military grounds, a more positive U.S. role. The Department of State has consistently opposed U.S. adherence, and has permitted only a very slow and reluctant expansion of U.S. military participation in CENTO.

2. There has been no recent systematic analysis of the military importance of CENTO to the national security of the United States. Such an

[2] Merchant sent Douglas a letter on November 18, informing him that the JCS proposals would be of interest to several countries in addition to CENTO regional members. Therefore, the Department of State wanted to seek the assessments of the Chiefs of Missions of those countries. This process was not completed until 1961. (*Ibid.*, Central Files, 378/11–1860)

[3] Secret.

assessment appears particularly appropriate today, when Iran is under continuing Soviet pressure to become neutralist, when a new government in Turkey is re-examining its foreign policy position and its military posture, when Pakistan is showing increasing concern over its position in the U.S.-USSR struggle, and when the Soviet Union and Communist China are expanding their activities and influence far beyond their borders.

3. A realistic assessment of the optimum role for the United States in CENTO should answer at least the following questions:

a. What is the U.S. security interest in the CENTO area?
b. What positive contribution can CENTO make to the national security of the United States?
c. What kind and magnitude of support should the U.S. provide CENTO in order to enable CENTO best to serve U.S. national security interests?

4. The U.S. security interest in the CENTO area is based primarily on these considerations:

a. The area of the CENTO regional member nations forms a land barrier to Soviet expansion into the Middle East and Africa, and a barrier to Soviet efforts to reach the warm seas. It also covers the right flank of NATO.
b. The Middle East itself is a focal area for land, sea, and air communications connecting three continents.
c. The Middle East has oil resources that will remain of great significance to our Western European Allies for many years to come.

5. CENTO's positive contributions to U.S. national security interests can be summarized as follows:

a. CENTO provides a unifying bond between three regional countries, and provides a means of increasing materially their total defensive capability and determination to resist aggression.
b. CENTO, which incorporates Iran into the alliance system, represents a vital connecting link in the U.S.-sponsored or supported collective security system stretching generally around the periphery of the Communist bloc.
c. CENTO provides visible evidence of the determination of three important underdeveloped nations to defend themselves, with U.S. support, and thus contributes to Free World solidarity. In addition, the United States has now identified itself with CENTO to such a degree that its dissolution would be a serious blow to U.S. and Free World prestige. Therefore, even though U.S. military objectives in the area could theoretically be achieved through purely bilateral arrangements, it is unrealistic now to consider falling back to such arrangements.

6. Determination of the degree of U.S. support that is required to enable CENTO best to serve U.S. interests involves weighing the military advantages of an effective defensive alliance against its cost to the U.S. in political and economic terms. Clearly it would be desirable from a purely military viewpoint to have such a high degree of western-ori-

ented military strength in the CENTO countries that it would be unprofitable for the Soviets to attack this area, and that in fact the Soviets would need to commit substantial defensive forces on their side of the line as a precautionary measure. But the economic cost of providing such a powerful defense posture in the area in the immediate future would be prohibitive; and the political complications it would entail would presumably constitute an overriding disadvantage. A moderately improved defensive posture for CENTO is, however, both desirable and feasible.

7. On balance, it appears that a rational objective for the United States in supporting CENTO would be an approach that provides for:

a. Increasing the viability of the alliance, as an essential part of the Free World's collective security system. This means that the regional member nations must be convinced that it is in their national interests to remain in the alliance and to make it effective.

b. Supporting a positive, progressive program of improving the defensive capability of CENTO, through improvements in military organization, the development of realistic, comprehensive military plans and the introduction on a carefully phased basis of improved weapons and equipment. These measures should contribute to the defensive capability of the CENTO barrier between the USSR and the Middle East, without absorbing a disproportionate share of U.S. resources and without entailing unacceptable political disadvantages.

8. As regards the viability of CENTO, the Joint Chiefs of Staff submit that implementation of current United States policy has not achieved a sufficiently positive and constructive approach to provide a reasonable assurance that the organization will remain in being. The most recent National Intelligence Estimate says "... continued political instability coupled with Soviet threats or inducements could cause Iran to withdraw from CENTO."[4] Iran today is seriously unstable, subjected to continuing Soviet pressures, and increasingly depressed over what is regarded as the failure of the United States to provide adequate support for CENTO. Pakistan has periodically indicated disillusionment with the U.S. attitude toward CENTO and with the U.S. attitude toward Pakistan's defense problems. Turkey is in the throes of re-examining its over-all policy and its defense posture. Turkey has repeatedly urged more positive U.S. participation in CENTO, and there are some indications that it may now be adopting a more independent outlook. In short, the U.S. role in CENTO has been too negative to give the organization real vitality. A more positive approach by the United States, plus relatively minor additional U.S. material support, should give an impetus to CENTO resulting in increasing loyal support from its members.

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[4] Ellipsis in the source text.

9. As regards a program for improving the defensive capability of CENTO, it is the view of the Joint Chiefs of Staff that the United States has not supported an adequate degree of military development. After five years' existence, CENTO has no military command organization, no agreed military plans, no effective liaison with NATO and SEATO, no arrangements for tactical nuclear support, and antiquated air defense equipment. Significant improvements in CENTO's military capability could be achieved at relatively small cost to the United States.

10. The Joint Chiefs of Staff believe that, unless increased efforts are made to indicate U.S. support for CENTO and to improve the military effectiveness of the alliance, CENTO is in danger of collapsing, with the probable consequences that Iran would become a neutral and eventually would fall under Soviet domination.

11. Iran today is the soft spot in the CENTO defense line and one of the soft spots in the Free World's collective security system surrounding the periphery of the Soviet Bloc. Iran is weaker militarily than Turkey or Pakistan, and the latter two nations have the added advantage of being members of NATO and SEATO respectively. There is no indication that Russia has given up its traditional desire for an outlet on the Persian Gulf and Iran offers the easiest route to this goal. Iran has a long border with the USSR and borders with two potential Soviet accomplices—Afghanistan and Iraq. Loss of Iran to the West would destroy CENTO, drive a wedge between NATO and SEATO, threaten Western access to Middle East oil, and expose the Middle East, South Asia and Africa to further Soviet penetration and expansion.

12. It is clear, therefore, that the basic problem in CENTO, both politically and militarily, is Iran; and that the question of the degree of U.S. participation in CENTO hinges on the extent to which there is a politico-military requirement to retain Iran as a strong pro-Western ally. As a vital part of the Free World collective security system, as the link between NATO and SEATO, as the heart of CENTO, and as a specific barrier to Soviet expansionism in such an important region, Iran is of strategic importance to U.S. security interests.

13. There are several measures that the United States could take with a view toward achieving the closely interrelated objectives of increasing the political viability of CENTO and improving its military effectiveness. The views of the Joint Chiefs of Staff on several such measures are set forth in the Annex hereto.[5] These views have been

[5] In the eight-page accompanying annex, the JCS recommended that the United States join CENTO, that CENTO establish a command structure to include a Supreme Commander, that the United States send a limited number of Hawk missiles to Iran and Pakistan, that the United States develop plans for tactical nuclear support of CENTO, and that a formal liaison be established among CENTO, SEATO, and NATO.

developed on the basis of the contribution each proposed measure would make to the political viability and military effectiveness of CENTO, weighed against its probable cost to the United States in political and economic terms.

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94. Memorandum of Conversation

Washington, November 3, 1960.

SUBJECT

Shell Views on Various Matters

PARTICIPANTS

Mr. H. Wilkinson, Managing Director, Shell Petroleum Company, Ltd.
Mr. J.H. Loudon, President and Managing Director, Royal Dutch Petroleum Company
Under Secretary Douglas Dillon

Mr. Wilkinson spoke for Shell and said that he and Mr. Loudon wished to mention their general concern with the problem posed by the development of OPEC in the Middle East. Since I was undoubtedly familiar with the problem, Mr. Wilkinson said he would move immediately to what might be done about it. In essence, his view was that it would be useful for the U.S. Government to convey to the appropriate governments concerned the thought that it would not be in their interest to unilaterally force private companies to act against their will. He said it could be pointed out that this would affect the whole climate of private investment. He felt that such an approach could be particularly effective in Venezuela and should also be effective in Iran. He said the Shell Company had today delivered a letter to Venezuela couched in very polite terms indicating that they were reserving all their legal rights. Speaking for Shell, both Mr. Wilkinson and Mr. Loudon said they felt the oil companies must continue to be flexible and find ways to meet legitimate fears of the Arab countries. They thought this could be done if the Arab states did not push on too rapidly with unilateral action.

[Here follows discussion of Venezuelan oil and the Soviet oil offensive; for text, see volume IV, pages 652–654.]

Source: Department of State, NE/E Files: Lot 63 D 90, Middle East General Oil and Petroleum 1960. Confidential. Drafted by Dillon. Meyer sent Jones a copy of this memorandum with the following observation on an attached note: "As you can note, CDD registered no reaction to Loudon and Wilkinson. We're looking into this further with the Dept's oil boys."

95. National Intelligence Estimate

NIE 30–60 Washington, December 13, 1960.

MIDDLE EAST OIL

The Problem

To estimate probable trends affecting Middle East oil and their political and economic implications over the next five years or so.[1]

Scope Note

This estimate does not attempt to give detailed information on the production and consumption of Middle East oil; such information is already available in various forms. This estimate is a nontechnical summary of major trends affecting Middle East oil and an assessment of their broad political and economic implications, including the problems likely to be raised for US interests. We avoid specific discussion of the strategic importance of oil and of wartime contingencies. We believe that, for at least the period of this estimate, the picture will not be significantly affected by the development of nuclear power or other new sources of energy.

Conclusions

1. A major factor in the world oil picture for the next several years will be the continuing surplus of producing capacity. This condition reflects the development of new sources in North Africa and expansion of Soviet export capabilities, as well as increasing capacity in the Middle East. As a result, Western Europe will draw a somewhat smaller percentage of its petroleum requirements from the Middle East. Individual sources of oil may be shut down and transit facilities may be blocked temporarily, but we believe that a lasting area-wide breakdown is unlikely during the period of this estimate. Western Europe, in particular, will remain heavily dependent on Middle Eastern oil, and the oil

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Source: Department of State, OCB Files: Lot 61 D 385, Middle East—Documents. Secret. A note on the cover sheet states that this estimate, submitted by CIA, was prepared by CIA, INR, and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff. All members of the USIB concurred with this estimate on December 13 except the representatives of the AEC and FBI who abstained on the grounds that the subject was outside their jurisdiction.

[1] The term Middle East is here used to include Egypt, the Arab states east of Suez, Iran, and Israel. Developments in Libya and other North African areas are considered only as they affect the Middle East. [Footnote in the source text.]

producing Middle Eastern countries will almost certainly continue to receive oil revenues sufficient to support substantial programs of general economic development. (Paras. 10, 34–35, 40)

2. The terms and conditions of Middle East oil concessions are likely to be considerably changed. The position of the Western oil companies will be further weakened by erosion of the 50/50 profit-sharing formula and by the joint efforts of the producing countries to control prices. Greater participation by local governments in the management of the oil companies is likely. We do not believe, however, that large-scale nationalization of industry facilities is probable or that the companies will feel compelled to liquidate their interests in the area during the period of this estimate. (Paras. 24–30, 36–38)

3. By 1965 Soviet oil exports will probably account for as much as seven percent of the oil moving in international trade outside the Bloc. This will enable the Soviet Union to upset markets in various individual countries and even to displace Western companies in some smaller markets. Soviet oil is likely also to spur further price cuts in the world market, and will be used in an effort to promote Soviet influence, particularly in underdeveloped areas; such tactics, however, will probably be limited to some degree by the Soviets' desire to enjoy the economic benefits their exports bring, especially from Western Europe. Growing Soviet exports, together with an expanded program of economic and technical assistance for the development of new oil facilities in Asia and Africa, will make the USSR a force to be reckoned with in the international petroleum field. We do not believe, however, that the USSR will be able to upset the preponderant position of the Western companies or destroy the present overall pattern of the Middle East oil industry. Even a Communist takeover in one of the producing countries would not necessarily result in a refusal to sell the country's oil to the West. (Paras. 15–23, 39)

4. On balance, we think the odds are against developments in regard to Middle East oil that would be critically detrimental to US national interests during the period of this estimate. Nevertheless, the US will be faced with a number of broad problems. Among these will be determination of the balance of interest between the desirability of developing alternate sources of oil to meet Western Europe's needs and the importance of assuring Middle Eastern countries of sufficient oil revenue to avoid instability; resolution of possible conflicts of interest between the US and its Western allies, especially the UK and France; policy differences between Western governments and those of the oil-producing countries; and the difficulty of determining in particular circumstances whether and how US strategic and commercial interests coincide or conflict. (Paras. 39–45)

[Here follow the "Discussion" portion of the estimate (paragraphs 5–45) with sections headed "The Importance of Middle East Oil," "Changes in the World Oil Picture," "Middle East Developments," and "The Outlook"; four appendices entitled "Free World Crude Production and Reserves by Areas and Countries, 1959," "Estimated Soviet Bloc Oil Exports to Free World, 1959," "International Petroleum Companies With Shareholdings in the Middle East," and "Ownership of Principal Middle East Producing Companies"; and a map of the Middle East and North Africa showing oil fields and pipelines.]

IRAQ

JANUARY–JULY 1958: THE IRAQI COUP; ASSESSMENT OF THE QASSIM GOVERNMENT; U.S. RECOGNITION OF THE NEW GOVERNMENT

96. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, January 18, 1958.

SUBJECT

Problem of United States assistance for the Iraqi Air Force and our relations with the United Kingdom

Discussion

This problem involves three United States policy objectives: 1) Iraq's military posture; 2) the maintenance of relations with Iraq of a nature to insure Iraq's continued effective participation in the Baghdad Pact and the availability of military facilities to the United States in Iraq in case of emergency; and 3) harmonious relations with the United Kingdom, not only in the Middle East but world-wide.

The Department has been under pressure from four different sources in the matter of United States assistance to the Iraqi Air Force (RIAF): 1) from the Iraqis, to provide such aid; 2) from developments in Syria and Syria's acquisition of modern Soviet jet aircraft; 3) from the Department of Defense (prompted by the JCS) which wants to provide U.S. aircraft to Iraq and to act independently of the British military there, and, finally and most recently, 4) from the United Kingdom (January 16 letter from Selwyn Lloyd),[1] which wishes to retain its traditional responsibility for the RIAF.

Of these pressures the two most difficult to reconcile are those from our Department of Defense and from the United Kingdom.

Department of Defense–JCS Position

The most direct and politically advantageous response to Iraq's need and requests for air force assistance is to provide it ourselves with

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Source: Department of State, NEA Files: Lot 59 D 582, Iraq, Air Survey Mission, 1958. Secret. Drafted by McClelland and Newsom.

[1] Not printed. (*Ibid.*, Presidential Correspondence: Lot 66 D 204, UK Officials to Secretary Dulles/Herter, 1954–1960)

U.S. equipment. The latter is readily available; indeed F–86's are currently in surplus; and it would be financially convenient to charge them off against the Military Assistance Program. Defense and the JCS are not convinced of the effectiveness of the British Air Force program in Iraq, and report that the Iraqis consider U.S. equipment superior to British. The fact that the U.S. has continued to concede the British primary responsibility for the RIAF, moreover, has always rankled our military authorities who believe that the much larger amount of military assistance which the U.S. has provided to Iraq over the past three years (some $ 44 million) in comparison to net British grant-aid of about $ 7.5 million, entitles the United States to the predominant military role in Iraq.

British Position

The RIAF has traditionally been under the British wing; and the United Kingdom clearly attaches considerable political importance to the preservation of its special military relationship to Iraq. Over the last ten months the U.K. has supplied the RIAF with 15 modern Hawker Hunter VI jet aircraft (5 as a grant, and 10 sold on terms for approximately $ 5 million). The British have a substantial, if somewhat dilatory, training program for the RIAF (pilots and maintenance), both in the U.K. and in Iraq. At present the RIAF has about 10 pilots checked out on Hawker Hunters, although these planes still must be maintained by British crews.

The position we took with the British during the first half of 1957 (in staff level conversations in the Department in March and May) on the subject of assistance for the RIAF was that the U.S. had no present intention of providing such aid. We expressed gratification that the U.K. was supplying the RIAF with Hawker Hunters. This subject also arose at the Bermuda meeting in March[2] when we reiterated this position, coupled with assurances by the President to Prime Minister Macmillan that the United States desired, if anything, to build up the British again in the Middle East.

With this expressed desire in mind, the Department conducted extensive discussions with Defense representatives emphasizing the commitment to a continued recognition of U.K. interest in Iraq. These resulted in an agreed State–Defense position presented to the British for the first time at the staff level on January 14.[3] Although no indication was given that the survey mission might recommend supplying U.S. aircraft, the British representatives apparently assumed that this was our intention.

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[2] Reference is to U.S.-U.K. meetings, March 21–24, 1957, in Bermuda.

[3] The position paper was attached to a memorandum from Dorman to Rountree, January 10. (Department of State, Central Files, 787.5–MSP/1–1058)

This January 14 presentation was undertaken in accordance with British agreement, as a result of your October 15 talk with Mr. Selwyn Lloyd, to discuss modifications in our respective military assistance responsibilities in Iraq heretofore governed by the Memorandum of Understanding.[4]

Recommendations[5]

1. That you take a position along the following lines with the British:

a) In informing the British of the U.S. plan to send a mission to survey the RIAF we had no intention of implying that we had reached any final decision regarding the specific type of assistance to be provided.

b) The U.S. fully appreciates the U.K. traditional political and military relationship to Iraq. But as the British know, we have been under pressure also to assist in strengthening the RIAF. The U.S. survey mission would be in response to these Iraqi requests. It would also provide us at first-hand with the elements necessary to determine the most effective means of meeting the RIAF's deficiencies.

c) The U.S. is aware of the potential problems of supplying the RIAF with U.S. equipment, and has every intention of examining them fully with the United Kingdom. The U.S. however believes that such discussions could most fruitfully be held after the survey has been undertaken.

d) In view of our common desire to work closely together in the Middle East we are however quite prepared to discuss the matter further with the British at Ankara, and meanwhile to postpone sending the survey mission and informing the Iraqis of it.

2. That the Department of Defense be informed at a high level that:

a) We believe the U.S. survey mission should avail itself of the British offer to provide information in London concerning their program for the RIAF, not only in the interest of obtaining these British views, but because the Department of State considers cooperative relations with the British indispensable to the success of the survey.

b) We believe the survey should be conducted along strictly fact-finding lines and without prejudice to the type of U.S. assistance which it may prove advisable, in the light of all the relevant factors, to render.

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[4] For text of the U.S.–U.K. Memorandum of Understanding, February 26, 1954, see *Foreign Relations*, 1952–1954, vol. IX, Part 2, pp. 2371–2374.

[5] According to Secto 34 from Ankara, January 29, Lloyd informed Dulles at the Baghdad Pact meeting that the United Kingdom welcomed increased U.S. military aid for Iraq's Air Force and the U.S. survey but hoped to exchange views before the survey took place. Lloyd stated that it was the British understanding that all the Iraqis really desired in fighter aircraft was a squadron of Hawker Hunters in 1958 and another in 1959. The United Kingdom hoped that these British planes could be obtained by off-shore procurement. In subsequent talks with British officials, also reported in Secto 34, Irwin and Rountree generally followed guidelines outlined in this memorandum. (Department of State, Conference Files: Lot 63 D 123, CF 969)

97. Telegram From the Department of State to the Embassy in Iraq

Washington, February 12, 1958, 7:29 p.m.

2086. Embtel 1327.[1] Request you speak to King as follows:

Nuri has approached Embassy with certain suggestions of US air support which he has apparently previously discussed with King in context formation new government and possible Soviet reaction thereto.

US considers organization Iraqi Government purely internal matter to be carried out in line normal constitutional processes. US prepared continue render appropriate cooperation to Iraq Government.

US understands Iraqi concern over Soviet opposition continuance Iraq's forthright stand against communist imperialism. Eisenhower Doctrine[2] designed provide concrete evidence availability US support against aggression by communist or communist-controlled state against states in ME. US believes existence Doctrine has served as effective deterrent communist military adventures in ME.

Re air assistance, US sending survey mission. Its findings will assist US to determine specific way in which US may best contribute to strengthening of Iraq's defenses in aviation field.

Herter

Source: Department of State, Central Files, 787.5/2–1258. Top Secret; Priority. Drafted by Newsom and approved by Berry.

[1] In telegram 1327, February 12, Ambassador Gallman reported that Nuri Said informed him that King Faisal wanted Nuri to form a new government and that the amount of air support from the United States would be a factor in the King's acceptance of the new government. Nuri anticipated a strong Soviet reaction to his return to office. When Gallman reminded Nuri of the U.S. air survey mission, which was on its way, Nuri stated that it would not meet the urgent problem of Iraq's inadequate air strength. What Iraq needed was two squadrons of U.S. jet interceptors with personnel to train Iraqi pilots. Gallman observed that this looked like a "fast maneuver" to "stampede" the United States. (*Ibid.*, 787.02/2–1258)

[2] For text of the "Eisenhower Doctrine," see *American Foreign Policy: Current Documents, 1957*, pp. 829–831.

98. Telegram 2180 From the Department of State to the Embassy in Iraq

Washington, February 19, 1958, 9:52 p.m.

[Source: Department of State, Central Files, 787.5/2–1958. Top Secret. 1-1/2 pages of source text not declassified.]

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99. Telegram From the Embassy in Iraq to the Department of State

Baghdad, February 21, 1958, 7 p.m.

1396. Following Embassy's view of Iraqi reaction to date towards Arab union:[1]

1. Among most responsible officials attitude seems to be one of relief that necessary step taken to protect Iraq's future plus realization many problems lie ahead.

2. Among variety of other literate opinions, common factors include feeling that a step in right direction has been taken. There is general satisfaction too that device worked out does not require either of two countries submerge its existing institutions but there is common regret that Syria, long viewed as Iraq's natural partner, has not been included in first step toward long cherished Arab unity. Correspondingly, there is belief that ultimate undefined "Arab unity" should and will be achieved though how is not clearly seen. Presently we are of view that few of the politically mature would wish see this done by kind of submission to foreign power that Syria has chosen.

Source: Department of State, Central Files, 786.00/2–2158. Confidential. Repeated to Amman, Beirut, London, Cairo, Tel Aviv, Damascus, and Jidda.

[1] On February 14 Iraq and Jordan proclaimed the federation of their two countries into the Arab Union. King Faisal II of Iraq became Chief of State and King Hussein of Jordan the Deputy Chief of State. Under the announced terms of the new federation each King would retain constitutional authority in his own kingdom and two regional councils would be established to deal with non-federal matters. According to the announcement of the union, the federal capital would rotate between Baghdad and Amman, a federal legislature would be established, and a constitution would be enacted within 3 months to implement the proclaimed federation.

Among those strongly loyal to present regime who sharply aware danger posed by Nasser's presence across oil pipelines there is belief that Iraq must seek every opportunity pry Syria away from Egypt and that there will be high potential for dissatisfaction among Syrians as they see their interests subordinated to those of Egypt.

Lack of any popular demonstrations hailing new union is ironic but reflects existing Iraq political atmosphere. Union with Jordan, while in fact undertaken by Iraq's leadership is coldly realistic move for protection national interests, is being presented to public as great step toward achievement Arab ideals. But popular dislike for present regime is sufficiently strong so that it is hard for it to do anything which will incur public approval rather than suspicion. We not inclined attach too much significance mild flurries which have so far occurred and which have involved principally students shouting slogans hostile GOI and in support of Nasser. Iraqi schoolboy organizers inclined feel they must demonstrate in connection any important ME event and such demonstrations inevitably take anti-government cast. Embassy does not believe demonstrations mean that Jordan-Iraqi union is unpopular. Union has not insofar as public response concerned affected government adversely though margin of reaction favorable to government cannot be thought of as very large.

Gallman

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100. Telegram From Secretary of State Herter to the Department of State

Manila, March 11, 1958, 4 p.m.

Secto 12. Selwyn Lloyd called on me shortly after my arrival deeply disturbed as result his stopover in Baghdad en route Manila. He said he had found Iraqi leaders in very jittery state and acting as though they expected be gone in six months. Nuri,[1] and even Crown Prince, were

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Source: Department of State, Central Files, 786.00/3–1158. Top Secret; Limited Distribution. Also sent to Baghdad. Dulles was in Manila for the SEATO meeting, March 11–13.

[1] On March 5, Nuri Said formed a new coalition government following the dissolution of the Murjan Cabinet on March 3.

visibly worried. Lloyd felt impact of Nasser on Iraq had been tremendous and that association with Jordan was unpopular because people believed it meant Iraq would have to finance Jordanian deficit.

Iraq had pressed him for (1) guarantee that if pipeline cut UK would come to financial rescue; (2) immediate 5 million pounds credit to finance large-scale propaganda effort to be repaid in annual half million pound installments; (3) general long term line of credit; (4) crash program for three squadrons of fighter planes; (5) radio jamming equipment; (6) UK declaration of independence of Kuwait which thereupon to join Arab Federation.

Lloyd said with respect to:

(1) He assured Iraqis if pipeline cut UK would be helpful as they had been after Suez when they had extended 20 million pound credit of which Iraqis had drawn down only 14.

(2) He told Iraqis they could divert 50,000 pounds from 200,000 pounds UK had given Arab Committee.

(3) Lloyd had extracted about one million pounds from Treasury as birthday present for Federation. He thought morale aspect of this was important as Iraqis obviously were anxiously seeking assurances that their friends were backing them.

(4) Iraqis, particularly military and Nuri, were pressing hard for fighter planes, either Hunters or F–86's. They have referred to their repeated requests to US and UK and pointed out they were still waiting for the aerial survey team.

(5) Lloyd had requested London to send some jamming equipment.

(6) This was clearly impractical proposition.

Lloyd thought two matters in which US could be most helpful were in extending birthday credit to Federation and supplying fighter aircraft (he thought amount not so important as gesture). Iraqis had visibly brightened when offered 50,000 pounds for propaganda project. He then handed me memorandum regarding early availability of three squadrons of Hunter 4 aircraft and observed that cost would be less than F–86's. He said British Embassy Washington had recently raised this matter again with Department but London has been told that US worried about what Iraqis up to. He urged that we again look into possibility of early supply of fighters, preferably Hunters.

I said I fully agreed that it was important to do something to keep up Iraqi spirits. I doubted under our aid plans and procedures which operated on a project basis we could give Iraqis any open line of credit but I would look into matter. I said I would also have matter of accelerated supply of fighters looked into immediately. I had not been aware recent British approach in Washington on this subject but it was true that we had been worried by some of Nuri's statements. At this point Lloyd observed he thought Nuri had become more cautious.

I should like before leaving Manila to be able to give Lloyd at least preliminary reply on possibility of credit and early supply of fighters for Iraq.[2]

Dulles

[2] In Tosec 22 to Manila, repeated to Baghdad and London, March 11, the Department of State informed Dulles that it was urgently considering the Iraqi matters raised by Lloyd. It agreed that the United States must support and strengthen the Arab Union (Jordan and Iraq). The Department would be willing to assure Iraq of the initiation of a fighter aircraft program (probably American F–86s) as promptly as possible after the initial report of the survey mission. Also it would contribute an amount equal to the British for Iraqi propaganda efforts and could promise Iraq and Jordan favorable consideration of economic assistance projects in lieu of a line of credit. In addition, the Department hoped that the British would not concentrate their efforts solely on Iraq and emphasized that the actions contemplated above should not encourage Iraq or Jordan to intervene militarily in the United Arab Republic. (Department of State, Central Files, 786.00/3–1158)

101. Telegram From the Embassy in Iraq to the Department of State

Baghdad, March 12, 1958, noon.

1513. Secto 12.[1] While I have not found Iraqi leaders as jittery as Selwyn Lloyd apparently did, I agree that they are under a good deal pressure from increased tension in relations with UAR. Accordingly, I think we should take some steps to reinforce their morale. First and obvious move is of course arrange for soonest possible arrival air survey mission whose simple presence here would have immediate and considerable psychological benefit. Once mission has arrived, I believe we will have to follow through with assistance in the form of aircraft. While not wishing to pre-empt mission's judgment of Iraqi air needs, I would suggest we begin consider now possibility token delivery of half dozen fighter aircraft (of type decided to be appropriate) to be delivered within next few weeks. This would have substantial effect on Iraqi spirits but would not, I believe, make them incautious.

Source: Department of State, Central Files, 787.00/3–1258. Top Secret; Priority. Repeated to Manila.

[1] Document 100.

Iraqis have not spoken to me about their need for a general long-term line of credit and I am at a loss to understand just what they would use it for at present. Certainly their reserves are sufficient to meet immediate crises but if we could assure them credit might be available from some source in case of proven need, that would help also.

We have been quietly trying for some time to assist Iraqi to improve their propaganda output and we have not always found them as full of the sense of urgency they demonstrated to British Foreign Secretary. They are handicapped by lack of qualified personnel but we will continue do everything we can here to take advantage of their present frame of mind to advance measures needed make their propaganda more effective. They may need some money but they could not effectively use 5 million pounds at present for radio or any other propaganda output.

Nuri's policy pronouncement on assuming office made hopeful mention of a reform program. Parliament here has considered some land tax legislation which, if carried through effectively, might help narrow present wide gap between people and government which gives Nasser great advantage in his efforts discredit Iraqi Government. We will continue our efforts here encourage Iraqis pursue this kind of approach to their problem, along with improvement in their propaganda as best means making long-term contribution to political stability. We would hope in this way divert them from any risky ventures outside their own borders.

A final comment on position of regime here: So far Iraqi army and police have shown no signs of disaffection and there is no well organized political leadership among Iraqi's diverse and rather weak political opposition. While the Iraqis may be facing some difficult days as they undergo propaganda treatment similar to that administered to Jordan last fall, I believe Nuri and Crown Prince can be counted upon to keep their nerve.

Gallman

102. Staff Notes Prepared for President Eisenhower

No. 350 Washington, April 16, 1958.

[Here follows item 1.]

2. *Arab Union Facing Financial Problems.*—Embassy Baghdad has agreed in discussions with the British Embassy that our two countries should do their utmost to help assure the success of the Union, and that assistance in political, military and economic fields will be required.[1] The Union probably will find itself in acute financial difficulty in the future since US aid for Jordan will remain essentially unchanged, the Saudi Arabian subsidy will be terminated, and most of the oil revenues will continue to be allocated for development in Iraq, which cannot afford both the Union and the present development program without outside help. Since there is virtually no basic Union economic planning, as well as a general reluctance to face the economic consequences of the Union, our Embassy suggests that the US and British Governments should begin now to consider all possible avenues of assistance. For the immediate situation, the Embassy recommends an encouraging US response to Iraq's requests for fighter aircraft and aid for propaganda and youth camp purposes. (S)

3. *VOA Transmitter on Cyprus.*—USIA reports that the British have agreed in principle to American construction of a VOA transmitter on the island of Cyprus, to provide improved VOA coverage of the Middle East. Known as Project Delta, the installation would broadcast on a medium wave length with 500 kilowatts of power, with provision for expansion to 1000 KW. The British are studying technical factors which may affect local broadcasting, and a favorable decision is in prospect. (S)

[Here follow items 4–6.]

Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Secret. Eisenhower's initials are at the top margin.

[1] As reported in telegram 1669 from Baghdad, April 10. (Department of State, Central Files, 786.00/4–1058)

103. Editorial Note

United States–United Kingdom consultations on Iraq's Air Force were characterized by strong British objections to the United States supplying Iraq with F–86 jet aircraft. In a letter to Secretary Dulles, British Ambassador Caccia conveyed Foreign Secretary Lloyd's concern that introducing F–86s into the Iraqi Air Force would complicate the operational, technical, and maintenance problems of a "small" but "quite effective" air force. Lloyd suggested that the U.S. air survey's conclusion that the Iraqis would have no difficulty in operating F–86s was "quite unrealistic." Lloyd also stated that political disadvantage could result from the fact that the two members of the Arab Union (Iraq and Jordan) would have different aircraft, especially since the F–86 was the inferior plane. For these reasons, Lloyd hoped Dulles would reconsider the U.S. decision. (Letter from Caccia to Dulles, April 28; Department of State, Presidential Correspondence: Lot 66 D 204, UK Officials—Sec. Dulles/Herter, 1954–1960)

Caccia and Dillon met to discuss the problem on April 29 at the Department of State. Dillon explained since there were only 18 Hawker Hunter Mark IV aircraft available for the next year, the United States had concluded that they should go to Lebanon and Jordan because of Israeli sensitivities. Therefore, the F–86 aircraft, which the United States did not consider inferior to the British plane, was the only answer for Iraq's urgent needs. Dillon added that a F–86 jet cost one-third the price of a Hawker Hunter Mark IV obtained by offshore procurement. Caccia stated he was under instruction to raise this issue with Secretary Dulles. When Dillon assured the British Ambassador that he and Herter had been authorized to make this decision, Caccia stated that he was under instruction to reluctantly accept. (Memorandum of meeting, April 29; *ibid.*, Central Files, 787.5622/4–2958)

104. Telegram From the Department of State to the Embassy in Iraq

Washington, April 30, 1958, 7:22 p.m.

2827. Deptel 2767.[1] Inform King and Nuri that following USAF survey RIAF and consultations with UK we have decided provide by grant-aid one squadron of 15 U.S. F–86 jet aircraft. Provision these aircraft is in response Iraqi request for assistance and is earnest our determination assist GOI meet its security requirements and contribute to strengthening Arab Union. We hope be able provide small number these aircraft in near future and deliver full number in stages thereafter as capacity to absorb and maintain established. FYI. Initial delivery of aircraft, possibly within three to four months, contingent on ability GOI make requisite space available and on prepositioning necessary support equipment and maintenance personnel. End FYI.

US military representatives will shortly be in touch with GOI regarding preparations necessary for receipt and handling these aircraft, training and other administrative aspects this matter.

We are aware desire GOI acquire additional modern aircraft; and present offer does not preclude future US aid this field.

Dulles

Source: Department of State, Central Files, 786.5622/4–3058. Secret. Drafted by Waggoner, cleared in draft by Admiral Bergin and Barnes, cleared by McClelland, and approved by Rountree. Repeated to Amman and London.

[1] Telegram 2767, April 23, sent to London and repeated to Amman, Baghdad, and Beirut, reported that the Department had informed the British Embassy of its decision to supply jet aircraft to Lebanon, Jordan, and Iraq. (*Ibid.*, 786.5622/4–2358)

105. Memorandum of Conversation

MCT MC 5 Washington, June 9, 1958, 3 p.m.

MACMILLAN TALKS

Washington, June 9–11, 1958

SUBJECT

Situation in Iraq

PARTICIPANTS

US

The President
The Secretary
Mr. Allen Dulles
Mr. Dillon
Mr. Reinhardt
Mr. Elbrick
Mr. Rountree
General Goodpaster
Mr. Dale

UK

The Prime Minister
Ambassador Caccia
Sir Norman Brook
Sir Patrick Dean
Lord Hood
Mr. Willie Morris
Mr. Frederick Bishop

The Prime Minister opened the discussion of Iraq by stating that this country is also in great difficulty. They formed a union with Jordan[1] which from an Iraqi point of view is a liability and now they also want to include Kuwait. He believed that an acute crisis is building up. Mr. Rountree added that Nuri has told our Ambassador he must have money in substantial amounts to meet the Union's budget deficit as well as obtain the inclusion of Kuwait in the Arab Union or he will resign. The Prime Minister stated that if the Arab Union should collapse it will be a terrific blow to our side. Mr. Rountree went on to say that Nuri wants about $37 million to cover the period from July 1, 1958 to May 31, 1959 which is budget support at the rate of $50 million a year. Since we gave Jordan $25 million last year this would mean an increase of $25 million in U.S. financial support. All told, he said that we would be contributing $43.7 million to Jordan this year in various forms.

The Prime Minister believed that there were two separate issues here: the money which he wants from the West and second, the inclusion of Kuwait in the Arab Union. He suggested that we ask our experts

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Source: Department of State, Conference Files: Lot 63 D 123, CF 102. Secret; Eyes Only. Drafted by William N. Dale of EUR/BNA, cleared by Rountree and Reinhardt, and approved by the White House. The meeting was held at the White House.

[1] The Arab Union, proclaimed on February 14, became effective on May 12 with the approval of a federal constitution. A federated cabinet headed by Nuri as Premier and Jordan's Ibrahim Hashim as Deputy Premier was inducted on May 19.

to produce a paper for consideration on the financial subject tomorrow since it is a complex matter.[2]

He noted that Nuri had been difficult for some time and was now attempting a Nasser-type operation against Kuwait. The ruler, he said, does not want to join the Arab Union and if Nuri attempts to force him it will play right into Nasser's hands. Mr. Rountree explained that the ruler of Kuwait was in difficulties on this issue because a large majority of his subjects would favor joining the United Arab Republic in preference to the Arab Union. In reply to a question from the President, he added that although the original inhabitants of Kuwait were few, there had been many recent immigrants from other Arab countries including Egypt and Syria who agitated strongly for joining in with Egypt. Therefore, the ruler might consider that if he shows an inclination to join Iraq in the Arab Union he will become most unpopular with the population. As well, he is certainly aware that the Iraqis are greatly interested in tapping his financial resources.

The Prime Minister reiterated that it was a great shock to him to learn that Nuri has "out and out threatened" Kuwait. The Secretary said that Nuri's personality has become a liability in recent times and that he put the most extravagant demands on us when he was here with the threat of resigning, which may be a kind of blackmail. Sir Patrick Dean expressed the opinion that the situation in Iraq was still negotiable, that Nuri wants money more than he does Kuwait which he can't really expect to have by this week-end.

Mr. Dillon pointed out that although we have no FY 1958 money available for the purpose we could make a commitment to supply funds to Iraq through "1550" procedure.[3]

It was decided that a working group would be set up to consider means of keeping the Arab Union afloat which would report to the Secretary and Prime Minister tomorrow afternoon. The policy could then be confirmed with the President at dinner tomorrow night. Mr. Rountree said he would be getting in touch with Lord Hood to arrange a meeting for the first thing tomorrow morning.

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[2] On June 10, Rountree sent Dulles a memorandum describing U.S.-U.K. proposals to meet the Arab Union budgetary deficit, which included an estimate of the Iraqi budgetary deficit for the next 9 months. Rountree suggested that the United States and the United Kingdom agree in principle to meet the budgetary problem and to inform Nuri of that decision to prevent his resignation. Dulles agreed. (Department of State, Central Files, 886.10/6–1058)

[3] Apparent reference to NSC Action No. 1550, May 3, 1955, in which the President stated that U.S. foreign aid commitments should not be promised without consideration of the following factors: compatibility with approved policy, the funds being appropriated or authorized by Congress or a determination made by the Executive to seek such authorization, the recipient country's ability to support the contemplated aid program, and a consideration of the probable time-span for the assistance. (*Ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

106. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, June 20, 1958.

SUBJECT

Proposed Reply to Iraqi Crown Prince's Suggestion that a Revolutionary Movement be Fomented in North Syria

Discussion

We have received through Ambassador Warren in Ankara a message from Crown Prince Abdulillah of Iraq, who is currently in Istanbul, to the effect that certain Syrian refugee leaders have suggested that a revolutionary movement be fostered in north Syria to take UAR pressure off the Lebanon (Tab B).[1] Abdulillah said that he favored this suggestion but could not unilaterally approve such a move which would require supplies and support which Iraq could not provide, the implication being that US assistance would be necessary. He asked for our comments on this suggestion so that he could, as he had promised, reply to the Syrian refugees within six days.

Suggestions from the Iraqis and from Syrian refugee leaders that we assist in fomenting revolt in Syria have been made on a number of occasions in the past. We seriously question that either the Iraqis or the Syrian refugees are presently able, with or without covert assistance from other sources, to mount a successful revolt in Syria. An abortive revolt would, we believe, seriously prejudice the possibility of taking action on an appropriate occasion in the future to redress the Syrian situation itself. While a revolt in north Syria might contribute temporarily to easing UAR pressure on the Lebanon, we believe that such a revolt would in all likelihood fail to achieve anything permanent and that the long-range consequences of such failure in Syria would outweigh any advantage which might result from a temporary easing of UAR pressure on the Lebanon. A draft telegram containing a message to this effect to Abdulillah is attached (Tab A).[2]

[*1 paragraph (2-1/2 lines of source text) not declassified*]

Recommendation

That you [*less than 1 line of source text not declassified*] send a reply to Abdulillah along the lines of the attached draft telegram.

Source: Department of State, Central Files, 783.00/6–2058. Top Secret. Drafted by Waggoner.

[1] Telegram 3130 from Ankara, June 18, not printed. (*Ibid.*, 783.00/6–1858)

[2] Sent as telegram 3788 to Ankara, June 20, not printed. (*Ibid.*)

107. Editorial Note

According to Staff Notes No. 384, prepared for the President on June 23 and initialed by Eisenhower, the first shipment of F–86 jet planes arrived in Iraq on June 17. The pertinent section of the note reads:

"3. *Aircraft for Iraq*.—By the June 17 deadline, as directed on June 10, Air Force had delivered to Iraq five F–86F's and dispatched spare parts, equipment and personnel to complete the initial program. The Chief MAAG notes that Iraq was unprepared to meet the sudden demands for accommodations and landing facilities." (Eisenhower Library, Whitman File, Eisenhower Diaries)

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108. Memorandum From the Deputy Director for Plans of the Central Intelligence Agency (Wisner) to the Director of Intelligence and Research (Cumming)

Washington, July 3, 1958.

SUBJECT

An Analysis of the Effect in Iraq of Military Intervention in Lebanon by the United States and the United Kingdom

1. In view of the impact of the Lebanese crisis on other Arab States, the [*less than 1 line of source text not declassified*] has forwarded to [*less than 1 line of source text not declassified*] its appreciation of the possible effect in Iraq of various courses of action in Lebanon which might be taken by the United States and the United Kingdom. This analysis is based on the following premises:

a. the short-term consequences of intervention only;

b. the Iraqi Army would not be committed in force, either to action in Lebanon or to any Syrian adventure;

c. US/UK intervention is without international sanction. The estimate would be proportionately mitigated by the degree of international backing.

d. no account has been taken of possible French intervention, which would be disastrous.

Source: Department of State, NEA Files: Lot 59 D 582, Iraq, General, 1958. Secret; Noforn; [*classification markings and dissemination indicators not declassified*].

2. Iraqi reaction is estimated to be as follows:

a. Top level officials in the Government of Iraq (GOI) would accept it as a necessity. The GOI's current propensity is for pro-Sham'un intervention; the GOI undoubtedly views the fall of Lebanon to the United Arab Republic (UAR) as a sufficient threat to its own security to warrant an unpopular overt Western intervention;

b. The urban-based political opposition would oppose the intervention in an articulate manner and would attempt to exploit it by demonstrations, the primary aim of which would be to weaken or overthrow the GOI. The opposition would use the intervention as a medium of expression for many unformulated popular grievances against the Iraqi regime and Western "imperialism."

3. The following factors favor the GOI's ability to contain the disturbances:

a. While articulate public opinion is preponderantly anti-GOI, the hard core of activists is small and, except for the Ba'th and Communist Parties, is badly organized. The Ba'thists and the Communists have fairly effective organizations, but they can be kept under control by firm government action. The remaining effective opposition probably comprises not more than 50 lawyers and a few hundred students. There is no evidence to date of the existence of an effective coordination between the opposition and the Army. Thus while the opposition is capable of causing disturbances, it lacks the immediate capacity to overthrow the regime;

b. While nationalist and anti-Western concepts have penetrated quite widely, the rural population is still basically responsive to the conservative control of the shaykhs, who in the Arab and even Kurdish sectors are predominantly not anti-government;

c. More than it may be apparent, the urban bourgeoisie and skilled workers may passively feel their own interests, in the form of an unprecedented prosperity, lie with the regime, although this is balanced against the emotional appeal of Arab Nationalism.

d. With most Iraqis, like other Arabs, the principal motive is to be on the winning side, regardless of the political principles involved. A firm action by the government would arouse less real resentment than might be supposed;

e. The Iraqi police are better equipped, particularly in vehicular transport, than a year ago. More important, the organization, command, tactical handling, and confidence of the Director-General of Police and the Director-General of Security have markedly improved in the last year;

f. The crucial aspect of containing disturbances is the need to issue orders for strong police action at the outbreak of any trouble. The

command line is Chief of Police Abbas (with Chief of Security Bajhat Attiyyah), Minister of Interior Sa'id al-Qazzaz, Prime Minister Ahmad Mukhtar Baban, Arab Union (AU) Prime Minister Nuri Sa'id, all of whom will act decisively with the possible exception of Baban, who would be decisively controlled by Nuri and the Palace.

4. The principal GOI weaknesses are as follows:

a. The lack of full conviction, even on the part of government officials (except a few at the top), in the correctness of broad GOI policies, including decisions on internal measures;

b. The possibility of change in the GOI or the AU Government bringing in weaker personalities, such as Ayyubi, who through hesitation or vacillation would fail to act decisively when trouble starts. This in turn would give heart to the demonstrators and would furnish momentum by providing a situation where all those disgruntled with some aspect of GOI could join in pulling down the regime. (Such a group would have neither constructive nor defined goals.)

5. Based on the above analysis, it is believed that the GOI can contain any immediate internal disturbances which might arise out of a US/UK intervention in Lebanon. Once the hard core extremists are under control the best of the opposition is quickly dispersible.

6. In favor of US/UK intervention (if United Nations action proves ineffective), the following, based entirely on considerations of relevant Middle East factors, is submitted:

a. The fall of Lebanon would add to the momentum of UAR expansion and would increase the likelihood of developments in the AU similar to those in Lebanon. In such eventuality, the US/UK would find themselves in the dilemma of either supporting the constituted government (under more difficult geographical conditions and against the rising tide of unpopularity with mass opinion) or acquiescing to Nasir.

b. In spite of the popular hue and cry and some trappings of a constitutional government, the Middle East Arab states are basically army-based. In the short term the popular opposition to US/UK intervention of the practical moment could be disregarded and local internal security maintained.

c. Intervention would be much more palatable if undertaken by the UN with multi-country forces and non-US/UK troops undertaking the initial operations. There is a reservoir of public respect for the UN which is not reserved for US/UK, who are viewed as participants in Lebanese struggle.

For the Deputy Director, Plans:
W. Lloyd George[1]

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[1] Printed from a copy that bears this stamped signature.

109. Editorial Note

At 8:29 a.m. Washington time, July 14, Secretary Dulles telephoned the President to inform him that a coup was taking place in Iraq. According to a transcribed memorandum of their telephone conversation:

"The Pres heard re Iraq. The Sec said now we have a call from Lebanon to come to their aid—also the Br have. The Pres said it looks now as if you have a solid Arab world against us because Jordan can't stick. . . . The Sec agreed and said the main problem is our relations with Turkey, Iran and Pakistan. We always felt we would lose the Arab world but did not want to under circumstances that would lose the confidence of these countries. The Sec has no ideas because it happened so fast but thinks we ought to have a meeting today. NSC is set but this is more important. He will try to accumulate info and join NSC whenever he can and then perhaps recess and have a limited meeting with Defense, CIA and JCS." (Ellipsis in the source text. Memorandum of telephone conversation by Bernau; Eisenhower Library, Dulles Papers, White House Telephone Conversations)

A joint Air, Army, Navy message from U.S. Army Attaché in Iraq, CX 39, sent at 9:05 a.m. Baghdad time, July 14, reads:

"Military coup proclaiming a republican govt of Iraq took place early morning 14 Jul. Apparently organized by a group of brigadiers and colonels, new govt has control of Baghdad and adjacent mil installations. Series republican ordinances being issued Radio Baghdad name Brig Abdul Karim Qassim Prime Min and Min of Interior, Col Abdul Salam Mohammed Arif Acting Pri Min and Min of Interior, and Staff Brigadier Ahmad Salih Ezzi Chief of Gen Staff. Balance of ministerial posts include many leftists and Nasserites [*less than 1 line of source text not declassified*]. No info at this time re King, Nuri, Rafiq or others AU and old Iraqi govt. Troops under orders new govt now posted protect AmEmb." (Department of State, Central Files, 787.00/7–1458)

President Eisenhower met with his principal foreign affairs and national security advisers on July 14 at 10:50 a.m. to discuss the related crises in the Middle East. According to General Andrew Goodpaster's account of the conference, Allen Dulles opened the meeting with a summary of the situation in Iraq as follows: "According to reports received thus far (mostly from the rebel-seized Baghdad radio), the Crown Prince has been killed, and perhaps Nuri also. The King's situation is unknown. A Leftist government has taken over. Secretary Dulles commented that there has been no report regarding Iraqi forces outside of Baghdad." The discussion turned to the possibility of the United States intervening in Lebanon and the consequences of such a decision. Returning briefly to Iraq, Secretary Dulles believed that "there is a good chance, whatever we do, the Turks will move" into Iraq. "Regarding Iraq," Secretary Dulles continued, "he was not certain as to what we

should do. This is primarily a UK responsibility." Secretary Dulles then stated that quick U.S. action in Lebanon would, in his opinion, make general war less likely. President Eisenhower agreed that "we must act, or get out of the Middle East entirely." Secretary of the Treasury Anderson asked "what Israel would do if we were to move into Jordan and Iraq. Mr. Dulles thought that, if we go in, Israel will probably stay out." The meeting concluded with a general consensus to meet with congressional leaders and after receiving their concurrence to intervene in Lebanon. (Memorandum by Goodpaster, July 16; Eisenhower Library, Whitman File, Eisenhower Diaries) Goodpaster's account is printed in volume XI, pages 211–215.

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110. Briefing Notes by Director of Central Intelligence Dulles

Washington, July 14, 1958.

I. Iraq and the Middle East

The pro-West government of Iraq under Prime Minister Nuri was overthrown at daybreak today, Baghdad time, by a military coup supported by pro-Nasir civilian elements. It is reported, but not confirmed, that Prime Minister Nuri and the Crown Prince have been murdered. One Baghdad radio report states that the Crown Prince was torn limb from limb and carried through the streets. The King's Palace is reported by an American observer to be under fire. The fate of King Faisal is unknown but there is a report that he has been permitted to flee the country.

Our reports so far are based on cables from our Embassy, [*less than 1 line of source text not declassified*] the attachés and radio broadcasts. As the Embassy itself is closely guarded by the military and tanks which limits ingress and egress, the ability for independent reporting is restricted. [*2-1/2 lines of source text not declassified*]

The coup action was taken by pro-Nasir elements led by young army officers and backed by the mob. A "Republican" government of

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Source: Eisenhower Library, White House Office Files, Staff Secretary Records, International File, 1958, Iraqi Coup, Effects in Middle East. Secret. Dulles prepared these notes for use in a 2:30 p.m. White House meeting with congressional leaders. According to a July 18 covering letter from Allen Dulles to Goodpaster, Dulles' presentation at the meeting followed these notes closely, although there was a question-and-answer period that is not covered in the notes. A full account of the meeting is printed in vol. XI, pp. 218–226.

Iraq has been proclaimed with a cabinet largely of junior army officers and leftist civilians. Members of the so-called Baath party, which in the area has spearheaded the pro-Nasir cause, particularly in Syria, predominate in the civilian group. A three-man committee has been set up to watch over the affairs of the Republic in the place of the King. One of these, General Rubai, has long been suspected of complicity with the Egyptians and has been under close observation for some time. Approximately 50 army officers, including Chief of Staff General Aref, who has recently been in Amman cooperating with King Hussein, and General Dagestani, great friend of the West, have reportedly been retired.

II. The City of Baghdad

Curfew has reportedly been imposed in the city and tanks are deployed. The airport is closed; Nasir placards are much in evidence and the crowds are cheering Nasir.

Radio Cairo, Damascus and Baghdad are hailing these developments.

[*less than 1 line of source text not declassified*] reports that machine guns and mortar fire are being directed on the Palace; that four large tanks and a civilian mob were approaching Nuri's house.

The attitude of the army outside of Baghdad is not yet known; in particular a brigade of some 3,000 troops stationed in northern Jordan and another brigade in the desert near the Jordanian frontier.

Effect on Other Countries

The pro-Western President of Lebanon, Chamoun, summoned our Ambassador Robert McClintock this morning after receiving information of the developments in Baghdad. He stated that the developments there had proved that his estimate of the threat to the Middle East was correct. The only thing that surprised him was that Nasir had not waited until Lebanon had been gobbled up, but was starting against Iraq with Jordan next. In these circumstances, he stated he wanted U.S. military intervention in Lebanon within 48 hours. He would interpret our intentions by our deeds. He wanted the Sixth Fleet here within 48 hours, or else he would at last know where he stood so far as assurances from the West were concerned. As far as he was concerned, he was determined to go down fighting. He indicated that similar requests were made to the British and French representatives. In response to the Ambassador's inquiry if General Shahib had been informed of these appeals and if he was in agreement, he stated Shahib had been informed and whether he agreed or not "He will carry out government orders or else".

[*1 paragraph (9-1/2 lines of source text) not declassified*]

Latest reports from Lebanon indicate an ominous quiet over the city. The Damascus radio has appealed to Iraqis in Lebanon who are

now working with the Government to desert to the rebels. There are also reports of a possible Army coup in Lebanon which might further affect the security of American lives and property.

Jordan

In recent days, King Hussein in Jordan has uncovered what appeared to be a well-advanced Army plot to overthrow his Government, based largely on pro-Syrian and Egyptian elements. As a result, he had to arrest some 40 officers and put many more under house detention. It is believed that this plot has been nipped in the bud but the position of King Hussein hangs in the balance.

Today, after receiving the reports from Baghdad regarding the coup in Iraq and that the King of Iraq and the Prime Minister and Crown Prince were all eliminated, or exiled, and acting under the constitution of the Arab Union of Iraq and Jordan, King Hussein declared that he had assumed his constitutional powers as head of the Arab Union as of July 14, and had assumed as Supreme Commander, command of all of the armed forces of the government of the Arab Union. He designated a new Chief of Staff of the Arab Army in accordance with the constitution.

Whether and how long this will stick, we do not know but it is a courageous act.

Saudi Arabia

King Saud of Saudi Arabia sent his trusted and well-known emissary to our Ambassador in Jidda and demanded that the Baghdad powers intervene or "What is the use of all these pacts?" [*3-1/2 lines of source text not declassified*]

[*3 paragraphs (6 lines of source text) not declassified*]

He added that [*1-1/2 lines of source text not declassified*] if the U.S. and U.K. do not do anything about Iraq and Jordan, they are finished as powers in the Middle East. He requested an urgent answer to his message.

Israel

There is no doubt that Israel will be alarmed at the prospect of being surrounded by Arab states under Nasir influence, and if Jordan falls to Nasir, might move to take over West Jordan to the Jordan River. Israeli mobilization is probable.

One of the disturbing features from Israel viewpoint is the fact that Iraq has never signed an armistice with Israel.

Other Countries

Kuwait—The position of Kuwait as the largest single oil producer today in the Middle East will be immediately threatened by these

events. The British may be shortly faced with an occupation of Kuwait or the loss of these oil resources, jointly owned by British and American interests.

Iran–Turkey–Pakistan—The Moslem members of the Baghdad Pact were scheduled to meet today in Istanbul to consider the Lebanon and other related problems. The Shah of Iran and Mirza, the President of Pakistan, were to meet there with Prime Minister Menderes of Turkey and Prime Minister Nuri of Iraq. This meeting, which may now be moved to Ankara, may take place in the coming hours. We may expect an appeal of some nature from these countries to the U.S. and Great Britain to take steps to save the Baghdad Pact and to meet the threat which they will undoubtedly see to themselves in events in Lebanon and Iraq. There will be some pressure on Turkey to take action, but in view of their position vis-à-vis the USSR, they are unlikely to move without "guarantees" from the U.S.A.

Egypt—The hand of Nasir has been clearly apparent [*less than 1 line of source text not declassified*] at least in the earlier phases of the subversive attempts against Lebanon.

Likewise, he has been plotting throughout against Jordan and Saudi Arabia.

The elements who have taken over in Iraq are led by persons some of whom have been clearly identified with the pro-Egyptian campaign.

There is some question, however, as to whether the methods and timing of the present coup in Iraq were dictated from Egypt. The timing seems a little out of gear with what might have been expected, as well as the manner and brutality of carrying out the coup. Nasir is still absent, completing his visit to Yugoslavia.

General Summary

If the Iraq coup succeeds it seems almost inevitable that it will set up a chain reaction which will doom the pro-West governments of Lebanon and Jordan and Saudi Arabia, and raise grave problems for Turkey and Iran.

The Soviet Union will undoubtedly welcome these developments and do what it feels it safely can without direct involvement in overt hostilities to support this chain reaction.

The USSR would undoubtedly react strongly to direct military action by Turkey or Iran, but it would probably hesitate over action which it felt contained grave risk of general war.

111. Telegram From the Embassy in Jordan to the Department of State

Amman, July 14, 1958, 3 p.m.

79. Palace telephoned 10 a.m. this morning saying King Hussein/Rifai wished see me immediately. Following are highlights meeting at which Bahjat Talhuni, Rais Diwan, Prime Minister Rifai present although King did most talking:

(1) Hussein asked I inform my Government he counting on US stand by Jordan as "our good and trusted friend." Expressed hope we would demonstrate our friendship in every respect through public statements and actions.

(2) King said he believes fate has placed responsibility on him defend freedom Arab States. Under circumstances wherein King Faisal as head AU is incapacitated he (Hussein) intends assume authority as President AU acting under provisions constitution which establishes him as legal "chief of state" in absence Faisal. Proclamation to this effect made 2:30 local time.

(3) Prime Minister Rifai has been directed take charge all AU Foreign Affairs for temporary AU cabinet.

(4) In view crucial role petroleum products Jordan army has seized control all POL in country. Hussein asked that I urgently request my Government supply necessary tankers, emergency (army field type) pipelines permit importation via Aqaba. He stressed urgency situation adding it might be necessary inaugurate airlift insure sufficient supplies meet needs security forces.

(5) King Hussein has assumed titular leadership Jordanian army which together such Iraqi units still loyal will constitute AU defense forces. Appointed General Habis Majali COS. Reply my question as to just how he intends deal with Iraqi revolt he replied Jordanian army will establish contact loyal Iraqi units then intervene in force, crush rebellion.

(6) I asked what action HKJ would take if Turkey should intervene militarily in Iraq. King replied (after talking with Rifai in Arabic) that HKJ would protest such intervention since it would be an excursion of Turks into Arab world. However from practical standpoint if Turks able attack rebels, help put down revolt would be helpful providing they promptly withdrew when order restored.

Source: Department of State, Central Files, 787.00/7–1458. Top Secret; Niact; Limited Distribution. Transmitted in two sections and repeated niact to Baghdad, and priority to Beirut, Cairo, Damascus, and London. Received at 5:51 p.m.

(7) Re intervention by UAR across Syrian-Iraqi border both Hussein/Rifai said they would appeal UN but added had little faith action would be rapid enough deal with problem. Therefore were prepared invoke Article 5 UN Charter make appeal US/other friendly powers for direct military intervention. At this point Hussein/Talhuni/Rifai engaged in spirited conversation in Arabic after which Hussein said "on advice my Prime Minister, in view serious situation AU I ask that USG give me assurances it prepared come to our side insure independence/integrity Jordan." I replied I would convey request my Government soonest.[1]

(8) Rifai commented in view situation Iraq [and] likelihood considerable instability some time to come HKJ would have to review membership all AU Cabinet posts, proposed diplomatic assignments, designation army commanders, et cetera. He pointed out this would be necessary whether or not revolt put down. I asked what effect Iraqi revolt likely have on security situation within Jordan and whether Iraqi army coup connected Radi Abdullah case. King replied he received this morning personal pledge loyalty troop commanders; he confident no serious disturbances will take place. Army now on alert, maximum security measures already enforced. Re Colonel Abdullah he said too early determine if similar revolt planned Jordan Army. However this academic since plot already discovered, ring leaders [brought to?] his attention.

(9) Hussein expressed great concern Lebanon situation which he thinks may rapidly deteriorate as opposition takes cognizance events Iraq. He urged USG intervene militarily if necessary, keep Chamoun/pro-western government in power on theory if it falls effect throughout Middle East catastrophic.

Comment:

King seems much more calm than either Rifai/Talhuni although he showed strain events last few days, climaxed by Iraqi coup. Prompt importation petroleum products particularly gasoline, kerosene, black oil

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[1] In telegram 100 to Amman, July 15, 7:25 p.m., the Department instructed Wright to "inform Hussein US appreciates King's forthright stand in face tragic events Iraq and serious developments in area. US stands by previous pledges assist HKJ to insure its independence and integrity. Our action Lebanon indicative our concern.

"We now studying means assist HKJ with POL and will advise soonest." (*Ibid.*)

In telegram 107 from Amman, July 15, Wright reported that King Hussein asked him to come to the palace that evening and complained that the British had failed to take decisive action in conjunction with their Baghdad Pact partners, Turkey and Iran, to crush the rebellion in Iraq. Hussein also expressed disappointment that his request for support from the United States had not been answered. When Wright asked why he was summoned to hear a complaint against the British, Hussein replied that he wished his disappointment to be known in Washington. (*Ibid.*, 787.00/7–1558)

(electric power station) most urgent requirement. Hussein decision take over control AU rather than withdraw behind geographic boundaries Jordan significant; although my opinion if Iraqi military goes over en bloc to rebels practical implementation his idea highly improbable. Despite fact British Embassy has put out official warning to British stay off streets I do not propose follow suit believing now is time demonstrate confidence Hussein/Rifai government which would be undermined if word circulated Americans "taking cover". I strongly recommend we meet Hussein's request for emergency petroleum requirements as well as give him assurances we stand by his side should it appear Jordan independence in jeopardy. To do less would destroy our influence in the Middle East. Re our proposed withdrawal $7.5 million budgetary support HKJ I am convinced such action would have devastating effect present pro-western government which very likely would fall as result cut-back government projects being financed these funds we have already promised.

Wright

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112. Telegram From the Embassy in Iraq to the Department of State

Baghdad, July 14, 1958, 11 p.m.

117. Following is Embassy's assessment of situation produced by today's coup d'état. It should be considered in light of fact that, although we have had some telephone contact with eye-witnesses to events of day, our elements have been restricted by curfew, and rebel-controlled radio has put out very little news.

1. Movement still appears to be localized and essentially military in character. Air Force appears to be backing rebels. No sign yet of counter-move spearheaded by any loyalist forces.

2. Local enthusiasm for coup is considerable, and there is every likelihood that it will prove no less popular in provincial areas.

Source: Department of State, Central Files, 787.00/7–1458. Secret; Niact. Repeated niact to Amman, London, Beirut, Ankara and repeated to Tehran, Damascus, Cairo, Tel Aviv, and Jerusalem. Received at 6:58 p.m.

3. Character of coup is strongly anti-western, pro-Nasser. (Crowds have been shouting pro-Nasser slogans and carrying Nasser's pictures.)

4. Although two Americans, according to present reports, killed in fracas,[1] there is no sign of any strong anti-American feeling as yet. Of course any US intervention in Lebanon with Sixth Fleet or otherwise would produce among populace strong hostility toward US.

5. Curfew has been relaxed somewhat in center of city but there has been no activity in Embassy vicinity, where quiet prevails.

6. It is interesting and perhaps significant that thus far no responsible civilian in new regime has addressed public on radio or otherwise. This could perhaps reflect a measure of reluctance on part of civilian element in government. A possible indication of this attitude is virtually total lack of information guidance for local press.

Gallman

[1] According to telegram 116 from Baghdad, July 14, midnight, Iraqi military forces arrested ten foreigners at the New Baghdad Hotel, but a mob grabbed them from the soldiers. Included in the group were Eugene Burns of Sausalito, California, and George Colley, Jr., of San Francisco, the President of the Overseas Division of Bechtel, both of whom were believed dead. A third American, Jose Carabia, was taken from the hotel and was beaten up. In addition, this telegram stated that there were no reliable reports about the fate of Nuri Said or King Faisal. (*Ibid.*) Later another American, Robert W. Alcock, was reported missing and presumed dead.

113. Memorandum of Conversation

Washington, July 14, 1958, 8:30 p.m.

[Source: Department of State, Central Files, 787.00/7–1458. Secret. 1-1/2 pages of source text not declassified.]

114. Telegram From the Embassy in Israel to the Department of State

Tel Aviv, July 15, 1958, 1 a.m.

41. In response to his urgent request I called upon the Prime Minister at his home in Jerusalem at 10 o'clock this evening. A serious group, including Golda Meir, who has not yet resumed her duties as Foreign Minister, Shiloah, Comay and Avner,[1] awaited.

In calm but decisive words Ben-Gurion reviewed the day's events, stating they showed clearly who had engineered the whole thing, and had shed much light on the Lebanon situation. It was not Lebanon alone at stake, but Jordan, Saudi, Sudan, Libya, Kuwait, and possibly Ethiopia.

He believed it is not too late to remedy the situation if action is taken at once with regard to Iraq. Turkey and Iran could crush the Iraq rebellion in a couple of days if the US is behind them. If this is not done, the whole Middle East is lost. According to GOI information, there remain in Iraq elements opposed to the current rebellion. There is Hussein, who today proclaimed himself Acting King of the Arab Union in Faisal's absence. Hussein has a legal right to call upon Turkey and Iran as Baghdad Pact allies to assist Iraq, and these countries have a legal right to so intervene, but they cannot take action alone without knowing the US is behind such a move. This is no time for delay, no time for the UN, but a question of the Baghdad Pact with immediate support by US now.

Ben-Gurion was clearly convinced loss of the Middle East would be the worst blow to the West since World War II. If the ME goes, Sudan goes and perhaps Ethiopia. He did not want Israel to remain only democracy in ME. Must be action combined with timeliness.

If all these countries fall to Nasser, Israel will be virtually surrounded in mortal danger. Ben-Gurion said in recent years he had held back on arms requests from the US because they would have been futile and because of the loss of Israel's self-respect involved in US refusal. Now there is a deadly serious situation, and Israel is prepared to ask for arms, planes, and anti-submarine weapons.

He reiterated several times his thesis that Turkey and Iran can put out the fire if they are backed up by the US but imperative US take lead.

Source: Department of State, Central Files, 780.00/7–1558. Secret; Niact. Repeated priority to Amman, Ankara, Tehran, Baghdad, London, and Paris. Received at 3:07 a.m.

[1] Reuven Shiloah, special representative of President Ben Gurion with the rank of Ambassador; Michael S. Comay, Assistant Director General of the Israeli Foreign Ministry; and Yehuda Avner, an official of the Foreign Ministry.

Comment: Ben-Gurion's attitude was deadly serious and it was obvious his remarks had been carefully considered. In my opinion he is utterly sincere in his belief that there remains enough uncommitted elements in Iraq to warrant action he suggests but only through prompt intervention with US approval can the situation and the Middle East be retrieved. He made no reference to what he undoubtedly considers to have been past errors in US policy, although there was a passing reference to Hammarskjold's gullibility where Nasser concerned.

Lawson

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115. Memorandum of Telephone Conversation Between President Eisenhower and Secretary of State Dulles

Washington, July 15, 1958, 8:40 a.m.

The Secretary of State called the President—8:40 a.m. The Secretary said that he had had quite a little talk with Lord Hood last night on messages from the Prime Minister. The British are greatly concerned that we should commit ourselves to act with them in Jordan and possibly Iraq. The Secretary last night told Hood that he could not possibly give him an answer on that last night and that, further, the President would not want to give any answer without careful check with the military and area advisers. The Secretary said that the British were particularly concerned with the Iraq business because they have tremendous investment in oil there and in nearby Kuwait.

The Secretary went on to say that as far as Lebanon was concerned, we were on pretty solid ground—that there was a large segment of the population on our side there. In the other countries the thing might blow up—for instance, what would you do with the refugees in Jordan? The Secretary finally told Lord Hood that he could not possibly give them an answer until the latter part of the day.[1]

Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Top Secret.

[1] Dulles called the President at 6 p.m. on July 15. A transcription of the conversation reads:

"The Secretary called the President. Said that in all the messages from Britain today they had been asking for a blank check, which of course the President cannot give and will not give. The President said they just didn't understand our parliamentary system. The Secretary said one suggestion was that Selwyn Lloyd come over here; the President said he was agreeable to that. So the invitation is to be issued." (*Ibid.*)

The Secretary reiterated that Lord Hood wants a commitment that we (the British and the Americans) will stand together on this situation. The Secretary says we cannot given them a blank check. He said that if the British were worried about the oil situation, if the Iraq pipeline is destroyed, that we would of course help them meet their shortages.

To intervene militarily would introduce problems that we have not even considered.

Dulles said that King Hussein had asked if we (and the British) would be willing to intervene if we were called on. The British think he should be asked to call on us right away. The President said he did not think so. Dulles said the British do not want the situation to drift. The President said we all agreed what we should do in Lebanon—we have studied that carefully.

Dulles said he had sent over a statement to be issued as soon as the planes reach Lebanon (which should be within 15 minutes). Dulles asked if the President had given thought to whether he would go before Congress and the President replied he was going to talk to the staff this morning. Dulles said it was very hard to tell how to play it—there are some advantages and some disadvantages in going before the Congress. The latter makes a much greater affair of the action, looks like a declaration of war.

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116. Telegram From the Embassy in Iraq to the Department of State

Baghdad, July 15, 1958, 7 p.m.

139. Called on Prime Minister, Brigadier Abdul Karim Qasim, by appointment, this afternoon. Was escorted to and from Ministry of Defense by Colonel Damandji, former assistant Iraqi Military Attaché, Washington, and now liaison officer with diplomatic missions, Baghdad. Damandji, whose wife is American and a former State Department and foreign service employee, is friendly to US as our Service Attachés here have learned. I found him affable and obviously anxious to get

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Source: Department of State, Central Files, 787.00/7–1558. Confidential; Niact. Repeated priority to London, Dhahran, and Rome, and repeated to Amman, Beirut, Cairo, Damascus, Ankara, Tehran, Tel Aviv, Jidda, Paris, and Jerusalem. Received at 2:38 p.m.

revolutionary regime off to as good a start as possible with US. Brigadier Qasim received me in friendly but somewhat diffident manner. He's quite fluent in English. We had our exchange without benefit of interpreter.

I told Qasim that I was anxious to establish contact with him as we would, I felt, have many matters to discuss over coming weeks. He replied that I should feel free to call on him at any time. "We Iraqis", he continued, "want to be friends with the US."

I told him I was glad to hear that from him. I had now to ask him for certain assurances. First of all, I wanted assurances that American lives and property were safe. That, he said, he would give on the spot. I went on to say that there were further assurances I had come to get. They were that if it became necessary, in our view, evacuate American citizens, assurances would be given for safe conduct and convoy if evacuation took place overland, and assurances that planes could come and go if evacuation by air seemed preferable. He hesitated for a moment and then said that, to his mind, assurances concerning life and property made assurances covering evacuation unnecessary. He would, however, give such assurances as well. I did not stay beyond these exchanges.[1]

On my way to Defense Ministry I found crowds quiet and orderly. Atmosphere along streets markedly calm. Half way back to Embassy however, we ran into crowds running down street yelling. At one place soldiers on tank were firing into air. Colonel Damandji immediately gave chauffeur orders to turn into side street and we made our way back to Embassy in round about fashion. I asked Colonel what was going on. He replied that shots were intended to disperse crowd. Yells were "Nuru".

Learned on my return to Embassy that hanging of Nuri has just been announced over radio. It seems that mobs had learned that his body was being transported to royal hospital.

How tragically ironic that on very day landings made from Sixth Fleet, which Nuri had so long pleaded for, Nuri was put to death.

Gallman

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[1] In telegram 142 to Baghdad, July 15, 8:53 p.m., the Department of State instructed Gallman to "take no action vis-à-vis new Iraqi authorities which could reasonably be interpreted as implying recognition of new regime." (*Ibid.*, 787.02/7–1558)

The following day Gallman reported that he discussed the deaths of the two Americans during the early stages of the revolution with the new Foreign Minister, Jabar Jomard, and Minister of News and Guidance, Siddiz Shanshal. Jomard expressed "deepest regret" over the deaths and assured Gallman that every effort would be made to clear up the circumstances and locate the bodies. Shanshal asked why American troops were in Lebanon and if they would go into Jordan. When Gallman said that U.S. troops would not go into Jordan, Shanshal replied he was glad to hear that. (*Ibid.*, 787.00/7–1658)

117. Memorandum of Conversation

Washington, July 15, 1958.

SUBJECT

Jordan and Iraq

PARTICIPANTS

United States

The Secretary of State
Frederick Reinhardt

United Kingdom

Lord Hood, British Minister

The Secretary said that it was not clear to him from the British messages we had seen how the British thought the problem of Jordan and Iraq should be played and what were their concepts and plans. Mr. Selwyn Lloyd had indicated he might be able to come to Washington. If there were time, the Secretary thought this would be a good idea and he said that the President was agreeable. Lord Hood replied he believed the messages passed to us did not look very far forward but reflected London's belief that unless something were done quickly in Jordan and Iraq, it would be too late. To this the Secretary agreed and added that there was a great absence of information. It was clear the landing in Lebanon today had had a good effect but the big question was Iraq. Whoever came over from London should come over if and when he was ready to discuss this problem seriously and perhaps he should bring some technical people with him. We had thought about many contingencies but the Iraq development was a new one. We had sent a brief holding message to King Hussein[1] but had no clear idea as yet on the desirability of putting troops into Jordan. We were studying these problems and would try to be ready by Thursday.[2] The Secretary said we might probably want to have a working party on this subject, which perhaps should be set up in London, but first the top people should determine what was to be done. The Secretary said that he could probably make all day Thursday available and part of Friday morning for meetings with Mr. Lloyd. Friday afternoon he would be taken up by Mutual Security hearings on the hill.

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Secret. Drafted by Reinhardt.

[1] See footnote 1, Document 111.

[2] July 17.

118. Memorandum of Telephone Conversation Between Secretary of State Dulles and Vice President Nixon

Washington, July 15, 1958, 6:49 p.m.

[Here follows discussion unrelated to Iraq.]

N hopes there is no hesitation on our part on the Jordan–Iraqi thing in the event similar circumstances could work it out for us to support the Br or do it ourselves. He thinks now that finding some proper cover is not too important now that we have made the initial step—the main thing is to make it work all over that area and he trusts we don't vacillate. The Sec said it is a problem because we don't want to get bogged down like the Br in Suez and have to pull out. We have assets in Lebanon we don't have in other places. N said the point is Lebanon is not too important and the Sec agreed. The Sec said Jordan is unimportant. Iraq is the big thing. Maybe Lloyd will come over Thursday to talk re Iraq because that is the important thing. The military are reluctant—they did not want to do this. All they think about is dropping nuclear bombs and they don't like it when we get off that. They say Lebanon exhausts their possibilities. N agreed and said we better build them up. When, the Sec said, you put them to the issue of limited warfare it is a shocking thing. The Br have gone into nuclear weapons. They have not much either. N said we are prepared for the war we probably will never fight and not for the one which will be lost.

N is all for what the Sec did.

Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. No classification marking. Transcribed by Phyllis D. Bernau.

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119. Telegram 207 From the Embassy in Turkey to the Department of State

Ankara, July 16, 1958, 1 a.m.

[Source: Eisenhower Library, Whitman File, International File. Top Secret; Presidential Treatment. 2-1/2 pages of source text not declassified.]

120. Memorandum From Harold W. Glidden of the Division of Research and Analysis for Near East, South Asia, and Africa to the Director of Intelligence and Research (Cumming)

Washington, July 16, 1958.

SUBJECT

Intelligence Indications of Coup in Iraq

No significant indication of the impending action in Iraq appeared in any sources available to DRN, despite the fact that a very close watch was being kept for precisely this development. Interestingly enough, informal contacts with individuals who have just returned, having left Iraq only a few days or hours before the coup confirm the impression that there was no outward sign that the eruption was imminent.

The following considerations have some bearing on this dearth of critical data:

1. The Iraqi political climate was frequently assessed, formally and informally, among the intelligence community. It was generally known for some years that the regime had little popular base: this is, however, characteristic of Arab governments. There was also general awareness that public resentment and tension had risen somewhat in the aftermath of a bitter and sustained propaganda campaign directed from the UAR capitals at Jordan, Iraq and the Arab Union. In view of the former government's excellent security system and demonstrated capacity for containing such tensions, it was unanimously felt that these symptoms could be disregarded, unless some organized base developed in the armed forces, since there was no organized political vehicle of any importance. Such was indeed the case.

2. Circumstantial evidence now begins to appear that the lines of this plot were laid outside Iraq itself, among dissident expatriates in Cairo and Damascus. Movements of the more important expatriates were known routinely, but no particular significance attached to them, since their following within Iraq was small, unorganized and under continuous governmental surveillance.

3. For some time it has been evident that the drive for change by violent means in Middle Eastern countries was most likely to take effective form from intermediate officer grades in the armies. Especially since the Egyptian revolution, DRN has constantly directed the atten-

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Source: Department of State, Central Files, 787.00/7–165. Unclassified. Drafted by Charlotte M. Morehouse of the Division of Research and Analysis for Near East, South Asia, and Africa (DRN) and sent via Richard H. Sanger, Chief of DRN.

tion of all reporting agencies to the median officer group and the possibility of Egyptian manipulation of their known nationalist sentiments. This grade-range comprises several hundred officers; it is not surprising that contact could not be established with every one of them. The former Iraqi government maintained a very complete intelligence net within the Army itself which did not discern any questionable contacts on the part of Col. Qasim, even though the Iraqi government was itself aware (as were we) that Col. Qasim had been exposed to Syrian subversive efforts while stationed in Jordan in late 1956.

4. The type of operation (based on a round of assassinations) was one requiring few participants and hence more easily concealed. The essential problem was outlined in a memo from this office, May 5, 1958,[1] specifying requirements for the intelligence community in reporting on the UAR, where it was anticipated that such a plan might be generated:

"... policy and high-level decision making are concentrated in the hands of a very small circle . . . at best, important projected steps are known only to Nasir and a small group of intimates around him. Hence, unless they [are] divulged by some member of this coterie, or until they become apparent, we are not likely to have much advance notice of important planned actions . . . . In addition, this inner circle of government has surrounded itself by a tight security system"[2]

5. Several false indicators were apparently employed as a deliberate smokescreen. They were correctly assessed at the time as having little trouble-making potential, but their significance as a cover was not apparent until after the event. Iraqi security forces were also apparently deceived, believing that the plot would start with uprisings generated among certain minority groups in outlying areas.

[1] Not found.

[2] Ellipses in the source text.

121. Memorandum From the Director of Intelligence and Research (Cumming) to the Under Secretary of State (Herter)

Washington, July 17, 1958.

SUBJECT

Intelligence Note: *The Insurgent Regime In Iraq*

The nature of the new Iraqi regime is probably not fully revealed in the figures now holding Cabinet posts and prominent positions. There is some evidence that several of the civilian appointees did not know of their allotted roles until the military coup was complete. Moreover, it is likely that—on the pattern of the Egyptian revolution—the true center of power has not yet revealed itself. The civilian members of the government, with two exceptions, are thus far largely silent partners and the officer members are the more vocal spokesmen. Qasim, himself, like Muhammad Najib in Egypt, may be a figurehead.

There is no common denominator among the governing group thus far identified except a common hostility to the former regime. Older members have long histories of political resistance: two were identified with the pro-Nazi, anti-British coup attempt of 1941. The younger members, both officer and civilian, are of the "young intellectual," nationalist-neutralist-reformist group of which Nasir is hero and prototype. They are superficially Westernized and several have European or American educational experience. Several are earnest reformers whose political resistance represented real indignation at the graft, corruption and inefficiency of the old regime. They have leadership potential and some political integrity. An effort has been made to include representatives of the major ethnic and religious groups after the custom of traditional Iraqi cabinets.

Of the fourteen Cabinet members, four have long histories of marked leftist tendencies, including witting cooperation with the Communist Party toward nationalist aims: one is a close Party-line follower and steady fellow-traveller; one is an active sympathizer and possibly a Party member.

This mixed assortment is unlikely to stay together long once the impetus of initial success wears off. In any case, it is likely that the Egyp-

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Source: Department of State, Central Files, 787.00/7–1758. Confidential. Herter's initials appear on the source text.

tian-directed hard core of the movement intends to jettison them once power is consolidated.[1]

On first evidence, the regimen can be expected to follow much of the pattern of Egypt's new order: to press, initially at least, for social reform, to work a definite improvement in governmental efficiency and some in honesty, and to be as repressive toward potential political opposition as the former regime. It is likely to associate formally with the UAR at an early stage, and to profess a posture of nationalism, neutralism, and within this context, display a distinct willingness to establish diplomatic relations with the Bloc and to accept aid from it.

This group is now believed to be in control of all of Iraq except possibly the north, including the Kirkuk oilfield region.

A similar memorandum has been addressed to the Secretary.[2]

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[1] On a covering note, July 18, attached to a copy of this memorandum, Assistant Secretary for Policy Planning Gerard Smith noted that it was his impression from "reading and briefings" that "there was no evidence to indicate whether or not the movement was Egyptian dominated and that alternative suppositions were equally reasonable." If there was no evidence, Smith thought it should be made clear to the Secretary "in view of the importance of the question." (*Ibid.*, S/P Files: Lot 67 D 548, Iraq)

[2] On the memorandum to the Secretary is indication that Dulles saw it. (*Ibid.*)

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122. Memorandum of Conversation

Washington, July 17, 1958, 5 p.m.

SUBJECT

Iraq

PARTICIPANTS

UK	*US*
Foreign Secretary Selwyn Lloyd	Secretary of State
Admiral Denny, NATO Standing Group	Secretary of Defense
Marshal of the RAF Dickson	General Nathan Twining
Sir William Hayter, Foreign Office	Mr. Allen Dulles
	General W. Wisenand

Source: Department of State, Central Files, 787.00/7–1758. Top Secret; Limit Distribution. Drafted by Newsom on July 18. Lloyd was in Washington for consultations on the Middle East crises July 16–19.

UK

Lord Hood, British Chargé d'Affaires
Mr. Roger Jackling, British Embassy
Mr. Willie Morris, British Embassy
Mr. Denis Laskey, Private Secretary to FM
Mr. Donald Logan, Foreign Office

US

Under Secretary Herter
C—Mr. Frederick Reinhardt
NEA—Mr. William M. Rountree
EUR—Mr. C. Burke Elbrick
IO—Mr. Francis Wilcox
NE—Mr. Stuart Rockwell
NE—Mr. David Newsom
GTI—Mr. Owen Jones

Mr. Lloyd expressed the view that if the new Government of Iraq obtains effective control of the country it would be out of the question to consider reconquering the country from the military standpoint.[1] Marshal Dickson agreed that it would take a major military operation requiring a line of communications through Syria.

It was formally agreed that there were few possibilities or figures around whom resistance in Iraq might be rallied. Mr. Lloyd [*1-1/2 lines of source text not declassified*] commented that if there should be any spark of resistance in Iraq the British landings in Jordan would bring it out.

The Secretary commented that it appeared to be premature to make any decision on the matter since the information received to date from Iraq was very sketchy.

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[1] In telegram 181 from Baghdad, July 17, 10 a.m., received at 3:51 a.m., Ambassador Gallman sent the following assessment reached jointly with the British Ambassador as of 9 a.m. Baghdad time:

"It is our considered opinion that allied landings in Iraq, unless swiftly executed in overwhelming force, would very likely lead to indiscriminate killing and looting among Americans and Europeans (some 5,000, of whom 2,000 British and 2,000 Americans) by mobs whom army would be totally unable, even if willing, to control. Allied landings in Jordan would also entail risk that this might happen." (*Ibid.*)

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123. Memorandum of Conversation

Washington, July 18, 1958, 10:30 a.m.

[Source: Department of State, Central Files, 787.00/7–1858. Top Secret; Limit Distribution. 1-1/2 pages of source text not declassified.]

124. Telegram From the Embassy in Iraq to the Department of State

Baghdad, July 19, 1958, 5 p.m.

251. Department might find helpful brief summary existing conditions and some tentative analysis character new regime:

(1) Certainly in Baghdad takeover has been remarkably rapid and successful. After first day no serious incidents involving foreign persons or property which discouraged by repeated radio injunctions including one put out today against painting slogans on buildings or stringing incendiary banners. ([*less than 1 line of source text not declassified*] believes latter may be directed at bringing Baathists and Communists under control.) While our communications from rest Iraq largely cut off we know revolution equally successfully Mosul, Kirkuk. Limited reports from Basra indicate no opposition there. New regime, dominated by military figures, has thus successfully seized army, police and is now trying encourage normal functioning civilian departments. These will not be fully normal, of course, until removal various restrictions aimed controlling commercial transactions and travel.

(2) It is too early determine reach character popular reaction in spite exuberance witnessed Baghdad streets first few days. Minority groups scared. Mobs in Baghdad made up largely riff raff adolescents who always easily stimulated. Still new regime has, we believe, successfully capitalized dislike for Nuri–Abdulillah regime which closely intermingled anti-western grievances and antipathies. With Cairo's widespread use of radio whip emotions ever higher on these issues preoccupation with them at all levels society has constantly increased pro-Nasser character regime reflected by immediate widespread appearance his picture with those of rebel government leaders. Any possible substitute government imposed from outside would not have possession these emotional assets and would be severely handicapped.

(3) Since coup was carried out by army military has upper hand though some signs civilian ministries influence gradually moving to fore. Minister Foreign Affairs during my talk with him yesterday indicated he giving serious thought formulation policy towards outside world particularly with western countries. During both my interviews with Foreign Minister, Minister Guidance Shanshai present and entered conversation freely. His primary concern seems retain western technical aid. His forceful action in having banner removed from in front Em-

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Source: Department of State, Central Files, 787.00/7–1958. Secret; Priority. Repeated to Cairo, Beirut, Ankara, London, Tehran, Amman, Damascus, and Tel Aviv. Received at 8:32 p.m.

bassy yesterday revealed his authority is respected by military. However much jockeying for influence by individuals and groups can be expected unless some dominant figure soon emerges. Internal weakness will heighten Nasser's attraction compared to little known and inexperienced Iraqi leaders. Individual communications re oil policy, adherence international agreements, private reassurances of friendship indicate, at least, desire regime not antagonize western powers at outset and anxiety retain US aid and technical assistance. (This of considerable help to us these days when we so preoccupied getting dependents out.)

While brutal manner regime seized power cannot be condoned we should, in working out over period of time our relations with this regime keep in mind that deterioration in relations which would follow such actions as departure US technicians Dora refinery or peremptory withdrawal various forms US assistance would very likely impel regime leaders look toward USSR. If we are cautious and find in course of time that regime's declarations of friendship are real, we may well be able gradually to develop bases of cooperation.

Gallman

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125. Editorial Note

On July 19 the Department responded to telegram 171 from Ambassador Wright in Jordan, which requested U.S. assistance to allow the Arab Union Government to destroy the insurrection and restore the legitimate status in Iraq. (Department of State, Central Files, 787.00/7–1958) The Department responded in telegram 203, July 19, printed in volume XI, pages 344–345.

126. Memorandum From the Director of Intelligence and Research (Cumming) to the Counselor (Reinhardt)

Washington, July 20, 1958.

The best available evidence now indicates that the Baghdad branch of the Hashemite family has been almost completely wiped out. Furthermore, most of the important Iraqi supporters of the former regime in Baghdad including leading politicians, military figures and some large landowners and industrialists are dead, in jail, or under strict house arrest. There is thus almost nothing left of the Royal regime in Iraq around which opponents of the new Republic could rally. Reports of a loyalist radio being heard, and of a resistance movement centering around Amir Zeid (the 65-year old half brother of King Faisal I of Iraq) who is now in Turkey are unconfirmed.

Under these circumstances, in our opinion any move by force from the outside into Iraq would meet with very little Iraqi support and its success would be highly unlikely. Furthermore, since the signing of the Mutual Defense Agreement yesterday, Nasser and the Syrians would promptly come to the aid of the Republic of Iraq.

Lastly, Soviet or Bloc reaction which at present is confined to protests and propaganda would undoubtedly take more concrete form depending upon the type of the invasion. Although avoiding the serious risk of a general war, the results of this would be of the utmost seriousness in the Near East, and might well spread elsewhere.

Source: Department of State, Central Files, 787.00/7–2058. Secret. Initialed by Reinhardt.

127. Memorandum From the Director of Intelligence and Research (Cumming) to the Counselor (Reinhardt)

Washington, July 20, 1958.

Reports reaching us from Baghdad indicate that the new regime in Iraq (1) desires friendly relations with the West, (2) will maintain existing international agreements, (3) at least for the time being will retain membership in the Baghdad Pact, (4) will not nationalize the production of oil, and (5) recognizes the UAR but is not joining.

Although the new government came into power in an extremely bloody and completely illegal way, there can be no doubt but that its popular support is far broader than that behind King Faisal. Furthermore, although the Republic of Iraq has indicated it plans to establish relations with the Soviet Union and other Communist countries, Communist influence in the government appears so far to be limited.[1]

Informal approaches to the new government requesting assurances regarding the first four points mentioned above would therefore seem justified. They would tend to give support to moderate and secretly pro-Western elements in the new government and might aid in stabilizing the situation in Iraq in a pattern not entirely unfavorable to us.

Source: Department of State, Central Files, 787.00/7–2058. Secret. Initialed by Reinhardt.

[1] In a third memorandum to Reinhardt, also July 20, Cumming provided INR's assessment of the "composition and leanings of the Iraqi Revolutionary Cabinet." INR characterized the cabinet as representing "a complete spectrum from the extreme-right xenophobes" and former Nazi collaborators to "far-leftists, including a few consistent fellow travellers" and perhaps a Communist party member. The cabinet also contained "many sincere reform-minded, even pro-United States personalities." (*Ibid.*, 787.13/7–2058)

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128. Letter From the Deputy Director for Plans of the Central Intelligence Agency (Wisner) to the Deputy Under Secretary of State for Administration (Henderson)

Washington, July 22, 1958.

[Source: Department of State, Central Files, 787.00/7–2258. Secret. 1-1/2 pages of source text not declassified.]

129. Editorial Note

In a personal and confidential letter to George Humphrey, July 22, in which the President was apparently thinking aloud on a number of domestic and international issues, Eisenhower described events in Iraq as follows:

"So far Iraq has not taken some of the mob-like actions that normally we could expect. They have not destroyed any of the pipelines or attempted to interfere with production of oil in the region. There is some slight indication that they may want to remain on good business relationships with the West, even though I suppose they will want to negotiate somewhat better contracts, probably in the pattern of the Standard of Indiana contract." (Eisenhower Library, Whitman File, Eisenhower Diaries)

The reference to the "Standard of Indiana contract" is to the agreement for exploration of offshore oil in the Persian Gulf signed by Standard Oil of Indiana and ratified by the Iranian Government on June 1, 1958. By the terms of the agreement Iran received 75 percent of the net profits and Standard of Indiana received 25 percent. Standard Oil of Indiana also paid Iran a $25 million cash bonus for signing the agreement and made other less significant concessions to Iran, which made the agreement the most advantageous to a producing country signed to that date.

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130. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, July 23, 1958.

SUBJECT

Recognition of New Iraqi Government

Discussion:

With the consolidation of the revolutionary regime in Iraq and the ruling out of any attempt to overturn it by force or otherwise, we seem to

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Source: Department of State, Central Files, 787.02/7–2358. Secret. Drafted by Lakeland and Rockwell and cleared by Mathews and Reinhardt. Legal Adviser Loftus Becker noted that he had no objection, but wrote an accompanying memorandum that concluded that the new Iraqi government satisfied traditional U.S. requirements for recognition—de facto control, consent of the people, willingness to fulfill its international obligations under treaties—with one exception. Iraq had not indicated its willingness to fulfill international obligations under international law, especially in the case of compensation for the heirs of the American citizens killed during the coup. (*Ibid.*)

be faced with the question not of whether but of when and under what circumstances we should recognize the new government.

Despite the initial bloody excesses, the regime has quickly demonstrated its determination and ability to restore order. Extremist slogans and banners have been removed and some leaders seek to create the impression of desiring to prevent Ba'athist or Communist exploitation of the situation. The new government has given assurances of its intent to honor international and contractual commitments, to maintain the flow of oil, to protect foreigners and to seek friendly relations with all countries. Although anxious to avoid an exodus of Western nationals, and particularly of vital technicians, they have permitted the scheduling of evacuation flights for U.S. and U.K. citizens.

Leaders of the new regime met recently with Nasser in Damascus and signed an agreement which reaffirmed the Arab League collective security arrangements and called for closer economic and cultural ties between Iraq and the UAR. Both sides, however, have been careful to avoid giving any impression that Nasser dominates the Iraqi revolutionary regime and we do not anticipate that the new regime will join the UAR.

There is a danger that prolonged delay in reciprocating the friendly overtures of the new government, at least to the extent of extending recognition and indicating a willingness to consider the continuation of our aid programs, may prejudice the situation in Iraq as far as we are concerned, and give further advantage to the Communists and Nasser, both inside and outside Iraq. A dignified but friendly stance, designed to lead to early but not precipitate de jure recognition, would therefore seem to be called for on our part.

Recognition of the Iraqi regime by us would probably be opposed strongly by the Muslim Baghdad Pact countries as well as by Lebanon and Jordan. However, the need to protect our interests in Iraq and the importance of encouraging the moderate posture assumed by the new regime should, we believe, outweigh this opposition.

It is interesting that Bourguiba is reported to believe that our policy goal should be not only to prevent Iraq from falling into the Soviet-Egyptian orbit, but perhaps even to use Iraq as a lever with which in a year or two it may be possible to pry Syria out of the UAR, now that the obstacle of the Iraqi monarchy has been removed. Whether in fact this development will materialize is not possible to predict but it is certain that a hostile policy toward Iraq at this time would hamper our being able to encourage such a trend.

Given on the one hand the important considerations prompting early recognition of the new Iraqi government and on the other the opposition which such action is bound to meet with from a number of our

friends and allies, it would seem advisable to take every opportunity to lay the groundwork for acceptance by those friends of the necessity for prompt recognition. The forthcoming meeting of the Baghdad Pact Council appears to offer the best opportunity for intimating our intentions to the Muslim member countries. We can presumably count on support from the British who appear to share our assessment of the situation.

As regards Lebanon and Jordan a special effort will be required. If we can reach agreement with the Muslim Pact members, it would be useful if Mr. Murphy could undertake to explain our views both in Beirut and Amman.

Recommendation:[1]

1.) That you agree in principle to the extension of formal recognition to the Iraq Government if we can obtain agreement or acquiescence from the Muslim Pact members during the London meeting, and after Mr. Murphy has attempted to obtain the same from the Governments of Lebanon and Jordan.

[1] Dulles initialed his approval and apparently changed the recommendation to read: "That you agree in principle to the extension of formal recognition to the Iraq Government after consultations [?] and talks with Muslim Pact members [etc.]"

131. Editorial Note

In a telephone conversation on July 25 at 8:43 a.m., Allen Dulles and Secretary Dulles discussed whether the former should testify before the Senate Foreign Relations Committee on Iraq. According to the transcribed memorandum, the discussion on Iraq was as follows:

"AWD is being pressured hard to go before the FRC re Iraq—there is great pressure for early recognition. He called Russell and he would not give him support not to go. He thought AWD should go. AWD does not like to go but does not know what to do about it. The Sec asked what do they know about what bears on it and AWD said nothing—that is why they want him to come up. The Sec said if it is in our interest we recognize it. AWD is not arguing for it. The Sec is suggesting considerations which are not particularly in his competence. Do they want us to recognize Iraq if that is regarded by our allies as a disloyal act? We intend to work to recognition as rapidly as we can without giving serious offense to our allies. AWD said the intelligence side would support

what the Sec says. He would not rush into it." (Eisenhower Library, Dulles Papers, General Telephone Conversations)

In a July 30 memorandum to the President Secretary Dulles stated that he believed the United States should shortly recognize the new government in Iraq. Although the United States deplored the brutality of the coup, the new regime had quickly restored order, was in full control of the country, and apparently faced no organized opposition. The new Iraqi officials had privately asserted that they wished to continue "close friendly relations as well as economic cooperation, particularly in oil matters" with the West. Dulles noted that he had discussed the issue with officials of Iran, Pakistan, and Turkey who indicated their understanding of the advisability of U.S. recognition "without delay so as to be in the best position to protect United States interests in Iraq and exert constructive influence upon the new regime." Lebanon and Jordan expressed similar appreciation privately. Other Arab states, such as Saudi Arabia and Tunisia, had already extended recognition. Eisenhower gave his approval to U.S. recognition. (Department of State, Central Files, 787.02/8–258)

AUGUST 1958–APRIL 1959: U.S. HIGH-LEVEL VISITS; FACTIONAL STRUGGLES IN IRAQ; THE COMMUNIST THREAT; CREATION OF THE INTERAGENCY GROUP ON IRAQ

132. Telegram From the Department of State to the Embassy in Iraq

Washington, August 4, 1958, 8:12 p.m.

593. Embtels 593[1] and 594.[2] Dept has received with interest reports of talks which you and Murphy have had with Iraqi leaders over past weekend. We believe it would be advantageous take prompt opportunity give GOI some idea of our attitude toward Iraqi Republic. You should seek early interview with FonMin and after expressing to him Department's pleasure at tenor and content conversations with Murphy, orally outline to him the following:

1) That US fully reciprocates GOI desire for friendly relations and looks forward to close cooperation with new Iraqi Govt on matters mutual interest.

2) That US has received with pleasure statements of desire GOI to maintain flow of oil to West.

3) US prepared continue technical assistance programs subject desires Iraqi Govt and has noted harmonious working relationships developing between USOM/Baghdad and various Ministries.

4) As regards future of military aid programs US assumes this will need to be subject of consideration and discussion by two governments. US does not in any way preclude possibility of continuing existing programs but considers that there are both practical details and matters of policy to be worked out. In latter connection, for example, US assistance has been based on force goals predicated on Iraq's willingness as

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Source: Department of State, Central Files, 787.00/8–358. Secret; Priority. Drafted by Rockwell, cleared by McClelland and Bell (in draft), and approved by Rountree. Repeated to Amman, Beirut, Cairo, Damascus, Jidda, London, Paris, and USUN.

[1] In telegram 593 from Baghdad, August 3, Under Secretary Murphy, who had been dispatched by Eisenhower to the Middle East to make an assessment of the situation, reported on his August 2 conversation with Minister of Guidance and Information Shanshal. (*Ibid.*)

[2] In telegram 594, also August 3, Murphy reported on his conversation on the morning of August 3 with Prime Minister Qassim, Foreign Minister Jomard, Finance Minister Hadid, and President of the Council Rubayi. The discussion covered much of the same ground as the one with Shanshal. In addition, Murphy raised the issue of Iraq's future role in the Baghdad Pact and added a general defense of the concept of collective security. Murphy concluded the telegram with the observation that he was struck by the "earnestness" of these Iraqi leaders and their eagerness to demonstrate a friendly and cooperative attitude to the United States. (*Ibid.*)

member BP to resist Soviet aggression against ME. (FYI—Assume you will coordinate this with Gen. Henry—End FYI.)

5) US hopes that US-Iraqi relations can be established on basis mutual trust and confidence, and that from them will flow benefits to people of Iraq and strength to security and well-being of ME. US is confident that reasonableness, frankness and sincerity on both sides are best means achieving this.

Herter

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133. Memorandum From the Director of Intelligence and Research (Cumming) to Secretary of State Dulles

Washington, August 22, 1958.

SUBJECT

Intelligence Note: *Attitude of New Iraqi Leaders, Press and Radio toward the US and pro-Western Arab Regimes*

Assurances of the Iraqi regime's friendly feelings toward the West, desire to cooperate on an independent basis, and intention to honor prior commitments and contracts are reiterated daily by Prime Minister Qasim in his contacts with US representatives and in press statements. Nevertheless, a steady anti-American trend is gathering momentum. It has thus far included minor acts of harassment and non-cooperation, a growing atmosphere of public hostility, and a spate of external and internal propaganda that is increasingly directed specifically against the US, as well as against the openly Western-aligned Arab governments of Lebanon and Jordan. There is no evidence that Qasim has taken any action to prevent or mitigate this trend, or even that he sincerely wishes to do so. In view of the growing split within his own government, however, Qasim is probably no longer in a position to make a strong defense either of US interests or of Iraqi independence of action vis-à-vis Egypt, whatever his personal preferences may be.

In the field of propaganda, the press of the new order has been somewhat more moderate than the radio, although never free from

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Source: Department of State, Central Files, 786.00/8–2258. Secret.

anti-imperialist bias with certain anti-US overtones. The first newspaper to appear after the revolution was *al-Yaqdha,* long suspended under the former regime, which was formerly published by Siddiq Shanshal (Minister of Guidance in the new Iraqi Cabinet) under aegis of the Istiqlal Party. Always fanatically nationalist, anti-Jewish (as distinct from anti-Zionist), and highly critical of the US, the paper in its reincarnation has followed these lines as well as eulogizing Nasir and the Egyptian and Iraqi revolutions. Shortly afterward *al-Jumhuriya* made its first appearance, in obvious imitation of the Egyptian government's press vehicle, and immediately became the quasi-official mouthpiece of the new government. It has printed all official statements, including those of reassurance to the West, but the tone and content of the news are very close to that of its Cairo counterpart.

Baghdad radio has been oriented to the UAR line since an August 4 broadcast attacking the government of Jordan. Beginning about two weeks after the revolt, FBIS monitors identified two voices announcing on the station as an Egyptian and a Syrian. Condemnations of the Nuri regime have gradually identified it more and more with the US, as well as "imperialism" generally. A scare-line of impending plots against the new Republic is also being developed: an accidental petroleum tank fire and the show-trial of ex-Chief of Staff Daghestani are being so played as to enhance this line. Rabble-rousing speeches of Deputy Prime Minister Abd al-Salam Arif also have been featured. Representative excerpts are attached as an annex.[1]

A similar memorandum has been addressed to the Under Secretary.

[1] Attached but not printed.

134. Memorandum From the Director of Intelligence and Research (Cumming) to Secretary of State Dulles

Washington, August 22, 1958.

SUBJECT

Intelligence Note: *The Nature and Consequences of Factional Splits Within the Iraqi Government*

Infighting is developing within the revolutionary government of Iraq somewhat earlier than expected, but along anticipated lines. It is in

Source: Department of State, Central Files, 786.00/8–2258. Secret.

no sense a conflict between anti-Western elements and those sympathetic to the US: the latter, in fact, have no articulate spokesman at the present time. Since anti-imperialism is the stock-in-trade of all of the protagonists, and given the demagogic character of Arab politics, the present struggle is bound to develop into a contest in anti-Western name-calling.

Initially, the National Democrats (primarily a radical nationalist group, but heavily Communist infiltrated) and the Communist Party of Iraq, now operating openly, are ranged against a faction headed by Deputy Prime Minister Arif. The situation presents a close parallel to that of Syria in late 1957. Arif, who from the first has been closely aligned with Nasir and has sought Egyptian support for his personal position, is now openly pressing for full union with the UAR. The Communists and their allies, mindful of Nasir's stern repression of the Egyptian Communist Party but unwilling to adopt an unpopular posture of seeming to dissent from Nasir's leadership, are advocating a federation or other loose association short of actual union. The far-left coalition is being steadily reinforced as exiles deported under the previous government's anti-Communist program return to Iraq. According to some reports Prime Minister Qasim is himself protecting this group in return for its support against Arif. Where other principal governmental figures and the Army stand is not known, but it is almost certain that the Army will fragment and align behind the contesting personalities, probably on the basis of leadership preference rather than policy line or ideology. The Ba'th Party, earlier reported wary of the UAR because of the disbanding of its parent party in Syria, is, for the moment, supporting the assimilation movement.

The public attitude is not fully defined, but a pro-union groundswell is reportedly beginning under the constant prodding of pro-UAR propaganda.

Nasir's position in the context of these developments is not clear. Since the Nasirite faction has held nearly all the key power-positions (Interior Department, propaganda, control of the street organization) in the Iraqi regime from the start, he can hardly be seriously worried about a Communist takeover in Iraq. It is conceivable that he has allowed a full display of Communist-leftist strength in order to generate local pressure for union and to reconcile Western powers to its accomplishment, on the Syrian precedent. Conversely, it may be that he is being overtaken by forces of unforeseen intensity. Certainly considerable pressures are developing toward Iraqi entry into the UAR that may prove irresistible.

A similar memorandum has been addressed to the Under Secretary.

135. Telegram From the Department of State to the Embassy in Iraq

Washington, September 10, 1958, 11:13 p.m.

960. Joint State–Defense. Embtels 966[1] and 1010.[2] You authorized approach Prime Minister along following lines:

1. Indicate that in absence any F–86 training activity or any apparent Iraqi interest to date in resumption thereof US is withdrawing training personnel. (If this should provoke request for resumption F–86 training or question re US willingness consider resumption, you may reply that US remains ready meet its obligations under outstanding agreements with Iraq and if GOI prepared reaffirm and implement its responsibilities under said agreements training mission can be reconstituted. Remind Prime Minister however that training stopped by Iraqis and indicate US unable hold idle any longer in Iraq personnel which needed elsewhere. You should also make it clear that US considers remaining F–86 aircraft as being included among "major items military equipment" referred to in Para 2 below which spells out considerations bearing on any decision re resumption shipments.)

2. You should refer to message from DMO (Embtel 1010) and point out that US has demonstrated its good intentions with regard programmed military aid by completing delivery items which were on high seas at time of revolution and by indicating shortly following recognition (Deptel 593[3] and Embtel 640[4]) our willingness discuss matter of military aid on frank basis with GOI. In order reach common under-

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Source: Department of State, Central Files, 787.5–MSP/9–458. Secret. Drafted by Rockwell and Lakeland; cleared by McClelland, Dillon, Sprague, and Barnes; and approved by Rountree. The text of this telegram was discussed at a September 5 State–JCS meeting during which General Lemnitzer expressed concern that continuation of U.S. military aid to Iraq would adversely affect relations with U.S. friends and allies. (*Ibid.*, State–JCS Meetings: Lot 61 D 417)

[1] In telegram 966, August 30, Gallman observed that it was "highly unlikely" that the Iraqis would request resumption of F–86 training in the near future. He recommended that he be authorized to discuss with Prime Minister Qassim three related topics: 1) immediate resumption of F–86 training or a withdrawal of U.S. training personnel, 2) immediate resumption of shipments of programmed aid, and 3) determination by Iraq regarding future U.S. military aid. (*Ibid.*, Central Files, 787.5–MSP/8–3058)

[2] In telegram 1010, September 4, Gallman reported that a "secret and urgent letter" from the Iraqi Director of Military Operations to MAAG requested information about MAP and asked if items programmed prior to July 1958 would be delivered. (*Ibid.*, 787.5–MSP/9–458)

[3] Document 132.

[4] In telegram 640, August 6, Gallman reported that he conveyed orally the substance of telegram 593 to Foreign Minister Jomard on August 4, and that the Foreign Minister reiterated Iraq's "wish and determination to have really close, friendly relations with US." (Department of State, Central Files, 611.87/8–658)

standing regarding existing military aid agreement including question of further deliveries of major items military equipment, USG would appreciate clarification of Iraqi Government's attitude with regard to relationships spelled out in existing bi-lateral agreements and indication its general views regarding future US–Iraq military relations. You should add that present atmosphere created by such acts as interrogation Embassy officers, opening of diplomatic pouches, restrictions on movement US military personnel, extraordinary boarding and searching of US and US owned vessels in Shatt al-Arab, gratuitous attempts implicate US in current trials and lack of action re three missing Americans is such as to raise question re degree of cooperation with US desired by GOI. For this reason US, in determining its attitude re military shipments, would appreciate clarification of Iraqi positions re above matters and US–Iraq military relations in general.

3. You should not raise subject future aid (FY 59 and subsequent). (If Prime Minister raises subject you should point out this question obviously related matters outlined above and could not fruitfully be dealt with until current problems and relationships satisfactorily worked out. You may indicate that this does not rule out possibility future US military aid and that GOI should feel free raise matter again at such time it considers appropriate.)

4. MAAG should address brief reply to DMO indicating Ambassador discussing matter with Prime Minister.

5. Would appreciate elaboration your views re point (b), Para 1, Deptel 798.[5]

6. *For your information only.* Current status of Army and Air Force MAAG personnel in Baghdad cannot be accepted indefinitely. While the continued presence of these personnel in Baghdad relates to the decision to resume or not to resume MAP, the Department and Defense would appreciate the country team's assessment as to whether or not some reduction in MAAG personnel is possible now.[6]

Dulles

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[5] In this paragraph of telegram 798, August 22, the Department requested the Country Team's assessment of the desirability of the United States acceding to a request from Iraq to resume MAP deliveries and F–86 training programs. (*Ibid.*, 787.5–MSP/8–1358)

[6] Staff Notes No. 423, prepared for the President, September 15, summarized telegram 960 to Baghdad. There is no indication that Eisenhower saw the note. (Eisenhower Library, Whitman File, Eisenhower Diaries)

136. Editorial Note

The United States received increasingly frequent reports of factional struggles within the new Iraqi Government. As part of the briefing on "Significant World Developments Affecting U.S. Security," Deputy Director of Central Intelligence Cabell informed the participants at the 379th Meeting of the National Security Council on September 18 of recent developments in Iraq. According to Gleason's memorandum of the meeting, September 18, Cabell stated that "Cairo and Nasser were manifesting great concern over factional struggles among the leaders in the new regime in Iraq." (Eisenhower Library, Whitman File, NSC Records)

At the next National Security Council meeting, September 25, also as part of the "Significant World Developments" briefing, Cabell noted that "the internal maneuvering for power" in Iraq "continued." Cabell stated that, "despite factional differences on the political level, however, there was still obvious military cooperation between Egypt and Iraq despite the opposition of the Prime Minister and the cabinet to the union of Iraq with the United Arab Republic." (Memorandum of discussion by Gleason of the 380th Meeting of the National Security Council, September 25; *ibid.*)

On October 1, Goodpaster prepared a synopsis of Intelligence and State Department items reported to the President. Included was the following information on Iraq: "In Iraq, Qasim has dismissed Arif as well as two more pro-UAR Cabinet members. Cairo seems to be trying to force Iraq into making an arms deal directly with the USSR." (*Ibid.*, Eisenhower Diaries)

The next day during the 381st Meeting of the National Security Council, Director of Central Intelligence Allen Dulles, as part of the "Significant World Developments" briefing, provided additional information on Arif's dismissal and pressure by the United Arab Republic on Iraq. According to Gleason's memorandum of October 3, Dulles reported: "In Baghdad Prime Minister Qasim had strengthened his own position by depriving former Deputy Prime Minister Arif of all his cabinet prerogatives and banishing him to West Germany as Ambassador of Iraq to Bonn. However, in all probability, said Mr. Dulles, we have not heard the last of Arif. Meanwhile Prime Minister Qasim did not favor a union of Iraq and UAR and his government seemed to be trying to move into a more independent foreign policy." (Memorandum of discussion by Gleason, October 3; *ibid.*, NSC Records)

137. Memorandum of Conversation

New York, October 11, 1958, 11:30 a.m.

SUBJECT

US-Iraqi Relations

PARTICIPANTS

Foreign Minister of Iraq, Mr. Jomard
Mr. Jawad, Iraqi Permanent Representative to the United Nations
Mr. William M. Rountree, NEA

I called on the Foreign Minister at my request, having made the arrangements previously through the Iraqi Chargé d'Affaires in Washington. I was cordially received. I spoke at some length concerning our desire to maintain good relations with Iraq, reviewing generally the history of our relationship since the coup d'état on July 14. I expressed concern that American policies and motivations had been misrepresented by our enemies and this might have created misapprehension on the part of some Iraqi leaders. I therefore reviewed generally our attitude toward the Iraqi regime. I mentioned that a prominent Arab statesman had recently commented to the effect that the US and the Soviet Union were working for the same objective in Iraq; i.e. to prevent union between Iraq and the United Arab Republic. I said that our attitude in this regard was that the future relationship between these two countries should be left entirely for decision by the governments and peoples concerned; that as far as the US was concerned if Iraq and the United Arab Republic wished union, or preferred some other kind of association, we would certainly not interfere. We had, for example, fully accepted the decision of Egypt and Syria to unite. In the course of the two and one-half hour conversation I reviewed various complaints which we had concerning Iraqi treatment of the American Embassy and nationals in Iraq and placed special emphasis upon the desirability of clearing up the question of the disappearance of three Americans.[1]

The Foreign Minister spoke with frankness. He said that the present government desired good relations with the US and indeed would have embarked upon a much more friendly policy at the outset had it not been for its deep concern regarding the possible reaction of the US to the coup d'état. They had "learned" of large numbers of American agents going into Iran and elsewhere in the area to work toward a counter-revolution in Iraq. Reports of these activities appeared to have been

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Source: Department of State, Central Files, 611.87/10–1158. Confidential. Drafted by Rountree. The conversation was held at the Iraqi Consulate. Foreign Minister Jomard was attending the Thirteenth Regular Session of the U.N. General Assembly.

[1] See footnote 1, Document 111.

given substance by the fact that the US "long delayed" its recognition of the regime and, together with the British, dispatched forces to the area. The Iraqi authorities felt it necessary to take strong measures for protection against possible hostile acts. Thus, foreigners were placed under surveillance and the operations of foreign embassies and offices were placed under careful scrutiny. Other measures were taken to control the number of personnel and goods, and communications. While this was governmental policy at that time, some officers at lower echelons became over-zealous and took actions which were perhaps excessive. Most of the difficulties of this nature had ended, however, and it was the desire of the government to re-establish as soon as possible good relations with the US and its representatives.

Regarding the three Americans missing in Iraq, the Foreign Minister listened attentively to what I had to say about the possible adverse reaction in Congress and among the American public if the Iraqi authorities should treat the matter lightly and not live up to their responsibilities under international law. He asked specifically for my suggestions. I told him I thought the first thing to be done was to disinter the remains of the several victims of the events of July 14 who had been buried in a common grave and permit an examination of the remains by specialists, including one designated by us, in order to see if they could be identified. Secondly, I thought that a serious investigation should be undertaken which would include interrogation of witnesses and others who might throw light upon what happened to the three Americans. I emphasized that not only was it necessary to establish the facts in connection with the discharge of Iraqi obligations in the matter, but also to permit the families of the deceased to collect insurance and settle estates. The Foreign Minister said that he would go into this matter immediately upon his return to Baghdad and would do all he could to clear up the affair. He invited me to send any further suggestions which I might have to him through the American Ambassador. He said that he could understand the particularly delicate problems involved in this affair. He thought it would be wise if the American Ambassador in Baghdad could play an even more personal role than that heretofore. While he was not clear in this regard, I gathered that his suggestion was that the Ambassador might have personal conversations with appropriate Iraqi officials similar to that which I had had with the Foreign Minister.

Regarding Iraqi relations with the United Arab Republic, the Foreign Minister said Iraq did not desire union. It wished to have close relations with the United Arab Republic and to achieve these in the framework of the Arab League.

138. Telegram From the Embassy in Iraq to the Department of State

Baghdad, October 14, 1958, 7 a.m.

1312. Three months have now passed since coup which brought Brigadier Qassim to power. It might at this stage prove helpful to depict and assess some aspects of present scene and to attempt some forecast, hazardous though it be, of what coming months probably hold in store.

1. Troops are still camped in Embassy compound and stand guard at other foreign missions, though perhaps in lesser force. Diplomatic and private visitors are still challenged at Embassy gates, as are American officials. I myself was denied entrance a few days ago, until identified, although in official car with flag displayed. Administration of Embassy, though perhaps a shade easier than during July, August and September, is still hampered by petty and unreasonable restrictions. GOI has still not yet permitted us free access USIS offices.

2. Press and radio keep up steady attacks on US, its posture in past and its current official policies. Our actions are sweepingly damned as "imperialistic" and usually linked with "British imperialism". Terminology of these attacks is increasingly "Made-in-Moscow". Public added to this fire of hatred almost nightly by the trials of officials, military and civilian, of former governments, these trials being widely publicized by radio, television and press. It is for us in the Embassy a sickening sight to see our former firm friends and active supporters of the free world pilloried by a petty military "judge" who also conceives of himself as a prosecutor.

3. We have confirmation from a number of sources that grumblings among shopkeepers and particularly among workmen is steadily growing. Promises made so loudly and widely in early days following coup of a fuller and freer life are in no way materializing. That is immediate basis of growing discontent.

4. What of the government? In last analysis no government in western conception of that term exists in Iraq today, three months after coup. Individual cabinet ministers manage now and then to issue regulations. In few instances cabinet as a whole has approved "Laws" but up to now they are on paper only. Content of these laws, many of which are ill-conceived and hastily drafted, has in several cases required repeated clarification (e.g., laws on rent control, labor and cropsharing). There is

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Source: Department of State, Central Files, 787.00/10–1458. Confidential. Transmitted in two sections and repeated to Amman, Ankara, Beirut, Cairo, Damascus, Jidda, Karachi, London, Tehran, and Tel Aviv.

widespread paralysis of even routine in first weeks following coup of top layer of trained men comparable, in a measure, to our civil service. Their replacements have been found, are of low caliber indeed. In spite of daily cabinet meetings, there is as yet no coordinated government program in any field, and how could there be? Although cabinet includes handful of men with previous experience this level, this government is woefully lacking in men experienced in the challenging task of governing. This lack is particularly noticeable in the economic development field. The individuals holding cabinet positions have right up to today still nothing more to guide them than the oft-repeated general policy statement of the Prime Minister that Iraq is to be independent; Iraq wants to raise the living standards of the people; Iraq wants to be friends with all nations, east and west, that want to be friends with her; and above all Iraq wants to cooperate closely with other Arab states.

5. Economy of country is stagnant chiefly because development program which was main pump primer in past has been allowed to grind to halt. Government's fumbling efforts to manage economy have caused a lack of confidence among the business community which no number of highly publicized but in substantial trade agreements with Soviet Union and Soviet bloc countries can dispel.

6. Inevitably, even though coup was carried out most effectively by a very small group of conspirators, differences as to the courses to be followed developed early among them. Tensions, primarily among the military but also among certain civilian members of regime, soon came to surface. Momentarily Qassim is on top. Arif, second in July 14 plot, has been deprived of military and political power positions and left October 12 to become Iraqi Ambassador in Bonn. The known Baathist members of the cabinet were removed or demoted at same time as Arif fell from grace. Thus most important elements working toward union with UAR, or at the least toward very close collaboration with Nasser, have been removed from center of government. The group that seems to influence Qassim most at present is made up of members of the National Democratic Party led by Kamal Chaderchi and Mohammed Hadid. This group, unfortunately, is naive to the extreme concerning danger which communism holds for Iraq. Qassim, we believe, is anti-Communist, and may be making a sincere effort to hold Communists in check. We do not think, on basis of reports we have received from diplomatic colleagues and reports emanating from Iraqi sources, that Communists played a major role in having Arif and Baathist Ministers removed from power. Communists do not today have that much influence with the regime. By weakening of Baathist influence, however, Communists undoubtedly gain much more room for maneuver. Communists also have potential for attack on another point through returned Kurdish leader Mulla Mustafa Barzani. He has spent last eleven years in exile in Soviet Union.

His appeal to a majority of Iraqi Kurds is strong and his ability disrupt stability almost endless. Thus we believe that today greatest potential threat to stability and even existence of Qassim's regime lies in hands of Communists.

7. As of today, three months after coup, Qassim's regime is by no means firmly entrenched. There exist strong pressures on it from without and within regime; there is no solid unanimity and tensions are rampant. We are in for weeks, perhaps even months, of uncertainty. Certainly weeks just ahead are critical. Future stability is dependent on Qassim's ability to withstand the various pressures being brought to bear on him and to lead country back to normal existence.

8. Up to now Qassim's regime, whether deliberately or not, has in the main been carrying out a predominately wrecking operation. We think some of those around him are finally beginning to realize that it is much simpler to effect a coup and tear down government than it is to govern.

9. From my personal experience and observation covering these past four years in Iraq, I would say that with the murder of Nuri, illiberal as he may at times have been in dealing with domestic issues, Iraq sacrificed her best leader toward an eventual life of dignity and decency and her strongest bulwark against recurrent chaos, if not savagery. A number of well placed and knowledgeable Iraqis have been quoted to me within the past few days as having said, in effect, that within ten years at most a monument would be erected in Baghdad to Nuri.

I hope, in fact I believe, they are right.

Gallman

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139. Memorandum of Conversation

Washington, October 13, 1958.

SUBJECT

Iraq, United Arab Republic

PARTICIPANTS

Mr. Yaacov Herzog, Minister, Embassy of Israel
Mr. Yohanan Meroz, Counselor, Embassy of Israel
NEA—Mr. William M. Rountree
NE—Mr. Theodore A. Wahl

Source: Department of State, Central Files, 787.00/10–1358. Confidential. Drafted by Wahl on October 14.

Mr. Rountree opened the conversation with a reference to his talk in New York over the week end with Iraqi Foreign Minister Jomard.[1] He commented that Jomard is personally very pleasant and apparently very intelligent. One thing that emerged from this conversation, he said, was an impression that immediately after the July 14 coup the Iraqis had genuinely feared a U.S. plot to overthrow the new regime. Mr. Jomard indicated that Iraqi relations with the UAR should be close, through the Arab league; he appeared not to favor a union of Iraq with the UAR.

Mr. Herzog commented that according to information available to the Israelis, Prime Minister Qassim has the senior officers of the Army with him and is now directing his attention toward obtaining the support of the Kurds. Both Nasser and the Soviets, he added, also seem to be concentrating their efforts on the Kurds. He said the Egyptians seemed to have precipitated the recent crisis in Iraq before the time was ripe, probably because they wished to head off a move toward closer association between Syria and Iraq. Qassim appears to have been stronger than Nasser expected.

One thing which bears close watching, Mr. Herzog continued, is Soviet penetration in Iraq. The new Soviet ambassador in Baghdad is reported to have been the mastermind of Soviet policy in the Middle East since the Czech-Egyptian arms deal. Mr. Rountree agreed that the swift Soviet moves toward closer relations with Iraq are disturbing.

Mr. Rountree commented that Nasser is always careful to base a major political action on some previous Western action. In other words, many of his more dramatic moves have been reactions to Western actions. In this connection, the Egyptians appear to be considering some move as a reaction to the United Kingdom's sale of submarines to Israel. We think that there will be a substantial reaction. There is speculation that Marshal Amer's visit to Czechoslovakia may be related to such a reaction.

Mr. Herzog said that the Embassy had received a cablegram from London indicating that the Foreign Office did not take Amer's visit too seriously. He added that the Israel Embassy in London had been instructed not to involve the U.S. in any way in speculation regarding the supply of arms to Israel.

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[1] See Document 137.

140. Editorial Note

At the 383d Meeting of the National Security Council on October 16 Director of Central Intelligence Allen Dulles included in his briefing on "Significant World Developments Affecting U.S. Security," the following on Iraq:

"Mr. Dulles reported that the new Iraqi regime had just concluded a trade agreement with the Soviet Union, trade with which country had been cut off since 1955. The new regime was also beginning to implement its recent arms agreement with the Soviet Union. Mr. Dulles predicted that the Iraqi regime would need all the talents available to it in order to meet the manifold problems facing it, including particularly the possibility of a separatist movement among the Kurdish population of Iraq. [*6 lines of source text not declassified*]" (Memorandum of discussion by Gleason, October 17; Eisenhower Library, Whitman File, NSC Records)

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141. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to the Deputy Under Secretary of State for Political Affairs (Murphy)

Washington, October 16, 1958.

SUBJECT

Situation with Respect to Shipment of Arms to Iraq

This memorandum, outlining the current status of our program of arms aid to Iraq, has been prepared in NE at the request of Mr. Donhauser of your staff.

In Deptel 593 (Tab A) to Baghdad of August 4, 1958[1] we took the position with regard to future military aid programs that we assumed the matter would be the subject of consideration and discussion by our two governments; that we did not in any way preclude the possibility of continuing the existing programs but considered that there were both practical details and matters of policy to be worked out. Ambassador Gallman conveyed these views orally to the Foreign Minister on August 6.

Subsequently, there were a number of approaches by Iraqi military authorities to MAAG officers regarding delivery of MAP items un-

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Source: Department of State, Central Files, 787.56/10–1658. Secret. Drafted by Lakeland. Murphy wrote the following comment on the source text: "Many Thanks, RM." As of August 20, Rountree ceased to have responsibility for African Affairs, which passed to the new Bureau of African Affairs.

[1] Document 132.

delivered from previous fiscal year programs. The decision was taken to effect delivery of a number of shipments of spare parts and minor items which were on the high seas at the time of the revolution and which arrived in Iraq after our recognition. There were also several working level inquiries directed to MAAG officers regarding the prospect of delivery of the balance of outstanding items. The major undelivered items are:

10	F–86 aircraft
39	Saladin armored cars (OSP items from UK production) which carry one 76 mm gun each and two 30 caliber machine guns
54	40 mm (L–70) anti-aircraft guns (latest US version of the 40 mm)
93	4.2″ mortars

In an effort to clarify the situation and facilitate decisions with respect to the disposition of Air Force training personnel and the delivery of MAP pipeline items, Deptel 798 of August 22 was sent to Baghdad (Tab B).[2]

In Embtel 966 (Tab C)[3] replying to Deptel 798 (Tab B) Ambassador Gallman indicated that he considered it highly unlikely that the Iraqis would request resumption of F–86 training in the near future. He recommended that he be authorized to discuss with the Prime Minister (1) immediate resumption of the F–86 training program or withdrawal of training personnel from Iraq; (2) resumption of shipment of programmed aid items; (3) determination of Iraqi wishes regarding future aid.

Baghdad's 1010 September 4 (Tab D)[4] transmitted a secret and urgent letter to the MAAG from the Director of Military Operations which raised the specific question whether we intended to deliver outstanding items programmed prior to July 1958.

In response to Embtels 966 and 1010 a joint State Defense message, Deptel 960 (Tab E)[5] authorized Ambassador Gallman to approach the Prime Minister along the following lines:

1) Indicate that in the absence of any F–86 training activity or any apparent Iraqi interest in the resumption thereof, the US was withdrawing its Air Force training personnel.

2) With reference to the message from the Director of Military Operations, refer to our completing delivery of military items which were on the high seas at the time of the revolution and indicate that, in order

[2] See footnote 5, Document 135.

[3] See footnote 1, Document 135.

[4] See footnote 2, Document 135.

[5] Document 135.

to reach common understanding regarding existing military aid agreements and the question of future deliveries of major items of military equipment, the US would appreciate clarification of the Iraqi Government's attitude with regard to said agreements and an expression of its general views regarding future US-Iraqi military relations. In this context, the Ambassador was to point out that the atmosphere created by certain actions of the Iraqi Government (customs hindrances, surveillance and harassment of US personnel, etc.) was such as to raise questions regarding the degree of cooperation desired by the Government of Iraq.

3) The subject of future military aid was not to be raised by the Ambassador but if raised by the Prime Minister was to be dealt with by pointing out that the question could not fruitfully be pursued until current problems and relationships were satisfactorily worked out.

In Embtel 1113 (Tab F)[6] Ambassador Gallman reported his talk with the Prime Minister in accordance with his instructions cited above. Professing unfamiliarity with the existing bi-lateral agreements, the Prime Minister promised to study the agreements and look into the list of current unresolved problems listed by the Ambassador. The Prime Minister commented that he hoped agreement could be reached for continued effective arms aid and said that we would be hearing from him later. Baghdad's 1120 (Tab G),[7] containing Ambassador Gallman's general comments on the question of further military assistance was dispatched the day following the meeting with the Prime Minister but does not appear to have been motivated by any specific new development.

Nothing further having been heard from the Iraqi Government on the subject to date, we are instructing Ambassador Gallman to approach the Prime Minister again to seek his promised reaction to their previous talk.[8] We have, however, recently received a note from the Iraqi Embassy requesting facilities for the purchase of 200 modern mine detectors. NE is recommending approval of this request.[9]

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[6] Dated September 16. (Department of State, Central Files, 787.5–MSP/9–1658)

[7] Dated September 17. (*Ibid.*, 787.5–MSP/9–1758)

[8] In telegram 1203 to Baghdad, October 17. (*Ibid.*, 787.5–MSP/9–1658) In telegram 1377 from Baghdad, October 21, Gallman reported that the feeling among Qassim and his colleagues was that they would be politically vulnerable if they were too closely associated with military agreements negotiated by the previous Iraqi Government. Gallman hoped that a formula could be worked out for receiving U.S. aid short of specific endorsement of existing U.S.-Iraqi military agreements. (*Ibid.*, 787.5–MSP/10–2158)

In telegram 1247 to Baghdad, October 25, the Department informed Gallman that its primary concern was that the MAAG in Iraq "continue receive necessary facilities and cooperation" to carry out its duties. (*Ibid.*)

[9] In a memorandum to Rountree, November 26, Rockwell recommended that the United States allow Iraq to purchase 200 mine detectors and $1 million in spare parts, signal equipment, and aircraft items. (*Ibid.*, NEA Files: Lot 59 D 582, Iraq, General, 1958)

142. Memorandum From the Director of Intelligence and Research (Cumming) to Secretary of State Dulles

Washington, November 5, 1958.

SUBJECT

Intelligence Note: *Significance of the Return to Iraq and Arrest of Col. Arif*

The arrest of Col. Arif upon his return to Iraq and the harsh and uncompromising character of the public statement announcing his arrest[1] has put in sharp relief the cleavage in the Iraqi regime. This event has not only precipitated the showdown stage in the power struggle within Iraq itself but has also created an open challenge to President Nasir.

Neither within Iraq nor in the UAR has there been any immediate public reaction to Arif's arrest. It is likely that events moved so fast Arif's followers in Iraq as well as Nasir have not had time to prepare and execute a countermove. On the propaganda front the Iraqi Government apparently is trying to keep the initiative by broadcasting cables of support for Premier Qasim and may be preparing the ground for charges against Arif by broadcasting slogans against "imperialist plots." Even if Qasim should succeed in stifling any violent reaction to his move for the moment, factionalizing of the army is likely to result and profound internal unrest is the outlook for some time.[2]

The most important factor however, will be Nasir's reaction. Since Arif has been the chief protagonist and symbol for the pro-UAR faction in Iraq his arrest is a public slap at Nasir which the latter can hardly overlook without serious consequences for his leadership role in the Arab World. He will be virtually forced to take a hand, and whether he does so openly or covertly, the outcome will be labelled his success or failure. This new and pressing affair may distract Nasir's attention from

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Source: Department of State, Central Files, 787.00/11–558. Confidential. A note on the source text indicates that Dulles saw this memorandum.

[1] On November 4, Radio Baghdad announced that "Col Abdul Salaam Arif the Iraqi Ambassador to Bonn arrived in Baghdad without proper authorization or permission. In view of the public interest and his repeated attempts to jeopardize public security he has been arrested today and will be tried for plotting against the security of the State." (USARMA Baghdad telegram CX 134, November 6; *ibid.*, 787.00/11–658)

[2] On November 3 and 5, John S.D. Eisenhower and L.A. Minnich, Jr., included in synopses of State and Intelligence material reported to the President accounts of demonstrations in Iraq. On November 3 John Eisenhower's synopsis included the statement: "Anti-UAR demonstrations are occurring in Iraq with security forces making no apparent effort to interfere until violence is threatened." On November 5, Minnich's synopsis stated: "Popular demonstrations supporting Qasim reflected pro-Communist agitation and suggests some reliance by Qasim on Communists for popular demonstrations in his support." (Both, Eisenhower Library, Whitman File, Eisenhower Diaries)

other problems facing him in inter-Arab affairs, such as relations with Tunisia or developments in Yemen. He may also postpone any move he may have contemplated regarding Jordan—or on the other hand feel compelled to move prematurely as a diversionary maneuver. Syrian affairs may also demand more of Nasir's attention as a result of the events in Iraq, since any success on Qasim's part would strengthen those Syrians who would prefer looser ties with Egypt and possibly closer relations with Iraq.

From a propaganda point of view Nasir may well find himself in a quandary. It would be embarrassing to call Qasim an imperialist tool so soon after extolling him and the new republic. Reliance upon the USSR for arms and economic aid would most probably keep Nasir from openly charging Soviet interference in Iraq.

It is too early to assess to what extent the Soviets and the local Communists are likely to profit from the most recent events in Iraq. One result may be an increase in Kurdish restiveness, which the Soviets have been able to stimulate and exploit in the past, in the face of disunity among the Arabs in the country.

A similar memorandum has been addressed to the Under Secretary.

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143. Memorandum of Telephone Conversation Between Secretary of State Dulles and the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree)

November 11, 1958, 4:01 p.m.[1]

TELEPHONE CALL TO MR. ROUNTREE

The Sec said he really feels terribly about the sentence of Jamali.[2] He realizes probably to speak out would do more harm than good. On the

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Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Phyllis D. Bernau. The Secretary was attending the consultative meeting of the Colombo Plan held in Seattle, November 10–13; Rountree was in Washington.

[1] Pacific time.

[2] On November 10 the Iraqi Special High Military Court sentenced Fadhil Jamali, a former Iraqi Prime Minister and Foreign Minister, to death. In addition, the court passed death sentences on Major General Ghazi Al-Daghestani, former Commanding General of the Third Division and Deputy Chief of Staff, and Lieutenant General Mohammed Rafiq Arif, former Chief of Staff of the Iraqi Armed Forces. The Embassy reported there was speculation that the sentences might be commuted by Qassim to life imprisonment, but that "crowds demonstrating approval of death sentence began to form in city's usual demonstration districts by mid-morning." (Telegram 1547 from Baghdad, November 11; Department of State, Central Files, 787.00/11–1158)

other hand there are times when you feel such a strong sense of moral indignation it is very difficult to keep quiet. And he feels that way about this. He suggested saying something—or would it be too much of a challenge? The Sec wanted to let R know how he feels and having told him that handle it the best way he can.[3] He gathers this Hussein thing is quieting down—he has postponed his vacation—the Syrians did it for us.

[3] In telegram 1358 to Baghdad, November 11, the Department instructed Chargé Fritzlan to make an informal, oral, and nonpublic approach to Qassim and inform him that the death sentences would reflect unfavorably on his government. Although the United States had no desire to interfere in Iraqi affairs, nor comment on the merits of the trials and sentencing, it hoped that for humanitarian reasons the death sentences could be commuted. (*Ibid.*, 787.00/11–1258)

In telegram 1612 from Baghdad, November 17, Chargé Fritzlan reported that he made the informal démarche with Qassim as instructed. Although the Iraqi Prime Minister did not consider the request for clemency an intervention in Iraq's internal affairs, he was noncommittal on leniency for the three Iraqis under death sentences. (*Ibid.*, 787.00/11–1758) On March 27, 1959, after intercession by the King of Morocco, Qassim commuted these death sentences.

144. Memorandum From the Director of Intelligence and Research (Cumming) to Secretary of State Dulles

Washington, November 25, 1958.

SUBJECT

Intelligence Note: *The Communist Threat in Iraq*[1]

The present situation in Iraq is largely an outgrowth of the lack of solid groundwork for the coup of July 14, 1958. The sole uniting force among the disparate groups and individuals involved in the coup was hatred of the old regime, and there was little agreement on the policies to be followed once the coup had succeeded. The main issue in Iraq at present is the relationship to Nasir and the UAR. Istiqlal and Ba'thist attempts, led by such figures as Colonel 'Arif, Rashid 'Ali al-Gaylani, and Fa'iq al-Samarra'i to promote association with the UAR, prompted a vigorous counter campaign on the part of the Communists and of Kamil al-Chadirchi, leader of the leftist National Democratic Party.

Source: Department of State, Central Files, 787.001/11–2558. Secret. A note on the memorandum indicates that the Secretary saw it.

[1] Commenting on a CIA working paper entitled "The Communist Threat to Iraq," Sanger of INR wrote that although the Communist threat to Iraq was grave, the CIA paper "exaggerates" it, [*1-1/2 lines of text not declassified*] and that the new Iraqi cabinet contains Communists or Communist-sympathizers. (Memorandum from Sanger to Arneson, November 25; *ibid.*, INR Files: Lot 58 D 776, Iraq) The CIA paper has not been found.

Increasing tension between Qasim and the pro-Nasir faction have induced him to lean more heavily on the support of Chadirchi and the Communists. This has increased the alarm of the non-Communist groups, including the senior army officers who have pressured Qasim to disassociate himself from the Communists. However, the Communists have emerged from years of illegal existence as a well-organized force while their opponents are largely disorganized, with only the Ba'th Party and the army having some capabilities for organized political action.

Qasim, while probably not a Communist, leans heavily on Chadirchi's advice. Both men are politically naive and seem to feel that they can exploit the Communists as long as they are useful and then oust them. In the meantime the Communists have succeeded in establishing themselves in various strong positions in government and, among other things, are in control of the propaganda apparatus. While Communist infiltration probably has not yet got out of control, the point of no return may be reached in a few months should the Qasim regime continue on its present course.[2]

The political situation in Iraq definitely points to an early showdown which, however, is unlikely to lead quickly to a clear-cut result and which, unless some new force or personality emerges, is equally unlikely to yield any appreciable gain for the West. The most likely focus of a coup against Qasim at this time is pro-UAR Rashid 'Ali al-Gaylani. However, the most important element in any coup remains the army which may join in an anti-Qasim coup but is likely to split over the question of union with the UAR. Tribal elements likewise might support such a coup, but not necessarily union with the UAR. Thus even in the case of a successful coup the struggle probably will not have ended the governmental instability and plotting is likely to continue. Should Qasim win over his opponents, his debt to the Communists will have increased and his chances of ridding himself of Communist influence will have become smaller.

A similar memorandum has been addressed to the Under Secretary.

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[2] In a November 28 memorandum to Murphy, to which was attached an NE study with accompanying appendices, Rountree summarized NE's assessment of Communist influence in Iraq: "In brief, we believe there is considerable evidence that Communist elements enjoy a favorable position in Iraq today and that their activities are being tolerated by Prime Minister Abdul Karim Qasim. Communist elements are clearly providing Qasim with 'street' support which he needs in his struggle with political factions opposed to him, notably pro-UAR groups. We do not believe Qasim is a Communist but believe that there is a real danger that he will become overly dependent on the Communist support he is now receiving." Murphy wrote on the source text: "Very good presentation." (*Ibid.*, Central Files, 787.001/11–2858)

145. Telegram From the Department of State to the Embassy in Iraq

Washington, December 4, 1958, 5:36 p.m.

1505. Embtels 1753, 1754.[1] Embassy should treat [*less than 1 line of source text not declassified*] approach with extreme caution and reserve. Without having any specific evidence that this is so, we believe chances are very good that approach is provocation. If it is bona fide it is very likely that authorities already aware of group's activities. If authorities are not so apprised, it is likely that before long they would become aware of group's activities and of any US steps in support of [*less than 1 line of source text not declassified*] associates.

At Friday meeting with [*less than 1 line of source text not declassified*] you should take following line:[2]

1. US concern over and opposition to menace of international Communism well known.
2. US concerned over reports it has received of growing Communist strength and activities in Iraq which it considers direct threat to integrity and independence of Iraq.
3. Determination of whether this threat must be met, and if so how and when, is matter which must be decided by Iraqis themselves. Would not be appropriate nor desirable for outside power such as US to intervene in internal affairs of Iraq. US is therefore unable to provide funds as requested.
4. US cannot state in advance what its attitude would be toward any new government which might come to power in Iraq. US however has traditionally had close and friendly relations with Iraq and naturally wishes these to be continued.

Source: Department of State, Central Files, 787.00/12–358. Top Secret; Niact; Limit Distribution. Drafted by Rockwell and approved by Rountree.

[1] In telegrams 1753 and 1754, December 3, the Embassy reported that an Embassy official had been contacted by a former [*text not declassified*] who claimed to represent a "free officers movement" that proposed to overthrow the Qassim government. [*Text not declassified*] sought support for a coup, which he outlined in detail. Although Embassy officials were aware that [*text not declassified*] could be a provocateur, they were impressed by his sincerity and proposed to check him out. If [*text not declassified*] story was essentially correct, the Embassy thought that the coup could prove a crucial turning point in Iraq's history and perhaps a watershed in stopping Communist advances in the Arab world. Should [*text not declassified*] prove out, the Embassy recommended giving him and his colleagues limited support. If the coup was successful, it recommended providing the new government generous assistance. (Both *ibid.*)

[2] According to telegram 1781 from Baghdad, December 5, an Embassy official met with [*text not declassified*] and presented these points as instructed. [*text not declassified*] responded that the coup depended on U.S. financial assistance, which caused the Embassy to wonder if [*text not declassified*] statements that the coup plotters were motivated by anti-communism were entirely true. (*Ibid.*, 787.00/12–558)

Following development, which occurred subsequent to drafting this message, reinforces our belief that provocation may be involved and our conviction that Embassy must be extremely cautious re [*less than 1 line of source text not declassified*]. British Embassy has just informed us of message to Foreign Office from Michael Wright describing meeting which Wright had with Qassim November 30 with no other persons present.[3] Qassim stated he had absolute knowledge that very short while ago Americans arranged journey of three individuals from place called Pishti (British surmise this may be Pusht) across border into Iran to work there against Iraq regime, and that there was similar activity on part of American agents in south of Iraq. Wright said this was impossible to believe and if true must be work of others who, to cover their tracks, were seeking to involve Americans. According to Wright, Qassim refused to be convinced.

We have in mind taking above allegation up with Qassim and have asked British Embassy to find out whether Foreign Office has any objection. Meanwhile you should not discuss with Wright unless he brings matter up. Can Embassy shed any light on Qassim's reported remarks?[4]

Herter

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[3] As reported in a memorandum of conversation, December 4. (*Ibid.*, 787.00/12–558)

[4] Telegram 1777 from Baghdad, December 5, reported that the Embassy could shed little light on Qassim's remarks. Although there were general rumors that the United States was working against the Iraq Government, Qassim and Jomard discounted them. Neither man mentioned the specific alleged operations as described to Sir Michael Wright, British Ambassador to Iraq. (*Ibid.*)

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146. Editorial Note

[1 paragraph from the Memorandum of Discussion at the 390th Meeting of the National Security Council on December 11 not declassified. (Eisenhower Library, Whitman File, NSC Records)]

147. Telegram From the Embassy in Iraq to the Department of State

Baghdad, December 11, 1958, 3 p.m.

1845. Cairo for Rountree. Deptels 1536, December 8[1] and 1557, December 10.[2] Called on Prime Minister Qassim this morning. I met with him alone as Wright had done also. We found in previous contacts with Qassim that his English is quite adequate.

1. I presented to him slowly and with emphasis points appearing in Deptel 1536. He followed my words most attentively. With reference to mendacious news report, I made special mention of Department's categorical denial of any connection with recently discovered plot. Qassim gave no indication of explicit knowledge of [*less than 1 line of source not declassified*].

2. After a moment's serious reflection, Qassim responded to effect that he was convinced that I knew nothing about reports of American activities to undermine his government. I pressed him then for details other than those he had reported to Wright. He went no further, though, than to say that Kurds in the Sulimaniyah area were being incited against his government. There had been movements of individuals back and forth across the frontier with Iran. Here I interjected a question: Did he mean to say that there were Americans among these individuals? His reply was that Americans and other nationalities, according to his information, were involved. I maintained firmly that, as I was fully informed and aware of activities of all Americans in Iraq in an official capacity, I could assure him that none was involved in such activity. He gave me the impression of accepting that, but he said nothing to indicate that he believed no Americans in private capacity were involved. As I saw that I could get no further response, I said I hoped that with the arrival of

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Source: Department of State, Central Files, 787.00/12–1158. Top Secret; Priority; Limit Distribution. Repeated to Cairo.

[1] Telegram 1536 to Baghdad, December 8, instructed Gallman to convince Qassim that there was no truth to the allegations that the United States was encouraging or supporting dissension in Iraq. Gallman was instructed to state categorically to Qassim that there were no official Americans in Iraq engaged in plots against the regime or in agent recruiting and that sources unfriendly to Washington were obviously seeking to prejudice him against the United States. (*Ibid.*, 787.00/12–858)

[2] Telegram 1557, December 10, further instructed Gallman to protest and deny certain Baghdad newspaper reports that Rountree's trip to the Middle East was designed to foment plots against Iraq. If Qassim brought up the [*text not declassified*] approach, Gallman was to provide the following justification: the United States knew that Qassim was aware of the plot and already had the situation fully under control, the previous warning passed to Qassim about the December 10 coup attempt resulted in the official who gave the message being required to leave Iraq, and, in keeping with its policy of noninterference in Iraq, [*text not declassified*] request had been rebuffed. (*Ibid.*, 787.00/12–1058)

Rountree, with his thorough knowledge of the Washington scene, the atmosphere could be completely cleared. To this he commented that he was looking forward to seeing Rountree.

3. Qassim was most cordial throughout talk and although he looked very tired, he remained calm and self-possessed throughout.

Gallman

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148. Telegram From the Embassy in Egypt to the Department of State

Cairo, December 12, 1958, midnight.

1770. From Rountree. After reading latest series Baghdad telegrams subsequent Ambassador Gallman's estimate of situation and consulting with Ambassador Hare, I have grave doubts wisdom proceeding with visit to Iraq. Widespread campaign against US and me personally obviously would not be possible without government acquiescence. It seems most unlikely that in present atmosphere any positive results could be achieved in discussion with government, but on contrary it seems assured that press and Communist-inspired demonstrators would have field day in anti-Americanism. Even relatively friendly officials in Foreign Office expect demonstrations which again would be taken justifiably as government-supported disturbances directed at visitor from nation with which Iraq presumably maintains good relations. Such activity could even endanger lives and property of American citizens, particularly since there are no assurances government capable controlling situation.

Another factor is that my visits to Lebanon and Jordan have received publicity far beyond that expected with considerably more beneficial results than at first seemed likely. Atmosphere for my Cairo visit is relatively good, and while it is hazardous to predict ultimate short-term and long-term effects, it now seems reasonable to expect modestly good results. To follow these three visits with one to Baghdad filled with acrimony would mitigate to large extent advantages which have somewhat unexpectedly accrued.

Source: Department of State, Central Files, 110.15–RO/12–1258. Secret; Niact. Repeated to Baghdad.

Finally, we must recognize that current anti-government activities in Iraq have by no means ended, and it is quite possible that there will be further developments along these lines in next few days. [*1 line of source text not declassified*] Situation would be immeasurably complicated if these developments should occur either just before, during, or after my presence there.

I therefore propose that Embassy Baghdad inform GOI that Department has decided in view unpropitious atmosphere brought about by widespread campaign which appears to have been condoned by government censors that I will not proceed Iraq at this time. It is earnestly hoped that visit may take place at later time in more favorable circumstances.

We had thought and continue to think that it would be to our mutual advantage to seek such opportunities to exchange views on matter of common interest.

What will be said to press presents a problem. On the one hand failure give reasons for not going can provide good opening for unfriendly propaganda. On other hand, elaboration of reasons might jeopardize to some extent at least whatever chance we may have of working out better relations with regime. On balance I believe we should simply say that situation does not appear at moment propitious for visit of general character planned. We hope that suitable opportunity will present itself in near future for visit to Iraq and other countries in area which Rountree could not visit at present time.

Department please advise urgently its reaction to foregoing and telegraph appropriate instructions to Baghdad if Department concurs.[1]

Hare

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[1] Telegram 1581 to Cairo, also sent to Baghdad as 1746, instructed Gallman to see Qassim and seek a clear understanding whether Iraq still desired Rountree to visit Baghdad. If so then Gallman should seek assurance for Rountree's personal safety and inquire what steps had been taken to curb unfriendly disturbances. If the trip was cancelled, it should be done at Iraq's request to avoid the impression of a U.S. retreat in the face of Communist threats and to diminish charges of U.S. involvement in the December 10 abortive Baghdad coup. (*Ibid.*)

In telegram 1867 from Baghdad, Gallman reported that at a dinner given by the Government of Iraq in his honor marking the end of his tour as Ambassador, Qassim had given him informal, personal assurances that he wanted Rountree to come to Baghdad and that proper security measures would be taken. Although Gallman was not satisfied with the informal nature of these assurances, he thought Rountree should come lest the Iraqi Communists claim credit for cancellation of the visit. (*Ibid.*)

149. Memorandum From Acting Secretary of State Herter to President Eisenhower

Washington, December 17, 1958.

SUBJECT

Call by Ambassador John D. Jernegan

Mr. John D. Jernegan was appointed Ambassador to Iraq on December 11, replacing Waldemar J. Gallman. He would appreciate the opportunity of paying a brief call on you before his departure for Baghdad on December 22.

The political situation in Iraq is as critical at present as that of any country in the Middle East. Since the revolution on July 14, there has been much political tension within Iraq which the Communists have exploited so successfully that they currently exercise unprecedented influence in that county and particularly on Prime Minister Qassim. Moreover, Soviet bloc diplomats are extremely active in Iraq as evidenced by a recently concluded Soviet-Iraqi arms deal.

Our relations with the new Government of Iraq have been most delicate and tenuous and we wish to do everything possible to assist Mr. Jernegan in what will be a very difficult and important mission. We believe that his effectiveness in attempting to counter Communist influence in Iraq would be enhanced if he were to call on you prior to his departure and were able to convey your personal greetings to Prime Minister Qassim. The fact that he had consulted with you would have a favorable effect upon Iraqi political leaders and might well cause them to accord added respect to Mr. Jernegan's endeavors.

I therefore recommend that you receive Mr. Jernegan between December 18 and December 22, if this is convenient to you.[1]

A biographic sketch of Mr. Jernegan is enclosed.[2]

Christian A. Herter[3]

Source: Department of State, Central Files, 711.11–EI/12–1658. Confidential. Drafted by Parker on December 12. Herter was Acting Secretary while Dulles attended NATO meetings in Paris, December 12–19.

[1] According to a note on the source text, Jernegan saw Eisenhower on December 18 at 11 a.m. No record of their discussion has been found.

[2] Attached but not printed.

[3] Printed from a copy that bears this stamped signature.

150. Telegram From the Embassy in Iraq to the Department of State

Baghdad, December 16, 1958, 8 p.m.

1887. From Rountree. I called, accompanied by Fritzlan and Symmes at noon December 16 on Prime Minister Qassim who received me in his Defense Ministry office with Foreign Minister Jomard and Finance Minister Hadid.[1] In arranging call this morning Embassy had urged appropriate security precautions be taken. It was probably in response this urging that although no demonstrations observed in Baghdad, government escort transported me to and from call in military vehicle.

Meeting was held in cordial atmosphere. After explaining purpose of my visit Baghdad and other ME capitals I said I had been encouraged include Iraq in itinerary both as result Foreign Minister's reaction to mention of the possibility in my talks with him in New York[2] and Prime Minister and Foreign Minister's reaction in extending welcome at time Ambassador Gallman discussed my coming. Normal visit of diplomatic official of one country to another between which friendly relations maintained had taken on entirely different coloration because of Iraqi press campaign and unfriendly crowds which met me yesterday. I observed result of publicity would have unfortunate effect on public opinion outside Iraq. I considered security precautions had been inadequate[3] and hoped Prime Minister would be able to carry out expression

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Source: Department of State, Central Files, 110.15–RO/12–1658. Secret; Priority. Transmitted in two sections.

[1] A more detailed memorandum of conversation of this meeting is *ibid.* John Eisenhower included an account of Rountree's discussion with the Iraqis in his synopsis of State and Intelligence material reported to the President, December 17, as follows:

"Qassim, Foreign Minister Jomard and Finance Minister Hadid received Rountree at Baghdad yesterday. Rountree made comments on his welcome to the city to which Qassim replied that they had been much aroused by the recent revelation of a plot against the government. Rountree denied all allegations of U.S. implication and emphasized that those who did not desire good relations between the U.S. and Iraq would use all devices to create suspicion. Qassim appeared unconvinced and tense but seemed sincere in desiring good relations with the U.S." (Eisenhower Library, Whitman File, Eisenhower Diaries)

[2] See Document 137.

[3] Rountree was met by an assistant protocol officer and escorted from the airport by four military vehicles with armed soldiers, two motorcycle outriders, a Foreign Office car, and two Embassy cars. Hostile crowds, including about 100 airport employees inside the airport fence, shouted anti-American slogans. Rountree's limousine flying the American flag crawled through swarms of demonstrators who pelted it with mud, rocks, eggs, and garbage and pasted "Rountree go home" stickers on it. The only major damage inflicted to the car on the trip to the Embassy was a shattered windshield. (Telegram 180 from Baghdad, December 15; Department of State, Central Files, 110.15–RO/12–1558)

of intention to maintain order he expressed to Gallman. From there, however, I went on to constructive aspects of visit and outlined in general terms situation as I saw it with respect to our relations. I sought first hand knowledge on matters of common interest as GOI saw them and would appreciate the Prime Minister's frank views.

Qassim expressed regret for yesterday's demonstrations but then stated Iraqi people had been much aroused by recent revelation of plot against government and implications some foreign power involved. Although identity of power not yet revealed, many Iraqi people believed it to be US. He reviewed at length facts affecting Iraqi public opinion and stated on many occasions Iraq wished maintain good relations with US, as with all other countries. His main theme was that Iraqi public extremely vigilant, determined maintain independence, and looked with keen suspicion upon activities of any government which would seem to impair their independence. In this connection he recited a number of allegations against activities of Americans in Iraq and in Iran which had led Iraqi public to believe US unfriendly. His main concern in this regard was alleged stirring up of trouble among Iraqi Kurds with American support in Iraq to some extent but primarily in Iran. I, of course, denied all allegations US engaged in activity against interests of Iraq and endeavored to reassure him of our friendly attitude toward government. I said US public understandably was shocked as result certain aspects methods of take-over but that with recognition of GOI we had every intention of working for good relations. I made strong point of fact those who did not desire to see good relations between USG and GOI would use every conceivable device to create suspicion and doubt. I earnestly hoped that Prime Minister fully aware of this and that he would not believe ridiculous allegations, at least without looking into their origins and discussing them frankly with us. At one point Qassim admitted that he, himself did not believe one of the charges which he had mentioned to me (that Consulate Kirkuk had been involved in demonstrations) but said simply that "Many Iraqis did believe it". He said now that Iraq was completely free, public must be permitted to express itself.

I did not gain impression that Qassim substantially reassured by my statements USG not engaged in activities inimical to regime. Indeed one of his last remarks was to effect good relations would follow automatically in view many common interests of two countries, if Iraqi public not given reasons to suppose US hostile to government. I repeated that every assurance could be given that we were not hostile but that no one could assure that unfriendly elements would not maintain that we were and develop fictitious proof of that allegation. It was thus important to build confidence.

At end of conversation I said that there had been considerable adverse reaction to my visit as though it had been imposed upon the

government of Iraq and I hoped that the Prime Minister considered it appropriate to make it clear that my visit had been welcomed. While he did not respond directly to this, he did state that he could assure me that there would be "no trouble" attendant to my departure. Throughout conversation Qassim seemed tense. If he felt any sense of shame over hostile reception, he was successful in concealing it. Throughout conversation we were both frank and I believe Qassim appreciated my efforts to be cordial, sympathetic and frank at the same time. I am confident he was sincere in making his oft repeated assertions that he wants friendly relations with US. What constructive measures he might take in this regard did not emerge.

Fritzlan

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151. Memorandum of Discussion at the 391st Meeting of the National Security Council

Washington, December 18, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2.]

3. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters.]

Mr. Dulles reported that the situation in Iraq was uncertain. It was questionable whether Kassem, who is in the hands of the Communist mob, can retain power. The Army commanders are uneasy and a nationalist coup is not impossible. Thus far Kassem has not been able to establish a strong government or end Iraq's economic difficulties. His talks with Rountree have been cool.

Secretary Herter said that Kassem was still reserved and suspicious; he was not apologetic for the bad reception of Rountree. He appears to believe the U.S. was behind the latest plot against him. The President said it might be good policy to help the UAR take over in Iraq. Nasser does not want to be dominated by the Kremlin. We should be

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs.

apprehensive of Communist control of Iraq. Secretary Herter observed that a Communist Iraq, working through Syria, might bring about the breakup of the UAR. Nasser probably had this in mind when he told Rountree that the U.S. and the UAR had a common intent in Iraq. The President felt that we might be able to work closely with the UAR if it were not for the Israeli problem.

Mr. Quarles thought the critical question was, what should your policy in Iraq be? At one time we had seemed to favor Kassem; were we now changing our appraisal of him and leaning to other personalities? Mr. Dulles said there were no important civil political figures in Iraq. If Kassem were replaced, some division commander in the Iraq Army would probably be the replacement. We had felt that Kassem was preferable to Col. Orif [*Arif*], who was not controllable.

The President said that since the Kremlin was our principal enemy, he would propose cooperating with Nasser if we think he is restive at the prospect of Kremlin domination. Mr. Dulles thought Nasser might work with us in Iraq, but elsewhere, e.g., Africa, he is adopting the Communist Party line. Secretary Herter believed Nasser would work with us in Iran [*Iraq*]. He added that one school of thought believed Kassem was not a Communist but a leader who feels he can control both the left and the right.

Mr. Gray recalled that our policy toward Iraq as stated in the Near East paper assumed that the Government of Iraq was one we could support. Perhaps the Planning Board should review the Iraq portion of the paper.

[Here follows discussion of an unrelated matter.]

The National Security Council:[1]

a. Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to the Soviet request for Deputy Premier Mikoyan to visit the United States, and the situations in Cuba, Communist China and Iraq.

b. Agreed that the NSC Planning Board should review the existing policy on Iraq, contained in NSC 5820/1.[2]

[Here follow agenda items 4–6.]

Marion W. Boggs

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[1] Paragraphs a and b constitute NSC Action No. 2021, approved by the President on December 24. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[2] Document 51.

152. Telegram From the Embassy in Iraq to the Department of State

Baghdad, December 22, 1958, 2 p.m.

1921. Rome for Jernegan. Deptel 1605.[1] I called on Prime Minister Qassim this morning in order to attempt to clear his mind of any suspicion US either officially or privately working against him.

I opened conversation by referring to statements he made to Rountree on this subject (Embtel 1885)[2] and stated Prime Minister had appeared to be particularly concerned about reports of American activity along Iraq–Iran border and among Kurds. I recalled that Rountree had emphatically denied US working in any way against present Government of Iraq and that he had said there were elements in Iraq who would resort to every conceivable device to create trouble between US and Iraq. I went on to say that Prime Minister's conversation with Rountree had been fully reported to USG and that complete and thorough investigation had been made of reports of alleged US activity against Iraqi Government. I said I was now in a position to state categorically that there never had been and are not now any activities within or outside Iraq being conducted by any American, official or private, against the GOI.

Prime Minister said he was glad to hear this and wanted US–Iraqi relations to become increasingly strong and he would work to that end. We could be confident he would be on his guard against any elements desiring to make trouble between our two countries. He said perhaps some activities he had in mind had been undertaken by "private American groups" but in any event now that we had renewed assurances on subject he was confident any activity which had been carried on against his government would cease.

I returned to charge and said USG had thoroughly investigated reports and was completely satisfied no such activities had been carried out or are now in process. With that Qassim dropped matter and made further general remarks about his wish to consolidate relations with Iraq's old friends and particularly US.

Fritzlan

Source: Department of State, Central Files, 611.87/12–2258. Top Secret; Limit Distribution. Repeated to Rome. Jernegan was en route to Iraq.

[1] In telegram 1605, December 16, the Department informed Rountree that it had made a thorough check [*text not declassified*] in Washington and had been assured that "no activities inimical Qassim regime have been or are being undertaken at the direction of any American, official or private." (*Ibid.*, 611.87/12–1658)

[2] Presumably the reference is to Document 150. Telegram 1885 from Baghdad, December 16, does not contain an account of Rountree's discussion with Qassim. (Department of State, Central Files, 787.56/12–1658)

153. Draft Briefing Paper Prepared for the National Security Council

Washington, December 19, 1958.

U.S. POLICY TOWARD IRAQ (NSC 5820/1)[1]

I. Major Factors in the Situation

A. Available intelligence indicates the Kassem regime in Iraq may be (1) in danger of falling under early Communist domination or (2) that an effort may be made to take over control through possible action by Army elements having a possible pro-UAR orientation. Either development would have serious implications for U.S. policy toward Iraq and toward the Near East generally as stated in NSC 5820/1.

B. If the Communists succeed in taking over, such a development would negate (1) one of our two primary objectives—"denial of the area to Soviet domination" (Para. 5–a) and (2) two of our secondary objectives—"promotion of stable governments, popularly supported and resistant to Communist influence and subversion" and "the countering and reduction of Communist influence" in the area. (Para. 6–c and e)

C. It is, therefore, appropriate to ask whether the situation is moving beyond that envisaged in Para. 39–a, c and d wherein we envisaged a normalization of relations with the Iraqi Government established by the July 14 coup?

II. Possible Policy Questions

A. Should the U.S. seek an area of mutual accommodation with Nasser regarding Iraq as authorized by Para. 36–b? If this were done, the inconsistencies with Para. 36–c relating to taking discreet advantage of trends in the area which might render less likely further expansion of Nasser's position should be recognized. Has the situation in Iraq reached the point where this should be discussed with Nasser? If so, how could U.S.-UAR influence best be brought to bear in the present situation? Are there military or political leaders available in Iraq who could work with the U.S. and UAR in such a situation? What degree of UAR-Iraqi cooperation would ultimately be envisaged? Would the ultimate results of such U.S.-UAR cooperation be favorable to long-term U.S. interests in the Near East?

Source: Department of State, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action No. 2068. Top Secret. Boggs transmitted this paper to the Planning Board under cover of a memorandum to the Board, December 19. Prepared by the NSC Staff and discussed and revised at the NSC Planning Board meeting of December 19.

[1] Document 51.

B. Is there an identifiable source of strength in Iraq which is not pro-UAR and not pro-Communist with which the U.S. could work? What are the chances that military elements and others such as the non-Communist nationalists, landowners and merchants might be able to band together to control the situation in Iraq's national interest, as opposed to seeing the country delivered either to the Communists or to Nasser?

C. Having moved to crush the pro-Nasser elements, is it possible that Kassem may now turn on the Communists? If so, what elements can he look to for support, short of the UAR?

D. If it is not feasible to work with Nasser or with non-Communist elements in Iraq, should we as a last *resort* consider other moves, [*1 line of source text not declassified*]? What role should the U.S. and UK play in such a case? What are the dangers of active Soviet involvement?

III. Subsidiary Questions

A. Given sufficient time, what should our attitude be toward extension of technical assistance and military aid to Iraq? (Para. 39–a and c) Have events shown that the presence of U.S. technicians only incites trouble and is such aid more likely to accelerate a Communist take-over? Should we, nevertheless, continue such aid "in a low key" pending developments rather than precipitate possible unfavorable repercussions through abrupt termination?

B. How should we respond to any future request for military grant aid or for the purchase of military equipment? (We are currently processing pre-coup purchase requests for approximately $750,000 worth of spare parts and a recent request to purchase 200 mine detectors. Delivery action has been suspended on approximately nine million dollars worth of previously programmed military grant aid.) Could such aid be used to obtain a favorable orientation by Army leaders?

C. Should our policy toward Iraq's membership in the Baghdad Pact (Para. 39–b) (1) remain unchanged; (2) should we now do what we can to actively encourage Iraq's withdrawal from the Pact; or, (3) should we encourage Iraq to resume active exercise of its membership?

154. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to Acting Secretary of State Dillon

Washington, December 22, 1958.

SUBJECT

NSC Consideration of United States Policy Toward Iraq

Discussion of this subject at the December 23 meeting[1] will be directed toward the question of whether the situation in Iraq is moving beyond that envisaged in paragraph 39 of our current policy paper (NSC 5820/1).[2] The information currently available to us indicates that the growth of Communist influence in the Qassim government has been of such rapidity and extensiveness as to cause serious alarm both to non-Communist nationalists in Iraq and to the United Arab Republic. Apart from the formal question of whether or not the language of paragraph 39 as it now stands is sufficiently comprehensive and flexible or should be amended to reflect more explicitly the developing situation in Iraq, there are also substantive questions of the first magnitude to be explored in the immediate future. The basic question is whether the situation in Iraq, both in itself and in its possible implications for the Near East as a whole, is such as to make it advisable to seek an area of mutual accommodation with Nasser regarding Iraq. Related questions are (1) whether there are elements in Iraq which are neither pro-Communist nor pro-United Arab Republic with which the United States could work; (2) whether it is still possible that Qassim may turn on the Communists, and [*2-1/2 lines of source text not declassified*].

The Prospect in Iraq

It is the Department's view, on the basis of the admittedly incomplete information now at our disposal, that the Communists in Iraq with Soviet advice and assistance have reached a serious position of strength. Qassim, however, has shown no inclination to move against the Communists. His open reliance upon Communist support strongly suggests either (1) that he is the dupe or willing tool of the Communists or (2) that he is fearful that he will be forced to share or ultimately relinquish power if he calls upon the army and/or other nationalist

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Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5820 Memoranda. Top Secret. Drafted by Lakeland.

[1] See Document 155.

[2] Document 51.

elements for help in suppressing the Communists. Qassim appears also to be convinced that the United States is working against him with the Kurds, primarily through Iran. Furthermore, his knowledge that the United Arab Republic has been intriguing against him has probably so embittered him toward the United Arab Republic that he may be unwilling to move against the Communists as long as they continue to maintain their anti-UAR line. In short, even assuming he is not a Communist or dupe of the Communists, we see little prospect of Qassim's moving effectively to stem the growth of Communist strength.

Given Qassim's apparent willingness to lend his prestige as a nationalist hero to the Communist game in Iraq, any opposition elements which might be tempted to seek Western support or assistance would immediately be discredited as "imperialist agents." Under the circumstances and despite the apparent defeat of Abd-al-Salaam Arif and the Ba'thist proponents of immediate union with the United Arab Republic, Nasser is the only acceptable source of outside support left to Iraqi Nationalist elements who may wish to move against the present regime. Even his capabilities in Iraq appear circumscribed, however, and the recent discovery by Qassim of a plot in which the United Arab Republic obviously has a hand will clearly make any future attempts at a counter-coup more difficult. If Nasser were to exert a decisive influence on events in Iraq, it would point up the divergence of purpose between Communism and Arab nationalism.

Any intervention by Turkey, Iran, or even Jordan would be resented and opposed by a majority of the Iraqi people and would be viewed as Western-instigated aggression. Even if it did not provoke Soviet counter-action, such a move could bring no more than a short-lived check to the course of events in Iraq and would probably have the long-range effect of strengthening Communism in the Arab world and permanently alienating Arab nationalist sentiment from the West. Any move to intervene forcibly in Iraq would, moreover, be bound to provoke sharp condemnation by the UN.

Implications of a pro-Nasser Coup in Iraq

The implications of a successful coup against Qassim's government in Iraq would, of course, depend to a considerable extent on the degree of influence which Nasser was able to exert on the successor regime. We consider it inevitable that any such regime will be more pro-UAR than the present one. On the other hand, there is little reason to believe that the Iraqis would throw themselves into Nasser's arms completely as the Syrians did. One possible result would be a loose federal tie, perhaps on the model of the United Arab Republic [*States*] (UAR plus Yemen). Another distinct possibility is that nothing more than close cooperation and alignment of policy without any formal tie would ensue.

The principal Western interest in Iraq (apart from denying the area to the USSR) is oil. Enhanced influence in Iraq would probably enable Nasser to obtain the diversion of some Iraqi oil revenue to development outside the country, but he would not be likely to press for measures which would result in cutting off the income from oil. Gaining a position of increased influence in Iraq, would, however, enhance Nasser's prospects of squeezing development capital out of Kuwait and the Gulf shaikhdoms and would bring added pressure on Saudi Arabia. (The British are particularly worried by this danger, although there are those including some Britishers who maintain that only through the establishment of at least a loose UAR hegemony is there any hope of achieving a more rational use of oil revenues in the area.) Against this likelihood must be weighed the longer-range implications of the possibility of the achievement by political subversion of the long-cherished Soviet goal of domination of the Persian Gulf area if Communist influence in Iraq is not arrested.

The Outlook for and Probable Consequences of Cooperation with Nasser in Iraq

There has been mounting evidence that Nasser's concern over the trend of events in Iraq is leading him to seek an understanding with us that would enable him to risk a confrontation with the Soviets in the issue of communism versus Arab nationalism. Nasser's recent conversation with Assistant Secretary Rountree had all the earmarks of a scarcely-veiled invitation to collaborate on Iraq.[3] He is currently purchasing PL 480 wheat from us and has just concluded a contract with Caltex for the supply of all of Egypt's petroleum imports during the coming year. The UAR and pro-Nasser press have begun to write openly of the dangers of communism for the Arab world. There is clearly an awareness on Nasser's part of a shift in Soviet policy toward the Near East—a decision to pursue Soviet ends through other means than working with Nasser. It is evident that the ground has been laid for exploration of the possibilities with Nasser if we wish to take that step.

In considering the feasibility and desirability of seeking an accommodation with Nasser on Iraq, we must not lose sight of the fact that there are a great many difficulties inherent in such a course—e.g., public attitudes in this country; reactions of allied and friendly governments; unresolved problems such as the Palestine issue, the future of Jordan and the role of Lebanon; US-UAR differences in Africa, etc. It is not possible either for us or for Nasser to tackle the whole range of problems at once in order to clear the way for an understanding on Iraq. Any accommodation regarding Iraq would, therefore, have to be in the nature of a

[3] Telegram 1797 from Cairo, December 15, reported on Rountree's and Nasser's conversation on the night of December 14. For text, see vol. XIII, pp. 505–509.

limited experiment, the success or failure of which would probably have a profound effect upon the future course of our relations with Nasser and our relationship with the phenomenon known as Arab Nationalism.

Recommended Position

It is recommended that you take a position along the following lines at the NSC meeting of December 23:

1. The questions which have been put to the NSC are of extreme gravity and bear, of course, most directly upon the implementation of the new policy toward the area. We believe they should certainly be the key considerations in our continuing close observations of the Iraq situation and of actions which it may be possible for the United States to take.

2. We believe this is a period which requires a maximum degree of flexibility to explore the situation in Iraq with other interested parties, including the United Arab Republic. Nasser is undoubtedly worried about the situation, and while our general reservations concerning any direct relationship with him on such a problem remain, we believe we should, without making any commitments, explore his views and those of his immediate entourage on the Iraqi situation. In view of Nasser's obvious concern over the domestic Communist activities in Iraq, we believe discussions of the matter with him to be thoroughly consistent with our objective of denying the area to Soviet domination. We would prefer to reserve for the present any recommendations on whether action by Nasser or in concert with him should be encouraged.

3. We hope to explore the Iraq situation on an urgent basis with the Secretary upon his return. We will also wish to keep in touch with the UK, with Hussein in Jordan, with the Turks and Iranians and the Saudi Arabs.

4. The impression of the Department is that the situation in Iraq at the moment is one of extreme delicacy in which the die has not been cast definitely in any single direction. At such a period, we believe the utmost of caution should be exercised in suggesting any moves by outside powers, by the West and the Western-oriented nations in the area as well as by the UAR.

5. We are keeping constantly under consideration such matters as our existing and future technical assistance to Iraq and Iraq's likely future under the Baghdad Pact. For the present, we believe any abrupt change in our present direction would not be helpful to our position in Iraq.

155. Memorandum of Discussion at the 392d Meeting of the National Security Council

Washington, December 23, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–4.]

5. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters.]

Turning to the Middle East, Mr. Dulles reported that Kassem was increasingly dependent on the local Communists, even though other Iraqi officials assert that strong measures against the Communists are imminent. The Army commanders in the south may move against Kassem if he permits the Communists to acquire greater power.

[Here follows discussion of unrelated matters.]

6. *U.S. Policy Toward Iraq* (NSC 5820/1, par. 39;[1] NSC Action No. 2021–b[2])

Mr. Gray briefed the Council on this subject. (A copy of Mr. Gray's Briefing Note is filed in the Minutes of the Meeting and another copy is attached to this Memorandum).[3] At the conclusion of his briefing, Mr. Gray called on Secretary Herter for an oral report by the Department of State on the situation in Iraq. Secretary Herter said that Mr. William Rountree, Assistant Secretary of State for Near Eastern Affairs, who had just returned from a trip to Iraq and the Near East, would give the report.

Mr. Rountree said that, preparatory to his trip to the Near East, he had made two trips to New York for talks with Iraqi and UAR officials to determine their views on his proposed trip, which they welcomed. The trip was actually a routine one but was highly publicized over the Soviet radio, and in Iraq, where the Iraqi Communist Party issued pamphlets charging a plot. Mr. Rountree found the atmosphere in Lebanon good, possibly because Lebanon had just been given $10 million in aid. His talks with Lebanese officials were frank and friendly and the Eisenhower Doctrine was not mentioned. There appeared to be some sense of relief that we were not trying to sell a new policy of open alignment with the West. Progress is being made in Lebanon, Mr. Rountree believed. The behavior of the U.S. forces in Lebanon had made a great impression.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs.

[1] Document 51.

[2] See footnote 1, Document 151.

[3] Attached but not printed.

From Lebanon Mr. Rountree had journeyed to Jordan. He had been very much impressed with the Prime Minister and found the King and the Prime Minister deeply troubled about the future of Jordan. Jordan may take unwise action in associating with neighbor states. [*3 lines of source text not declassified*] Jordan is burdened with heavy military expenditures, [*2 lines of source text not declassified*]. Communist propaganda at this time was directed against a Kassem–Nasser rapprochement and against a Kassem–U.S. rapprochement. The build-up of propaganda against him (Mr. Rountree) as a plotter reached new heights just before he entered the country and cast considerable doubt on the wisdom of his going on to Iraq. The safety of U.S. citizens in Iraq is precarious.

In Cairo, talks with officials were critical but friendly. Cairo is worried about Communism in Iraq and Syria. While there has been public recognition in the press of the dangers of Communism, this is the first time there had been apparent official recognition of it. Mr. Rountree had taken the line that the U.S. wanted to establish confidence and good relations with the UAR. The Caltex and Shell Oil agreements were also discussed. There is an indication that Cairo is at last prepared to do something about Communism in the UAR. There is a conflict of interest in Iraq between the UAR and the Soviet Union.

In Iraq, Mr. Rountree had received a violent reception and the army had to take over. Outside the entrance to the airport demonstrators plastered his car and there were crowds of demonstrators all along the road. These demonstrations were violent; not the work of schoolboys. The Embassy is well-guarded, however. After the first demonstrations, there was no more trouble. The meeting with Kassem was ruined by a previous meeting of the Soviet Ambassador with Kassem. Mr. Rountree found the building filled with machine guns, all pointed in his direction. Kassem was tense and worried and apologized for Mr. Rountree's reception. He attributed it to the Iraqis' belief that the U.S. was plotting against Iraqi interests. Kassem believed some stories against the U.S. but not all of them. He was particularly concerned about a U.S. plot with the Kurds and despite all protests by Mr. Rountree, continued to believe there is such a plot. Three battalions were assigned to police Mr. Rountree's departure and there was no trouble. Mr. Rountree believed the Communists over-extended themselves in these demonstrations and had created concern in Iraq over Communist activities. Mr. Rountree in his talks with cabinet officials had found them gloomy but aware of the Communist problem. However, Kassem must accept some Communist support or stand alone against Nasser. The Communists were worried about the reaction of the Near East to these demonstrations. The Arabs are becoming aroused to the real danger, i.e., to the fact that it is not colonialism but Communism.

The President thanked Mr. Rountree for a good account of the situation in Iraq and thought the trip must have been an exciting one. He said that when he was at SHAPE, demonstrations had been threatened against him while he was in Rome and Paris but military protection had been too good.

The Vice President said he had been impressed by Mr. Rountree's account of the behavior of U.S. troops in Lebanon and thought a fine story could and should be written about this, in *Readers' Digest* or *The Saturday Evening Post* perhaps.

Mr. Gray said that in view of the lateness of the hour, he would like to invite Mr. Rountree to a subsequent Planning Board Meeting, where the situation could be further discussed in connection with the Planning Board's review of U.S. policy toward Iraq.

The National Security Council:[4]

a. Noted and discussed an oral report by the Department of State on recent developments in the Near East with particular reference to the situation in Iraq.

b. Noted that the NSC Planning Board would consult with Assistant Secretary of State Rountree in its review of existing policy on Iraq, pursuant to Council action at its last meeting.

[Here follows agenda item 7.]

Marion W. Boggs

[4] Paragraphs a and b constitute NSC Action No. 2030, approved by the President on December 30. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

156. Editorial Note

On December 23 at 11:10 a.m., President Eisenhower met with Vice President Nixon, Acting Secretary Herter, and Assistant Secretary Rountree. Rountree briefed the President on his discussions with Nasser in Cairo, especially Nasser's concern over Communist influence with Qassim and Nasser's belief that the United States and the United Arab Republic could cooperate in curbing Communist influence in Iraq. Rountree suggested sending Nasser a message recounting Rountree's visit to Iraq and indicating that the question of cooperation in Iraq had been raised with the President in an "off-the-record" meeting. A message along these lines was sent to Cairo as telegram 1858, December 23. (Department of State, Central Files, 611.86B/12–1558) John Eisenhower's account of this meeting is printed in volume XIII, pages 509–511.

157. Memorandum of Discussion at the 393d Meeting of the National Security Council

Washington, January 15, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda item 1.]

2. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of an unrelated matter.]

Turning to the situation in Iraq, Mr. Allen Dulles pointed out that a new conspiracy might be underway there to overthrow Qasim and his pro-Communist supporters. This conspiracy was probably influenced by Nasser [*4 lines of source text not declassified*]. Mr. Dulles said that we are inclined rather to doubt the possibility that this coup would actually be carried out. Meanwhile, however, some cabinet members have expressed concern about Qasim's heavy reliance on Communist support. [*3-1/2 lines of source text not declassified*] however, had been lifted somewhat by Qasim's speech on January 14 which warned pro-Communist elements in Iraq to curb their actions.

Secretary Dulles confirmed that the most recent U.K. estimates on developments in Iraq were somewhat less pessimistic.[1]

Secretary Dulles then indicated that President Nasser was continuing to round up leading Communists and pro-Communists within the borders of the United Arab Republic. Nasser seemed confident that he could carry out these moves because even though the Communists had been curbed in the UAR, the Soviet Union had proceeded to sign the agreement with the UAR on the building of the Aswan high dam. Nevertheless, the most aggressive anti-Communist steps that Nasser had taken had been taken since the signature of this agreement. Mr. Dulles promised later to brief the Council in detail on the whole picture on developments respecting the Aswan high dam.

Secretary Anderson noted that back in October of this [*last*] year Erhard had discussed with him a proposal by the Japanese to join the West Germans in putting up money to start the Aswan high dam. Anderson had told Erhard in answer to a question that we ourselves had carefully studied the costs of building the Aswan high dam and that the total outlay was very high indeed. Erhard doubted that his government would participate at all in a project for building the Aswan high dam and would certainly not agree to do so with the Japanese.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on January 16.

[1] Reported in telegram 3618 from London, January 13. (Department of State, Central Files, 787.00/1– 1359)

Secretary Dulles said that he wished to comment on Mr. Allen Dulles's statements about Iraq. He said that he was aware of Mr. Gray's concern about the situation in that country, a concern which all of us of course shared. The situation in Iraq, he said, was very complicated indeed. In the early stages the U.K. had actually warned Prime Minister Qasim of a plot against him under the influence of Nasser. This U.K. move did not ingratiate the British with Nasser. We had had the same information about the plot that the British had but we did not pass this information to Iraq. Consequently, we stand at the moment in a better position than the U.K. in Nasser's eyes. Nevertheless, at the moment we felt that it is essential to keep our hands off Iraq. We were simply not sufficiently sophisticated to mix into this complicated situation as yet but we were watching the situation almost daily [*1 line of source text not declassified*]. Secretary Dulles added that he did not think that any NSC action was called for at present or that there was any need to review existing U.S. policy on Iraq as of now. Nevertheless, he felt that the NSC should know of the complications of the situation in Iraq and should be aware that we are following the situation very closely. Obviously the potentialities would be extremely serious if the Communists did secure control over Iraq especially as regards the position of Iran.

Mr. Gray pointed out that the NSC Planning Board, in its concern about Iraq, merely wanted to be sure that if events moved very quickly in that country, we would not prevent Nasser from moving promptly to counter Communist gains. Secretary Dulles added that certainly Nasser was the lesser of two evils from the point of view of the U.S.

The President said that we should presently have to decide just how far we wanted to play along with Nasser. Secretary Dulles replied that after all we had moved considerably of late in the direction of playing with Nasser. While relations had thus improved between the U.S. and the UAR, we could not of course give carte blanche approval to everything that Nasser does and everything that he wanted. The President agreed but expressed anxiety about a Kurdish uprising and a Communist move thereafter to take over control of Iraq. If this were to occur, the result would be to outflank both Iran and Turkey and to provide the Soviets with their long-desired land bridge to the Middle East.

Secretary Dulles pointed out that after the fall of the government of Nuri Said, the U.S. had relatively few remaining assets in Iraq, [*less than 1 line of source text not declassified*]. The President answered that the chief question was what we could do to support Nasser vis-à-vis developments in Iraq. He said he would welcome any ideas from any source on this subject. Secretary Dulles contended that at the moment there was nothing much we could do but that we must carefully avoid appearing to meddle in the situation in Iraq, an action which was sure to be counter-productive at this stage. The President replied that what he had

meant was what encouragement or what money we might be able to give Nasser back in Cairo and not intervention by ourselves in Iraq.

Mr. Allen Dulles pointed out that President Nasser was a kind of conspiratorial fellow. Accordingly, it might be useful to send a lower level envoy to talk over matters with him frankly. The President concluded the discussion by stating his view that this seemed to be a case of whether we decided to support a baby-faced Dillinger or an Al Capone. Certainly, said the President, he could not think of anything concrete that sounded useful at the moment.

The National Security Council:[2]

a. Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to recent developments in Cambodia, Laos and Iraq, and the continuing anti-Communist measures by Nasser in the United Arab Republic.

b. Discussed the implications for U.S. Policy Toward the Near East (NSC 5820/1)[3] of increasing Communist influence in the Iraqi Government; and agreed that all responsible departments and agencies should explore all feasible measures, including possible actions under paragraph 36 [39] of NSC 5820/1, to prevent Communist control of Iraq.

Note: The action in b above, as approved by the President, subsequently circulated to all holders of NSC 5820/1 for information and guidance.

[Here follow agenda items 3–5.]

S. Everett Gleason

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[2] Paragraphs a and b and the Note that follows constitute NSC Action No. 2033, approved by the President on January 19. (*Ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[3] Document 51.

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158. Editorial Note

At the 395th Meeting of the National Security Council, January 29, Director of Central Intelligence Allen Dulles briefed the Council on "Significant World Developments Affecting U.S. Security." Dulles' briefing included the following information and comment by Secretary Dulles:

"Turning to the Middle East, Mr. Dulles stated that the Iraqi Prime Minister had asked the United Kingdom for a very substantial quantity

of modern armaments—aircraft, tanks, anti-aircraft artillery, and howitzers. The U.K. authorities were not sure that this request was serious and if it were how they should respond to it. They might well ask our advice and may expect us to pay the bill.

"At this point Secretary Dulles interrupted to point out that there was an organized campaign from Israel in this country whose object was to check any rapprochement between Nasser and the U.S. Apparently supporters of this campaign would rather see Iraq taken over by the Communists than controlled by Nasser." (Memorandum of discussion by Gleason, January 29; Eisenhower Library, Whitman File, NSC Records)

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159. Memorandum From the Director of the Office of Near Eastern Affairs (Rockwell) to the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree)

Washington, February 9, 1959.

SUBJECT

Iraqi Cabinet Reorganization

Observations

1. *Nationalist Defeat.* The six Ministers who resigned were either nationalists or independents.[1] They were all anti-Communist. For several months they have been wanting to resign. One month ago they took new courage, however, when they got Qassim to issue the decree curbing the PRF.[2] This brief rejuvenation of spirits terminated abruptly last week, possibly when the Cabinet became aware of a "vast" Soviet technical aid program, the details of which have still not been made public. The six Ministers undoubtedly opposed the deal with the Soviets.

Source: Department of State, Central Files, 787.13/2–959. Confidential. Drafted by Meyer and Lakeland.

[1] The six ministers who submitted their resignations on February 7 were Foreign Minister Jomard, Communications Minister Ali Baba Ali, Social Affairs Minister Naji Talib, Health Minister Mahmoud, Guidance Minister Shanshal, and Minister of State Rikabi. (Telegram 2267 from Baghdad, February 7; *ibid.*, 787.00/2–759)

[2] On January 14, Qassim officially assigned maintenance of security, order, and safety to the army and security forces and specifically restricted the activities of the Popular Resistance Force and student unions in these areas. The PRF had been a principal political weapon of the Communist Party of Iraq and Communist influence was dominant in Iraq's student union. (Principal Officer's Daily Summary, PODST 44; *ibid.*, 700.00–CSM/1–1559)

2. *Chaderchi's Key Role.* The six Ministers probably hoped that their resignation "en masse" would produce a "show-down" and in some way force Qassim to alter Iraq's pro-Soviet policy. They even may have hoped the Qassim Government would fall. Had the National Democratic Party, headed by Kamel Chaderchi, joined the nationalist revolt, Qassim would have been left with scarcely any civilian support and he might have been in real trouble. Chaderchi after discussions with Qassim continued his support of Qassim. NDP Ministers, including Mohammed Hadid, remained in the Cabinet and the new civilian members of the Cabinet are political friends of Chaderchi. The NDP is not Communist but until the present it has seen little harm in collaborating with the Communists.

3. *New Ministers.* As with Qassim's first Cabinet, little is known about the new individuals. Some impressions:

a. *Hashim Jawad,* new Foreign Minister, is a former ILO veteran. His recall by Nuri as Iraq's UN representative in 1957 for supporting Soviet-backed Syria against Turkey was followed by his being named UN representative by Qassim last July. He left UN after UNGA last fall a very unhappy man. Apparently, he had differences with Foreign Minister Jomard. He also was very bitter against the United States, charging that the UN was completely dominated by the U.S. He has recently drawn closer to Chaderchi. He will be more influential and aggressive than was Jomard.

b. *Hussein Jamil,* new Guidance Minister, was formerly a nationalist but more recently has been aligned with Chaderchi and the NDP. He served for several years as President of the Baghdad Lawyers Association which usually follows the Commie line.

c. *Talaat Sheibani,* Development Minister, is probably a bad actor from our standpoint. He reportedly went to college in California and apparently is one of those foreign students who turned very sour in our country. He is young, left here only three years ago or so. It is interesting that he holds the Development portfolio. Thus he and Ibrahim Kubba, the [*less than 1 line of source text not declassified*] Economics Minister still in the Cabinet, are in a position to swing more economic and technical aid deals to the Soviets.

d. *Hussein Talabani,* new Public Works Minister, is a Baghdad Law College graduate of about 15 years ago. He is a Kurd and obviously the replacement for disgruntled Baba Ali.

e. *Military Members.* The new military officer Ministers are for the most part unknown quantities, although Adnan Pachachi has indicated Abdul Wahhab Amin is pro-Communist.

Highly Tentative Conclusions

1. *Unfavorable Turn.* The Iraqi Cabinet reshuffle is a serious development. Strongly anti-Communist Ministers have been eliminated and the way seems cleared for further increases of Communist influence in Iraq.

2. *Possible Restraints.* Hopes for restraining the Communist trend in Iraq have received a serious set-back. Any resistance to increasing Communist influence would probably have to come from:

a. *Nationalists.* Even though last week's "show-down" failed, it can be assumed that Iraqi nationalist elements will be seeking an opportunity to precipitate the downfall of the Qassim Government. Shanshal, Jomard, Rikabi and Samaraii (who probably will lose his job as Ambassador in Cairo) will undoubtedly try to organize an opposition movement, based largely on the Istiqlal and Baathist parties. They can be expected to submerge their differences re Iraq's relations with the UAR. Their task is now more difficult than ever.

b. *The Army.* It is still believed that a majority of senior army officers are anti-Communist nationalists. Some of them certainly would be willing to collaborate with civilian nationalists to remove Qassim, although thus far they have not come forward.

c. *National Democratic Party.* While liberal, socialistic and extremely naive vis-à-vis Communism, the NDP as the only remaining civilian faction represented in the Cabinet may exercise some restraint on the Communists. There has been some indication recently that Finance Minister Hadid (a capitalist himself) and other NDP members have had some doubts about Iraq's increasingly close relationship with the Soviet Bloc and they may find it expedient to be responsive to the anti-Communist sentiments, not only of their chief rivals, the nationalists, who will now be in open opposition, but also of much of Iraq's populace.

d. *Qassim himself.* It is still not proven that Qassim is pro-Communist. His close advisors, however, have been and Qassim appears to be captive to them. These include Abdul Qadir Ismail who may well be the Khalid Bagdash of Iraq.

3. *UAR Attitude.* The Iraqi Cabinet change was also a serious blow to Nasser in that his friends, the nationalists, were defeated and Arab Communists, increasingly identified as his enemies, have succeeded. Thus it is entirely likely that the UAR may more aggressively intervene in Iraq against the Qassim regime: a) by propaganda attacks, and b) by material subversive assistance to the nationalists.

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160. Editorial Note

At the 396th Meeting of the National Security Council on February 12, Director of Central Intelligence Allen Dulles briefed the Council on "Significant Developments Affecting U.S. Security." Included in that report was the following assessment of the new cabinet in Iraq:

"Turning to the situation in Iraq, Mr. Dulles said that the recent changes in the make-up of the Cabinet in that country had not come as a

surprise despite the selection of ten new Cabinet ministers. There were, he said, differing views as to the significance of the change among ourselves, between ourselves and the British, and perhaps even between the intelligence community and the U.S. Ambassador in Iraq. Was this or was it not a move in the direction of the Left or in the direction of Communist control of Iraq? There were in any case many Iraqis who feel that the point has now been reached when they must make a choice between Nasserism and Communism. On the other hand, as individuals the new ministers themselves were not so bad. In the intelligence community, however, we do think that the trend represented by these Cabinet changes was slightly in the Communist direction. As for Nasser, he did not really seem to know what to do about what was happening in Iraq." (Eisenhower Library, Whitman File, NSC Records)

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161. Special National Intelligence Estimate

SNIE 36.2–59 Washington, February 17, 1959.

THE COMMUNIST THREAT TO IRAQ

The Problem

To estimate prospective developments in Iraq over the next few months and their implications for Western interests in the Middle East.

Conclusions

1. Iraq is the scene of a determined and so far effective Communist drive toward power. Prime Minister Kassim may be a Communist, though we think it more likely that he is an Iraqi nationalist who believes he needs Communist support to protect himself against the designs of the UAR and the Western Powers. Whatever his desires, we doubt his ability to stem the movement toward a Communist takeover of his regime, and we believe that his area for maneuver is shrinking rapidly. (Paras. 6–11)

Source: Department of State, OCB Files: Lot 61 D 385, Iraq Documents. Secret. A note on the cover sheet indicates that this special estimate, submitted by the CIA, was prepared by the CIA, INR, the intelligence organizations of the Army, the Navy, the Air Force, the Joint Staff, and the Director of the National Security Agency. All members of the USIB concurred with this estimate on February 17 except the representatives of the AEC and FBI and the Assistant to the Secretary of Defense for Special Operations, who abstained on the grounds that the subject was outside their jurisdiction.

2. Many politically conscious Iraqis are beginning to see that Kassim's policy of co-operation with the Communists involves threats to Iraqi independence and to their own interests. Only the army has the capability for effective action against the Kassim regime. However, potential opposition—both civilian and military—to the present trend is unorganized, leaderless, and unlikely to take action unless given stimulus by Nasser, who wields considerable influence as the symbol of Arab nationalism. (Paras. 11–13, 16)

3. We believe that Nasser will seek by all means at his disposal to bring about a counterrevolutionary move in Iraq, even if it involves serious risk of damaging his relations with the Soviets, and that he will be prepared to accept at least provisionally an independent Iraqi nationalist regime. (Paras. 17–18)

4. We do not believe that the Soviets, at present, consider their interests or prestige so heavily involved in the Iraqi situation that they would accept the risks and disadvantages involved in any overt intervention to block a nationalist counterrevolution against Kassim. If they saw such a move coming, however, they would be likely to step up their efforts and their timetable. If as time goes on, growing Communist power in Iraq should involve heavier Soviet commitments to the Iraqi regime, the Bloc would become increasingly disposed to accept the risks of responding to requests for assistance in maintaining a pro-Communist regime in power. (Para. 27)

5. Communist initiatives in Iraq, whether or not they succeed in consolidating control there, are likely to increase Arab suspicions of the Soviets and might bring about a more genuine neutrality. A successful counterrevolutionary move, however, would probably not change basic Pan-Arab nationalist policies toward the West. (Paras. 21, 28)

Discussion

I. The Present Situation

6. Iraq is the scene of a determined and so far effective Communist drive toward power. This drive threatens important US interests: the maintenance of assured Western access to Middle East oil, the denial of the area to Soviet control, and the security and stability of non-Communist governments in the area as a whole. The Iraqi situation has already reshaped many of the issues which dominate the Middle East scene, for it poses new and critical problems not only for the West, but for Iran and other states in the area.

7. After seven months in power, Prime Minister Kassim remains something of an enigma even to a number of Iraqis who have been associated with him in the revolutionary government. There is no conclusive evidence that Kassim is himself a Communist or disposed to turn Iraq

over to Soviet domination, and he continues to profess a philosophy of ardent Arab nationalism, opposition to foreign influence, and dedication to the ideas of Iraqi independence and of "positive neutralism." He has made a few anti-Communist gestures, and has left certain key internal security posts, e.g., the Ministry of the Interior, in the hands of anti-Communists.

8. At the same time, Kassim has shown himself unwilling or unable to take effective action against the steady drive of the Iraqi Communists and their Soviet backers to consolidate a growing position of power within the country and the government. He has resisted repeated demands by senior army officers for a crackdown on local Communists. He continues to countenance the presence in a number of key positions of men who are probably Communists, for example his own chief aide and the Director of Broadcasting. Some important ministries have been infiltrated by known Communists. Iraqi representatives at inter-Arab and Afro-Asian conferences have consistently advocated actions beneficial to the USSR and opposed to the interests of both Pan-Arabism and the West. Kassim has done little about the manifest ability of the Communists to use "the street" in organized mob demonstrations and mass pressure tactics. And when confronted in early February with the group resignation of six anti-Communist civilian cabinet ministers—some of them recognized opposition figures of long standing—he replaced them with men less friendly toward Nasser and no more likely than their predecessors to pose effective resistance to the Communists.

9. Although Kassim may be a Communist moving deliberately to advance Soviet control of Iraq without risking the adverse repercussions of a sudden takeover, we think it more likely that his course of action has been dictated by other motives and circumstances. There is evidence that he is a neurotic and unstable individual; that he is lacking in qualities of decisiveness and leadership; and that he is prey to fears for his regime and his own position in it. In particular, Kassim has probably been genuinely concerned about the dangers of UAR and US interference in Iraq. Iraqi Communists, working through such channels as the Communist-infiltrated National Democratic Party, have assiduously exploited Kassim's fears and his need for support and assurance.

10. Whatever Kassim's private attitude toward the Communists and their sympathizers, the net effect of his conduct has been to increase their power and opportunities until they are now the most effective and unified political organization in the country. We believe it likely that Kassim still feels that he is in control and is using the Communists for his own purposes, but we have little confidence in his ability to free himself from dependence upon them even if he should elect to try.

11. Non-Communist nationalist elements are still far more numerous in Iraq than the Communists and their sympathizers, but they are on

the defensive and their prevailing mood appears to be one of uncertainty and growing frustration. Many prominent civilian and military figures have been jailed. The recent mass resignation of anti-Communist cabinet ministers may have been undertaken in the hope of forcing Kassim to take action to reverse present trends, but it is equally possible that the move was made out of sheer despair. An increasing number of groups in Iraq are beginning to perceive the threat that the Communists pose to their particular interests. This includes both secular nationalist and religious groups. There is a beginning awareness of Kassim's growing dependence upon the Communists and the threat this poses to Iraqi independence. Even the hitherto Communist-collaborating National Democratic Party—the last civilian backers of Kassim—shows signs of fearing the Communist thrust for power and may part company with the Iraqi Communist Party. We believe, however, that the civilian opposition lacks the organization and leadership necessary to take any effective initiative against Kassim and his Communist allies.

12. The Iraqi public—generally favorable to the revolution and still strongly influenced by Nasser—is divided and uncertain, reflecting the conflicting forces at play in the country. The Pan-Arab Baath Party retains some ability to call out demonstrators, but the Communists are showing increasing superiority in influencing "the street." Much will depend upon whether Iraqi nationalists can muster public support before the Communists succeed in discrediting them, by accusing them of playing into the hands of Nasser and the "imperialists."

13. Although we have only limited information about the political orientation of the army, we believe that it constitutes the chief potential source of resistance to the trends prevailing under Kassim's government. Most of the officer corps is almost certainly nationalist in sympathy, and while some Communist penetration of the armed forces has probably taken place—attracting at least a certain number of opportunists—the great majority of officers remain non-Communist or anti-Communist. However, Kassim's regime has bid for the sympathy of the officer corps by supplying the armed forces with impressive amounts of Soviet equipment and by liberal pay and promotion policies. Like the civilian nationalists, however, the army leaders will probably move, if at all, only if given some stimulus to action, some guidance and some assurance of outside support. In the meantime, the army's capability for action against the Kassim government and the Communists is being steadily undermined by Kassim's systematic reshuffling of assignments and by his creation of a new division of selected units presumably designed for the protection of the government.

II. Prospective Developments

14. We do not believe that the Communists plan a sudden coup or a forceful seizure of power. In our opinion they would prefer to move gradually toward actual control of Iraq, seeking to take over strategic positions and groups one by one, but leaving an ostensibly independent regime. In particular, we believe that they would not attempt a final consolidation of power until they have successfully penetrated or neutralized the army. We believe that it will be some months before they can accomplish this.

15. As Communist power grows, it is possible that Kassim will become concerned over the threat from this quarter, and he might attempt to remove the Communists from positions of influence and to limit the activities of Soviet representatives in Iraq. To date, however, we have seen no evidence that Kassim is thinking in these terms. Particularly while suspicions of the West and of the UAR remain uppermost in his mind, we believe that any significant change of course on his part is unlikely.

16. We have already mentioned the apparent lack of will and leadership among potential anti-Communist and anti-Kassim forces—both military and in the public at large. If these forces are to be moved to action, some assurance of support will probably have to come from Nasser, since any counterrevolutionary movement in Iraq which appeared to be Western-inspired would have little chance of success. Nasser has made one serious attempt to overthrow the Kassim government and is seeking to build assets for another.[1] He will almost certainly continue to work assiduously to develop and exploit every possible lead to a counterrevolution in Iraq. He has important resources at his disposal. In addition to his own network of agents and friends, he has the authority and influence that stem from his widespread acceptance as a successful leader of Arab nationalism. As Communist power increases in Iraq, non-Communist Iraqi groups—military and civilian—are likely to become increasingly conscious of this threat and ready to compromise with Nasser as the only effective source of help. In the right

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[1] On February 28, John S.D. Eisenhower included the following information on Iraq in his "Synopsis of State and Intelligence Material reported to the President":

"An Iraqi official has reported an attempt to assassinate Qasim on February 22. Fifteen arrests reportedly ensued.

"A late item on February 28 indicates that a coup by Iraqi army elements backed by Nasir is scheduled between 2–5 March. Plotters plan to assassinate Qasim. It is estimated that unless army units in Baghdad join the conspiracy, a successful coup would be dubious.

"The President also read SNIE 36.2–59 which pertains to the situation in Iraq." (Eisenhower Library, Whitman File, Eisenhower Diaries)

situation Nasser's propaganda machine could be used to exert a formidable influence upon the Iraqi people and army to turn them against the Kassim regime and their Communist allies.

17. Nasser is almost certainly aware of the risks to himself attendant on a fight with the Communists in Iraq. He would become subject to charges by the Communists and some Iraqi nationalists that he is doing the dirty work for Western imperialists. More importantly, he would be inviting a direct clash with the USSR, at the risk of losing the extensive military and economic support he has been receiving from that source. Finally, he almost certainly retains grave suspicions that the West—and his enemies in the area—might seize the opportunity to undermine him while he was embroiled with the Communists in Iraq and clashing with the Soviets. Nevertheless, we believe that Nasser views the Communist threat in Iraq as a critical challenge to his whole position and aspirations in the area, and is almost certainly determined to muster his resources to combat it. He appears to believe that his efforts will not cost him Soviet assistance, but he might be willing to accept serious risks of such a loss in a final showdown on Iraq.

18. Nasser's hostility to the trend in Iraq will probably serve to make Kassim even more suspicious of nationalist elements in his own country and more prone to depend on the local Communists and the USSR for support and assistance. Kassim's suspicions would be compounded should he believe that a Nasser–Western rapprochement were in the making. Kassim will be alert to UAR-inspired plots and will attempt to neutralize or destroy Nasser's assets in Iraq. Even so, Kassim's policies might stimulate a counterrevolutionary effort in Iraq while there is still a chance of success. Even though such a counterrevolutionary effort might be in part the creation of Nasser, and its leaders might accept some loose affiliation with the UAR, they would almost certainly insist on a considerable degree of independence for Iraq. We believe that Nasser would regard this as preferable to an Iraq under Communist domination.

19. In the event of an outright clash between the Kassim regime and a counterrevolutionary effort, there is some chance that neither side would win a clear victory. The resulting period of disorder might lead to the factioning of the army, and a period of chaos with any or all of the contending factions calling for outside intervention.

III. Implications of a Communist Takeover in Iraq

20. If and when it became apparent that a Communist-controlled regime had actually come to power in Iraq, this would almost certainly provoke an acute crisis in the Middle East. Friends of the West and neutralists in the area would both feel acutely this threat to their security. There would be insistent pressures on the US to "do something." At the

same time, the USSR would issue a series of ominous warnings and threats to stave off intervention.

21. Communist control of Iraq would establish the USSR in the heart of the Middle East—contiguous to Syria, Saudi Arabia, Jordan, and Kuwait, and outflanking two US allies, Turkey and Iran. Such an extension of Soviet power into the area would serve to strip the Soviets of their former immunity from charges of "imperialist" motives in the area. It might also lead to the moderation of Arab hostility toward the West and make Arab neutralism more genuine. Nevertheless, it would amount to an impressive Soviet victory which would influence the leanings of area opportunists.

22. A Communist-controlled Iraq would also threaten Western access to Middle East oil. Although we estimate that such a government might initially prove fairly reasonable with respect to permitting continued Western access to Iraqi oil—in the interests of receiving continued revenue and of avoiding drastic Western response—it would at a minimum insist on substantial modifications in the terms and conditions under which Iraqi oil flows to the West. In any case the future of the Iraq Petroleum Company would be unpromising indeed—with ultimate nationalization likely. And while such a move would not constitute an irreparable blow to the UK—so long as it had Kuwait oil available—it would be serious in itself and additionally so because it would weaken Britain's hold in Kuwait and throughout the oil-producing areas of the Persian Gulf.

23. The UK is far from oblivious to this danger. At the same time, continuing British hostility to Nasser has prompted the UK to hope that Kassim might provide a feasible alternative between a Nasser-dominated and a Communist-dominated regime in Iraq and an effective rival to Nasser for influence in the Arab world at large. The UK has been the more inclined to indulge in these hopes because it has received somewhat better treatment from the Kassim regime than has the US. There are now indications that at some levels and in some parts of the British Government it has been concluded that these are futile hopes. Further rapid consolidation of leftist forces in Iraq would probably increase UK sentiment in favor of a Nasser effort to stop the Iraqi Communists.

24. The Turks, Iranians, Israelis, and French have hitherto shown more concern over the disadvantages to them of a pro-Nasser takeover in Iraq than over the Communist threat there. However, there is already evidence of some change in the attitude of the Turks and especially of the Iranians. Both will press insistently for increased US support and commitments to meet the danger. A Communist Iraq would increase the potential of the Tudeh Party in Iran considerably. Iran would be particularly sensitive about any Iraqi attempt to interfere with access to Iranian oil ports. Turkey and Iran would be tempted to take further steps to

influence events in Iraq, but would take no significant action without requesting US support.

25. Of all area states, Israel is most concerned lest the Communist threat in Iraq bring Nasser and the West closer together, or lest a successful pro-Nasser countermove in Iraq should confirm Nasser as undisputed leader of a united Arab world. Growing tension between the USSR and Nasser may lead to an improvement in Soviet-Israeli relations. At the same time, Israel's policy will be conditioned by its knowledge of the importance of its ties with the West.

26. Nasser's past policies of doing business with the USSR would be discredited and his claims as leader of the Pan-Arab unity movement contested as a result of the establishment of a Communist government in Iraq. He would moreover be faced with greatly increased problems of subversion within his own UAR, particularly in Syria. However, if he continues to challenge the Soviet-Communist role in Iraq, his relations with and his influence in the other Arab states are likely to improve.

IV. Implications of an Arab Nationalist Counteraction in Iraq

27. We do not believe that the Soviets, at present, consider their interests or prestige so heavily involved in the Iraqi situation that they would accept the risks and disadvantages involved in any overt intervention to block a nationalist counterrevolution against Kassim. If they saw such a move coming, however, they would be likely to step up their efforts and their timetable. If as time goes on, growing Communist power in Iraq should involve heavier Soviet commitments to the Iraqi regime, the Bloc would become increasingly disposed to accept the risks of responding to requests for assistance in maintaining a pro-Communist regime in power.

28. If a non-Communist nationalist government is re-established in Iraq, the Pan-Arab nationalists in the several Arab states led by Nasser are likely to continue a policy and a posture like that of the past. Their position regarding Israel and Algeria will remain much the same. They will hope to upset the regime in Jordan, to eject the UK from its privileged position in the Arabian Peninsula, and to move toward the imposition of Arab controls over Arab oil.

162. Paper Prepared by the Operations Coordinating Board

Washington, February 18, 1959.

OPERATIONAL GUIDANCE CONCERNING IRAQ

I. Objectives

1. This paper deals with programs for Iraq which are operationally feasible at the present time, keeping in mind that the agreed primary objectives of national policy for the Near East are the following:

a. Denial of the area to Soviet domination;
b. Continued availability of sufficient Near Eastern oil to meet vital Western European requirements on reasonable terms.

2. The following are agreed secondary objectives of national policy for the Near East which are to be achieved to the extent compatible with the two primary objectives:

a. Peaceful resolution as early as possible, in whole or in part, of the Arab-Israel dispute;
b. Continued availability to the United States and its allies of rights of peaceful passage through and intercourse with the area in accordance with international law and custom and existing international agreements;
c. Political evolution and economic and social development in the area to promote stable governments, popularly supported and resistant to Communist influence and subversion;
d. Continued availability to the United States and its allies of important strategic positions, including military overflight, staging and base rights in the area;
e. The expansion of the United States, and, where appropriate, Free World influence in the area, and the countering and reduction of Communist influence.

II. Introduction

3. We are confronted in Iraq with a post-revolutionary situation in which further violent or non-violent changes are likely and the future is still uncertain. Under these circumstances, guidance to U.S. agencies is necessarily interim in nature and more than usually subject to reconsideration and change in the light of developments.

III. Pertinent Background

4. *Iraq-U.S. Relations.* The establishment of mutually satisfactory and friendly relations with the present government of Iraq has been

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Source: Department of State, OCB Files: Lot 60 D 661, OCB—U.S. Policy Toward the Near East (NSC 5820/1). Secret. According to a covering note by Bromley Smith, Executive Officer of the OCB, the Board revised and concurred in this paper at its meeting on February 18. Smith noted that the paper contained only operating guidance and no courses of action, due to the rapidly changing situation in the Middle East, which precluded detailed operational planning.

made very difficult by official and private suspicion and distrust of the United States. The initial cause of this attitude was our close identification with the old regime together with anti-Western attitudes arising out of the Palestine question and the Arab nationalist movement. A contributing cause has been an apparently widespread belief in Iraq that the United States was cool if not hostile toward the new regime, particularly during its early days. Elements unfriendly to the U.S. have undoubtedly capitalized on these factors further to disturb Iraqi-U.S. relations. The Soviets in particular have been making an effort through propaganda and false intelligence to poison the Iraqis against us. U.S. agencies operating in Iraq have encountered severe restrictions and, on occasion, harassment since the revolution. Iraqi military guards at the Embassy have at times been overly-zealous in their searching of visitors. Diplomatic travelers entering Iraq were for some time thoroughly questioned and searched. The MAAG offices and USIS offices were closed and remain virtually inaccessible to U.S. personnel. USIS operations have been sharply curtailed. Although requests for USOM technicians were never formally withdrawn, a large number have been given little to do and few are being effectively utilized.

5. *Iraq-Soviet Relations.* In contrast to the treatment accorded the U.S. and UK diplomatic missions in Baghdad, Soviet Bloc missions have been welcomed and encouraged. This has been an aspect of increasing Communist influence in Iraq but is also a reflection of Arab curiosity toward the USSR and of the belief that benefits can be gained without strings from the Soviets. We can expect Soviet activities in the political, military, economic and cultural spheres to increase to a certain extent at the expense of U.S. and UK activities in similar fields. The well-organized local Communist Party has made startlingly effective use of the relative freedom of action which has been permitted to leftist political groups since the revolution and has emerged in terms of leadership, organization and capacity for "street" action as the strongest party in Iraq at present. Content carried in the media channels of Iraq is heavily weighted toward the Communist point of view.

6. *UAR-Iraq Relations.* The increase of Communist and Soviet Bloc influence in Iraq has posed a delicate problem for Nasser and the UAR. While professing to be an "Arab nationalist", Iraqi Prime Minister Abdul Karim Qasim has appeared to desire to maintain an independent Iraq, even at the expense of cordial relations with the UAR. He appears to be less concerned with the possibility that Iraq may be Soviet-oriented. In this situation, Nasser has been reluctant to attack Qasim or to seek openly to divert him from his present course. On the other hand, he has been engaged in clandestine activity directed toward stimulating an anti-Qasim coup.

IV. General Guidance

7. In this situation, the U.S. should show a "correct" attitude toward Iraq, indicating our desire to be friendly, but not seeking to force ourselves upon the Iraqis. We should seek a continuing exchange of information and views on Iraq with the UK and attempt insofar as possible to coordinate our respective policies toward Iraq, while recognizing that some divergence of views is likely. We should continue to follow a waiting policy but should keep our position sufficiently flexible so that we can take advantage of any opportunities which present themselves. We should continue to discuss the tenuous Iraq situation with other governments which have interests in the area which may be useful in third nation roles. We should continue our efforts, both by our behavior and by explicit rebuttal of any allegations by officials of unfriendly actions on our part, to convince the present Iraq Government that we are in no way working against it.

8. *Dispelling Suspicions*

a. We should avoid any situations or actions likely to be attributed to the United States which could be construed as subversive or hostile to Iraq.

b. We should counsel against provocative measures by our friends, particularly the Turks and Iranians.

c. We should maintain only a sufficient number of American officials in Iraq to maintain normal diplomatic activity, carry out approved programs, and meet requests from the government for technical and military assistance.

9. *Encouraging Confidence*

a. We should conduct our relations on a normal and friendly basis, ceremonially as well as substantively. For example, we should support Iraqi candidates for UN positions where appropriate and reasonable, exchange normal ceremonial courtesies with the Iraq Government, continue our exchange program, and treat various requests in the same manner as we would treat those from other friendly powers.

b. We should seek to develop contacts with the new regime, both official and unofficial. While this is difficult in view of current attitudes, we should seek every opportunity to enlarge any openings which may appear.

c. U.S. agencies should closely follow developments in Iraq so as to be able to take advantage of opportunities, as they may be presented, to achieve U.S. objectives. In this connection, U.S. agencies should be prepared to activate constructive programs if the Iraqis are prepared to cooperate in making these programs fruitful. While the present situation does not appear to permit the U.S. to proceed effectively with these programs, the U.S. should be prepared to consider any specific Iraqi

requests for assistance in the light of the then existing situation and outlook in Iraq and the U.S. availability of funds.

d. Within our limited capabilities to do so, we should cultivate discreetly individual and group friendships with the objective of creating a more favorable climate for U.S.-Iraq relations. This should include personnel both in and out of government.

e. We should use every appropriate opportunity to warn selected Iraqi leaders about the Communist threat.

V. Specific Guidance

10. *Information-Cultural.* We have sharply reduced our USIS establishment in Baghdad in consequence of the present government's refusal to permit reopening of our facilities. There is little prospect of increasing media activities in the near future though they could be reestablished quickly. USIS should concentrate on cultural activities, e.g. exchange of persons, English teaching and exhibits. Efforts should be made to reinstitute press, radio, and film activities as circumstances permit.

11. *Economic*

a. *Technical Assistance.* We have indicated our willingness to continue existing technical assistance programs in which the Iraqis have indicated an interest. Although most technicians in Baghdad are still reporting to work in the various ministries, their activities are often circumscribed and some are only partially employed. The USOM nontechnical staff should be reduced to the minimum which can be utilized effectively and projects reviewed to determine how many technicians are actually needed and in what specific fields.[1]

b. *Private Business.* American firms now doing business are experiencing considerable difficulty, particularly those firms having contracts with the Development Board. It is in our interest that, where possible, these firms continue to be active in Iraq since the Soviets are presumed to be ready to fill any vacuums their departure would create. We should continue to give American contractors all possible assistance. Such assistance includes making representations to the Iraq Government on their behalf when necessary. Consideration should also be given to the possibility of an expansion of the Investment Guarantee Program to provide these firms with some financial safeguards. At the same time, efforts should be made as feasible to counter recent Soviet competition for trade and investment in Iraq, emphasizing factors such as the proven quality of American goods and services and the contribution which American enterprise could make to the development of the country. The

[1] The USOM staff has 56 employees as contrasted with 96 on duty on July 14, 1958. [Footnote in the source text.]

U.S. has in this connection authorized the resumption of the sale of commercial vehicles to Iraq.

c. *Petroleum.* Since British interests predominate in IPC, the initiative on petroleum matters should continue to be left to the UK. We should follow oil developments closely, however, and make our views known to the British when appropriate.

12. *Military.* The Iraqis have not explicitly indicated their intent regarding the 1954 Mutual Assistance Agreement. However, in view of the attacks on it in the military trials and in view of the acceptance by Iraq of Soviet military assistance, and the prompt delivery of four shiploads, it is unlikely that Iraq would reaffirm its adherence to the agreement and it is pointless to seek either an oral or written undertaking in this regard. The Government of Iraq's telegram of July 22, 1958 to the Secretary General of the UN, affirming Iraq's adherence to the various international agreements and obligations incurred by the previous government satisfies the legal requirements of the Mutual Security Act, as amended. Resumption of delivery of grant military assistance items to Iraq depends on Iraqi indication to cooperate and on whether the resumption is in the U.S. interests. Pending such a determination, we have authorized resumption of commercial and military sales of spare parts, replacement items, and major items to Iraq.

13. *Baghdad Pact.* It is most unlikely that the Iraqis will continue membership in the Baghdad Pact. We should acquiesce in but not actively encourage Iraqi withdrawal from the Baghdad Pact.

VI. Outstanding U.S.-Iraq Agreements Under Previous Regime

14. The United States agreed to a military assistance program and to the maintenance of a military assistance advisory group in Iraq by an exchange of notes dated April 21, 1954.[2]

15. The United States technical assistance program was established under the general agreement for technical cooperation signed April 10, 1951.[3] This has been supplemented by subsequent technical agreements, including in particular, an agreement for a program of economic development dated November 16, 1952[4] and an agreement for a cooperative program of community welfare signed March 2, 1955.[5]

16. An agreement on atomic energy cooperation for civil uses was signed between the United States and Iraq on May 2, 1957.[6]

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[2] 5 UST 2497.

[3] 3 UST 541.

[4] 3 UST 5882.

[5] 6 UST 701.

[6] A treaty on atomic energy cooperation for civil uses between the United States and Iraq did not come into force.

[Here follow a Financial Annex and a Pipeline Analysis of the Mutual Security Program in Iraq.]

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163. Telegram 2537 From the Embassy in Iraq to the Department of State

Baghdad, March 7, 1959, 7 p.m.

[Source: Department of State, Central Files, 787.00/3–759. Top Secret; Niact; Limit Distribution. 1 page of source text not declassified.]

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164. Editorial Note

[2 paragraphs from the Memorandum of Discussion at the 398th Meeting of the National Security Council on March 5 and 1-1/2 pages from the Memorandum of Discussion at the 399th Meeting of the National Security Council on March 12 not declassified. (Eisenhower Library, Whitman File, NSC Records)]

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165. Memorandum From Director of Central Intelligence Dulles to Acting Secretary of State Herter

Washington, March 19, 1959.

[Source: Department of State, Central Files, 787.00/3–1959. Secret. 1 page of source text not declassified.]

166. Telegram From the Embassy in Iraq to the Department of State

Baghdad, March 26, 1959, 1 p.m.

2758. Department pass Defense. Addressees pass major military commands. Paris also for USRO. Deptel 2145.[1]

1. Preparation Embassy's estimate of situation in Iraq in response reftel interrupted by Mosul coup attempt. Now appears revolt and aftermaths have altered picture only in that as result failure of coup attempt Qassim and pro-Communists have greatly increased their strength as opposed to that of nationalist elements desiring closer relations with UAR.

2. Basic question remaining is whether Qassim and GOI are too far along road to communism to turn back and whether Iraq consequently is fated to be first Soviet satellite in Arab world.

3. Overt signs point sharply left. It appears that Mosul attempt was almost last gasp of nationalist, anti-Communist forces in Iraq. Shawwaf's effort was overcome with comparative ease by Qassim and with noticeable absence of panicky reaction. Qassim conducted himself throughout affair cooly and with confident air of man who believes people to be with him. Now seems to us that control could be wrested from Qassim only by assassination and even that would not automatically result in government of different orientation from present one.

4. Communists and pro-Communists have scored noticeable gains since Mosul. Destruction March 11 by mob action, countenanced or at least uninterrupted by security forces, of plants of three nationalist daily newspapers and weekly magazine in Baghdad leaves press field almost exclusively to Communists. This control of press plus appointment of new Director General of Guidance who is known to have been and probably still is Communist means that virtually all of overt propaganda media here are now subject to Communist direction. Most significant evidence of this control has been unanimous and savage attack on UAR and Nasser who six short months ago was held by Iraqi people in equal if not greater esteem than Qassim. Today Nasser is a "Fascist dog" and "agent of imperialism". Even taking into account acknowledged Arab volatility and ability change sides almost overnight, this re-mould-

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Source: Department of State, Central Files, 787.00/3–2659. Secret. Transmitted in three sections and repeated to Amman, Ankara, Beirut, Benghazi, Cairo, Moscow, Paris, Rabat, Rome, Tehran, Tel Aviv, Tunis, Damascus, Basra, Dhahran, and Kuwait.

[1] Telegram 2145, March 4, requested the Embassy's appreciation of the Iraqi political situation, especially in light of the British view that the Communists in Iraq were definitely gaining ground. (*Ibid.*, 787.00/3–459)

ing of Iraqi public opinion has been masterfully managed by Communists, whose task been made easier by clumsy overconfidence of Nasser's attempts to unseat Qassim.

5. Communists are making strong and thus far uniformly successful efforts to dominate Iraq's new Trade Union Movement, Students Union, Teachers Association, League for Defense of Women's Rights and other "popular" and "partisan" organizations whose number increases monthly. Communists appear to be in almost complete control of Popular Resistance Force. According to reports received from Basra, PRF has shown itself willing and able to defy civil and military authority whenever its unofficial leaders think stakes are worth it. Despite Qassim's January 14 pronouncement and recent reassuring statements by Military Governor Brigadier Abdi and PRF Commander Colonel Bamarni, we see little reason believe PRF is not in effect an arm of CPI, wherever the individual loyalties of PRF members may lie.

6. Estimates of number arrested since March 7 run as high as 15,000. Jails throughout country filled and private houses and institutions such as Police Cadet School been taken over as places of detention. Sudden disappearance of respected friends and colleagues has frightened and silenced those who have reservations about course of events.

7. Since Mosul every ministry except Foreign Office has undergone new purge. Hardest hit have been Development Ministry and Education Ministry. Communists now appear be strongly entrenched here and in Economic and Agriculture Ministries. Economic Ministry under Kubba had already embarked on program designed tie Iraq economically as closely as possible to Soviet Bloc. Recent conclusion Iraqi-Soviet accord on development aid is latest and most significant of Kubba's efforts in this direction. Difficulties encountered by private firms, foreign and domestic, are discouraging capital investment and leaving way open for growth of state capitalism and expansion Soviet assistance.

8. Pro-Communist teachers and students are riding high in high schools and colleges. Student association boards rather than faculty councils now often have decisive voice in issues of curricula, administration and faculty appointments. General lowering of academic standards, which have never been high, is reported. Dissenting professors and teachers intimidated, many demoted and some arrested following denunciation by students or other teachers.

9. Military Court President Mahdawis' excesses remain unchecked. It becoming increasingly clear he either member Communist Party or its willing tool. His pronouncements from bench following Communist line almost 100 percent and are given wide coverage by Baghdad press, radio and TV.

10. On top of all foregoing, very atmosphere of Baghdad almost inescapably forces foreign onlooker (especially American) to conclude that Iron Curtain descending. Many of our Embassy staff recurrently followed by security agents. Embassy office and residential telegrams continuously monitored. Four Embassy local employees been arrested (three since Mosul) and held without bail and incommunicado on unspecified charges. International mail censored. Flow of Western newspapers and magazines into Iraq is frequently interrupted. Embassy encountering increasing difficulty in getting exit and re-entry permits for office personnel. Outgoing household effects subjected to search which can best be described as ruthless. Embassy complaints on these and other matters are met with mixture of blandness and insolence familiar to anyone who has dealt with satellite officers since World War II. We are living within contracting circle of social mobility as former friends and contacts turn away. Press, radio, and television keep up continuous attack on "imperialism", with US depicted as chief offender. Despite GOI official disclaimers (not published in Iraq), US still labeled by Iraqi press as among instigators of Mosul revolt.

11. On other side of picture we see only few hopeful signs. During my recent interview with Qassim his statement about wishing to be neutral seemed to me to be genuine and his general attitude was friendly. Recent definition of PRF duties by PRF Commander (definition which not strictly followed), recent appeals by Education Minister to students to return to school and respect their teachers and by head of Teachers Association for decent treatment of UAR teachers detailed here, and Foreign Minister's statements to American reporters that GOI aware of non-involvement US in Mosul attempt all may be indications that there are still among Iraqis moderate men of good will trying to stem tide of Communism.

12. Skeptics among us point out, however, that PRF Commander's statement and appeals to students and teachers to calm down are not inconsistent with Communist emphasis on "discipline" and avoidance unnecessary and uncoordinated trouble-making. This is theme repeatedly stressed in CPI circulars and party guidances [*less than 1 line of source text not declassified*].

13. Another negatively hopeful sign is that of "eight demands" put to Qassim by CPI through its front organizations after Mosul only two have clearly been met—i.e., withdrawal from Baghdad Pact and purging of "disloyal elements" in government and army circles. Two crucial demands, for arming and executing those condemned to death by Military Court, have not been met and we have not yet seen any indication Qassim intends to comply.

14. Worth pointing out also that there still no Communists in cabinet and that among the ministers only Kubba openly espouses party line.

15. On balance it now seems to us there is grave danger that in short run Iraq will come under preponderantly Communist control. Our past estimates have always centered around question whether Qassim is himself a Communist or otherwise a voluntary follower of Communist direction. In light contradictory reports and differing deductions from available evidence, we still cannot answer that question categorically. Recent events, however, have steadily increased our doubts as to whether Qassim can, even if he wished to, reverse the trend. We still think that loyalty of army and people is primarily directed to him rather than to what appears to be his present program, but there is clear possibility that Communist control of popular organizations and Communist cadres within army and government departments could grant and/or nullify this loyalty to Qassim if showdown came.

16. Nasser no longer appears to have what it takes to reverse tide of events in Iraq. There remain two other possibilities. One is that Qassim himself will realize extent of danger and attempt to halt Communist advance while his personal following in army and among people still gives him capacity to do so. Other is that Qassim will be assassinated and that army would then take over reins under leadership of officers opposed to Communism.

17. Gist of joint estimate prepared by service attachés is that (1) successful anti-Qassim coup by army officers would require quick and well-coordinated use of preponderance of mobile and armored units stationed in or close to Baghdad and (2) appraisal of attitudes of first and second level commanders in these units leads to conclusion that successful coup from this quarter unlikely. (Details of this estimate follow in joint attaché telegram.[2])

18. From Baghdad it looks as if 1959 will be year of the bear in Iraq.

19. Service attachés [*less than 1 line of source text not declassified*] concur.

Jernegan

[2] Not found.

167. Telegram From the Department of State to the Embassy in Iraq

Washington, March 28, 1959, 2:21 p.m.

2416. Embtel 2758.[1] In light Embassy's evaluation current situation in Iraq, comments desired on following questions which we emphasize purely exploratory:

1. Would it now be helpful to approach Qasim again re GOI attitude toward US military aid agreement, with view to possible release of remainder of military items in pipeline? We doubt such release would have noticeably constructive effect in Iraq and it would certainly have negative results on current valuable UAR anti-Communist campaign. Would also be difficult justify publicly view Iraqi withdrawal from BP.

2. Should US now express publicly its concern re Communist threat to independence of Iraq? We think this would have negative results in Iraq, and might also inhibit UAR anti-Communist campaign. Such step however would help focus world attention on Iraq and remove any impression US complacent re present situation.

3. Should we encourage some nation, such as Turkey or Pakistan, to send emissary to Qasim to warn against danger of letting local Communists become too powerful?

4. Would it be helpful from our point of view in Iraq if current UAR attacks on Iraq should cease?

5. Would Nasser's capacity to reverse tide of events in Iraq be enhanced by any direct encouragement or assistance which we might discreetly give?

6. Assuming we could get the UK and France to agree, would a US-UK-French threat to boycott Iraqi oil if Communist control of Iraq established be a helpful move?

7. Would it facilitate reversal of present trend if IPC lines should be cut by UAR and remain so for considerable time? It seems to us UAR might conceivably decide to do this.

8. Are there any measures in psychological field we could take which might be helpful?

9. Would it be good idea for President to write Qasim in friendly terms to express desire for good relations and to warn re danger of entanglement with Communists?

Source: Department of State, Central Files, 787.00/3–2659. Top Secret; Limit Distribution; No Distribution Outside Department. Drafted by Rockwell and approved by Herter.

[1] Document 166.

There are of course grounds for serious reservations about most if not all of above but we would like your reaction, as well as any suggestions re other measures we might take in effort to prevent further deterioration of situation.

Herter

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168. Letter From the Chief of Naval Operations (Burke) to Acting Secretary of State Herter

Washington, March 28, 1959.

DEAR CHRIS: I have been talking with our good friend, Allen Dulles, in regard to the recent reports emanating from Baghdad about Iraq.

I am concerned, and I know you are, because it looks as if Iraq is sliding behind the Iron Curtain at an increased rate.

I know that State is fully aware of the problem as is CIA. But I would like to offer the services of the Navy if there is anything that you think we could possibly do to help keep Iraq from going Communist.

I recognize that there may have been low level discussions with Nasser's people in regard to his accommodating his future actions more closely to the United States views. Although relying upon Nasser may be taking a big chance because he is not a reliable man, yet it looks as if he has available to him the only assets which can be used quickly enough in Iraq. If this is true, then perhaps it might be possible to initiate negotiations with Nasser immediately. If the initial conversations are satisfactory to us, it might be good to offer him support in specific amounts to assist us.

Enclosed is a note which I have sent to Allen Dulles which contains the alternate suggestions of reduction in oil purchases from Iraq and the possibility of raising the prices, if bribery is more useful than reduction of Kassem's income.[1]

Source: Department of State, Central Files, 787.00/3–2859. Secret; Personal.

[1] In this note to Allen Dulles, also March 28, Burke emphasized the need to act quickly to "rectify the rapidly deteriorating situation in Iraq before it came under complete Communist domination." Burke recommended that Western oil policy—either by threatening to not buy Iraqi oil or conversely to agree to buy more oil if Iraq limited Communist influence—could be a useful weapon.

With warmest regards on these very busy days of yours.[2]

Sincerely,

Arleigh

[2] Herter responded to Burke in an April 6 letter assuring him that the President had directed a thorough analysis of possible courses of action in Iraq (see Document 172), and that once the preliminary work was done in the Department of State, Herter would get together with the various agencies involved, including the Joint Chiefs of Staff, and consider the suggestions put forward by Burke. (Eisenhower Library, Herter Papers, Iraq)

169. Paper by the President's Special Assistant for National Security Affairs (Gray)

Washington, April 1, 1959.

IRAQ

Mr. Allen Dulles has briefed the Council almost every week with respect to the deteriorating situation in Iraq. Recent reports from the Ambassador and other sources paint a picture of rather complete gloom in that the trend seems to be towards a Communist government without any arresting factors in sight.

The Planning Board spent considerable time discussing this situation on Tuesday[1] and I am afraid I am unable to report to you any unanimous view of the Board although all members are deeply concerned about the situation.

Source: Eisenhower Library, White House Office Files, Project Clean Up, Iraq. Top Secret. In his covering memorandum to members of the NSC Planning Board, Gray wrote that he was not certain he would raise the question of Iraq at the April 2 NSC meeting, but if he did, he "would plan to speak from the attached note."

[1] The discussion at the NSC Planning Board on March 31 was summarized in a memorandum from Gray to Major General Wilton B. Persons, Assistant to the President, April 6. Gray reported that members of the Board "seemed disposed to share the view of the State Department that no new policy guidance was necessary." Gray did not agree. (*Ibid.*, Staff Secretary's Records, Gordon Gray I)

In an April 1 memorandum from Gerard Smith to Rountree, Smith recounted a discussion at an OCB luncheon on April 1 in which the Board and Gray also discussed this paper on Iraq. Smith recalled Gray's frustration over Iraq and his fear that it would soon fall to Soviet domination. Smith believed that as CIA and Defense also felt like Gray, he should raise with Rountree whether the OCB should discuss Iraq. (Department of State, S/P Files: Lot 67 D 548, Chronological File)

The State Department has reported that from its point of view the policy statement with respect to the Near East is adequate and that the problems are operational problems. Other members of the Board agree with the State Department that no particular purpose would be served in bringing the matter before the Council this morning.

On behalf of myself and one or two other members of the Board, I should like to express the same kind of frustration that must be felt by everyone here. I feel constrained to point out that our primary objective in the Near East is the denial of the area to Soviet domination. Nevertheless, we sit and watch unfolding events which seem to point inevitably to Soviet domination of Iraq, acknowledging, I am afraid, an inability to do anything about it. It is almost like watching a movie whose end we will not like but which we are committed to see.

I have no more of a solution this morning to present to you than I had to present to the Planning Board on Tuesday. However, it is perfectly clear that the paragraphs in our Near East policy relating to Iraq would not be written today as they were approved several months ago.

(Read Paragraph 39)[2]

Par. 39b is no longer applicable and 39a was not written against the background of a probable Communist takeover. Similarly, pars. 39c and d seem bland and unrealistic in the light of today's situation.

I feel that I would be derelict in my own duties to the President and to the Council if I did not point out a situation in which we may be failing to meet a bedrock objective.

[2] See Document 51.

170. Memorandum of Discussion at the 401st Meeting of the National Security Council

Washington, April 2, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2.]

3. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters.]

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on April 2.

Turning to the situation in Iraq, Mr. Dulles said that Iraq continued to move along the Communizing line. He referred to the extensive and gloomy review of the situation recently sent by Ambassador Jernegan in Baghdad.[1] He also noted the efforts of the Chinese Communists and other Satellite diplomats in Cairo to smooth over the rough relationship between the U.A.R. and Iraq.

After commenting briefly on Nasser's continued attacks on Khrushchev, Mr. Dulles stated that it was clear from intermediaries that Nasser felt the need of some quiet indication that if he continues his breach with Moscow, he will get support from the U.S. and other Western Powers. For example, said Mr. Dulles, we have learned indirectly that Nasser wants us and our allies to buy his cotton crop.

The President inquired whether it would not be a good idea to provide [*less than 1 line of source text not declassified*] support to Nasser [*less than 1 line of source text not declassified*]. It seemed to the President that if we were really going to undertake to save Iraq, we should have to begin to do so now. Mr. Allen Dulles pointed out in response to the President that the situation was very complicated. Not all our friends and allies seemed to have the same view on Iraq as we did. In illustration of this point, Mr. Dulles said that in his discussions with Zorlu, the Turkish Foreign Minister, it was apparent that Zorlu still thought Qasim was a nice guy. The President said that it could be that Qasim was a nice guy but if so, he was certainly a prisoner of the Communists in Iraq. This, said the President, is what Rifai, the Foreign Minister of Jordan, thought to be the case. In any event, continued the President, we are facing the complete loss of Iraq to the Communists. In such a situation the President said that it was his idea that we should keep our eye on the principal enemy, namely, the Soviet Union, which was going to take over Iraq. Admittedly, said the President, Foreign Minister Rifai advocated no open attack by Nasser on Qasim because he feared such an attack would simply have the effect of driving Qasim further into the arms of the Communists.

Secretary Dillon expressed the opinion that at least we are in much better contact with Nasser now than we have been for a long time and indeed our relations with him were improving steadily. Meanwhile, we are trying to coordinate our view of the Iraqi situation with the British and the Turks. Secretary Dillon asked those present to remember the unfortunate results of Nasser's last attempt to overthrow the Iraqi Government. In the light of this unhappy result, Secretary Dillon expressed the opinion that if we would join in planning with Nasser to start something in Iraq, knowledge of our activities would presently be widespread in

[1] Document 166.

the Middle East and we would simply be accused of colonialism and imperialism. Nevertheless, Nasser does know that we are backing him even though we are not joining with him.

The President said that he still did not understand why Nasser could not make common cause with Qasim against Communism. The authorities in Jordan think that this course of action could be successful. Mr. Allen Dulles expressed the opinion that there was far too much bitterness between Nasser and Qasim to make such a joint operation possible. On the other hand, Mr. Dulles said he did not believe that Nasser felt that he was getting at present the kind of support in the U.S. that Secretary Dillon thought he was getting. Secretary Dillon replied that the argument he was making had been greatly strengthened by a new instruction which the State Department had sent to our Embassy in Cairo only yesterday.

Mr. Gray asked Mr. Allen Dulles whether he had completed his intelligence briefing because if he had, Mr. Gray wished to make some further comments on Iraq. Mr. Dulles said that he had planned to say a little something about Tibet but would confine himself now to saying that he believed the Dalai Lama was safe [*less than 1 line of source text not declassified*].

Mr. Gray then spoke briefly to the remaining members of the Council (many of whom had been obliged to leave the meeting in order to attend the opening of the NATO meetings) with respect to the Planning Board's views on Iraq. He linked these views with the President's comment with respect to what seemed to the President the necessity of doing something promptly to save Iraq. However, Mr. Gray added his understanding of the difficulties which confronted Secretary Dillon with regard to Iraq. (A copy of Mr. Gray's remarks on the subject of Iraq are filed in the Minutes of the Meeting and another is attached to this Memorandum.)[2]

Secretary Dillon repeated his view expressed earlier that if it became known that the U.S. was plotting with the U.A.R. against Iraq, the result would be simply to drive the Iraqis further and more rapidly into Communism. Secretary Dillon did mention the scrutiny which was being given to the problem of dealing with Egypt's surplus cotton and pointed out the ultimate danger that Egypt itself would go Communist if its economic difficulties continued to worsen.

On this subject the Chairman of the Atomic Energy Commission, Mr. McCone, said that in his view the sensible thing would be to buy up all the cotton in Egypt and dump it into the sea. It was obviously much

[2] See Document 169.

better to lose this amount of money than to lose Egypt as well as Iraq to the Communists.

Mr. Gray, in support of his contention about the necessity of action to save Iraq, cited Paragraph 34–d of the Basic National Security Policy (NSC 5810/1)[3] which reads:

"In the event of an imminent or actual Communist seizure of control from within, take all feasible measures to thwart it, including military action if required and appropriate to cope with the situation."

Secretary Dillon replied that this was precisely the policy under which the State Department was now operating with respect to Iraq. In reply Mr. Gray argued that if on the one hand we fear that if we take action now against Iraq, we will push that country further into Communism, and on the other hand we believe that Iraq is going to end up Communist anyhow, it would be worthwhile to take the risk of the first course of action since it might possibly result in saving Iraq. Mr. Dillon replied simply that he agreed with Mr. Gray and others as to the seriousness of the situation and agreed also that our basic objective in the Middle East was the denial of that area to Soviet domination.

Mr. Gray then suggested that at least it seemed to some of us that the U.S. should seek to bring about a common appreciation of the danger in Iraq among ourselves, the U.K., the Turks, and perhaps other Middle Eastern states. Secretary Dillon replied that this was precisely what we were now engaged in doing with the British. Mr. Patterson suggested the desirability of a review of our current U.S. policy toward the Middle East. Secretary Dillon replied that such a review now would be impossible to make. Things were simply moving too fast. The problems facing us in the area were wholly operational in character. In these operations we were being guided, as he had said before, by Paragraph 34–d of the Basic National Security Policy (NSC 5810/1).

[*1 paragraph (4-1/2 lines of source text) not declassified*]

Mr. Gray then suggested that inasmuch as so many members of the Council had been obliged to go to the NATO meeting, it would be best to bring the discussion to a close.

The National Security Council:[4]

a. Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to reports of an Israeli mobilization; and the situations in Iraq and Tibet.

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[3] NSC 5810/1, "Basic National Security Policy," May 5, 1958, is scheduled for publication in volume III.

[4] Paragraphs a and b constitute NSC Action No. 2065, approved by the President on April 7. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

b. Discussed the implications for U.S. security, in relation to existing U.S. policy, of the danger of a Communist takeover in Iraq, and reaffirmed the applicability of NSC 5810/1, paragraph 34–d, to the situation there.

S. Everett Gleason

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171. Telegram From the Embassy in Iraq to the Department of State

Baghdad, April 3, 1959, 2 p.m.

2837. Deptel 2416.[1] Numbers of paragraphs correspond with those of reference telegram.

1. Much water under Tigris Bridges since Embassy recommended US offer sell arms to Iraq. Believe we should not at this stage raise with GOI question of supplying US arms on any basis, at least not until British have made their decision on arms sale question. Considerable delay likely be entailed in British consultation with BP members. Trevelyan still recommending that HMG offer sell arms and I share his feeling that it better if we stay out of picture for time being. If UK does decide sell Iraq arms, might be better for us to stay clear indefinitely confining our participation to straight commercial sales of reasonable quantities spare parts and ammunition for US equipment already in hands GOI. We are not under any particular pressure this regard. Qassim spoke of it in my first talk with him last January[2] but did not return to subject at our March 17 meeting.[3] Department's point re negative effect our initiative

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Source: Department of State, Central Files, 787.00/4–359. Top Secret; Limited Distribution; No Distribution Outside Department. Transmitted in three sections.

[1] Document 167.

[2] This meeting was reported in telegram 2114 from Baghdad, January 19. The portion dealing with U.S. arms assistance to Iraq reads:

"Re arms aid, he had been surprised when two American consignments which arrived Basra at moment of revolution had been turned back without unloading. Had asked Ambassador Gallman for statement of what heavy arms we would be prepared provide new regime but had received no reply. I said I should be glad discuss this whole question with him another time. Pointed out would make a big difference whether Iraq wanted grant or reimbursable aid, as our legal requirements for grant aid were much more complicated. Prime Minister merely nodded. At no time did he say whether he was willing accept continuation MAAG." (Department of State, Central Files, 611.87/1–1959)

[3] Reported in telegram 2680, March 18. (*Ibid.*, 611.87/3–1859)

in this respect would have on UAR anti-Communist campaign is well taken.

2. I do not believe that official expression of US concern about Iraqi situation would be helpful just now. World attention already sufficiently directed to trend here. Statement by USG would (A) revive neurotic GOI fears we considering intervention or encouraging intervention by others, (B) increase acceptance among Arabs of Iraqi charge that Nasser acting as cat's-paw for imperialists, (C) correspondingly weaken impact of Nasser anti-Communist campaign.

If President or Acting Secretary asked to comment at press conferences, recommend reply not go beyond general line President took on February 18,[4] possibly with additional observation that GOI continues to declare that it wishes friendliest relations with US.

3. We doubt that Qassim could be induced see light by special envoy from Turkey or Pakistan. High-level representatives from India, and possibly from Sudan and Morocco, might have some effect, but we judge none these governments would leap at idea. More easily arranged and probably of greater cumulative value would be reiterated expressions of concern by Resident Chiefs of Mission of Arab states, smaller European powers and Afro-Asian states not members of Baghdad Pact or SEATO, whenever they see Qassim in normal course of business. In this category are Lebanon, Morocco, Saudi Arabia, Sudan and Tunisia; Belgium, Denmark, Netherlands, Spain, Switzerland and Yugoslavia; India, Indonesia and Japan. If Department has no objection I will urge colleagues from these countries use any meeting they have with Qassim to express hope Iraq will not fall under domestic or external Communist control. Their willingness to do so and effectiveness of their presentations of variants of this theme would, of course, be enhanced by instructions from their governments. Department may wish try to induce such instructions through individual approaches in capitals concerned. My guess is that multilateral approach as through NATO Council, would not be advisable.

4. Assume reference to cessation "attacks" refers only to propaganda warfare. It seems to us Nasser now too deeply committed to call off dogs. He might see advantages, however, as we do, in middle course whereby he kept up campaign against Communist parties and their Soviet backing in ME, and in Iraq in particular, but tapered off direct attacks on Qassim including charges he himself is CP member. We believe there some chance that "opening to the right" could be devised for

[4] Reference is to a Presidential news conference on February 18 during which Eisenhower was asked to evaluate the situation in Iraq. For text of his response, see *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1959*, p. 195.

Qassim if UAR propaganda switched to picturing him as essentially sound Arab patriot who had become unwilling captive of Communists. Attacks on personalities might be better centered on influential Iraqi Communists not holding official positions and on foreigners like Bakdash and Bizri, charging latter making Baghdad headquarters for alien influences and assuming leading roles in direction of CPI.

5. Although we not in best position to make judgment, we inclined doubt Nasser needs encouragement or money from us for conduct his propaganda campaign. [*2-1/2 lines of source text not declassified*] As for Nasser's capacity check trend in Iraq by promoting overthrow or overhaul its government, we doubt he can do this, even with outside help. If we aided or otherwise encouraged him in that direction, most of blame for renewed failure see in his mind be ours. Furthermore, there would always be danger of leak which would be damaging both to him and to us. On other hand, we should, of course, try assure him west will not stab him in back while he is fighting communism in ME.

6. We see nothing to be gained by a US-UK-French threat to boycott Iraqi oil. It would enrage all Iraqis without really coercing them. It would gravely jeopardize IPC position. It would confirm in Iraqi mind conviction that "imperialists" forever bent on unseating "popular" governments in underdeveloped lands and keeping their people poor and oppressed.

7. We think it would be serious error if UAR cut oil pipelines at this time. Step would immeasurably exacerbate UAR/Iraq feud and would strengthen rather than weaken Qassim regime. West would inevitably be blamed along with UAR, whereas Soviet bloc would have good opportunity tighten hold on country by extending increased aid to cushion shock of "imperialist" squeeze on oil revenues. Iraq would no doubt demand large loan from IPC to tide it over fiscal emergency, under threat of nationalization. If pipelines should be cut, US should plainly dissociate itself from step and use its influence to hasten completion new oil-loading facilities now under construction by FAO.

8. No psychological measures of obvious worth under present circumstances occur to us. We believe VOA on right course in reporting without comment both sides of slanging match between Cairo and Baghdad. Nasser's propaganda machine is better attuned than ours to pound at Arab consciousness with anti-Communist thesis. Discreet for us to stay off players bench and away from cheering section at this stage. Would be most worthwhile, however, for us canvass all possibilities for encouraging western contracting and engineering firms to continue participation in Iraq development program despite present difficulties and risks. Soviet program will meet only fraction of Iraq's real needs in next few years, and field should not be left to them alone. We should not rule

out guarantees against loss and extension credits by USG and other western governments for specific and limitable projects (not surveys).

9. We would not recommend personal letter from Eisenhower to Qassim warning against Communists for reasons similar those stated above in paragraph 3. Additional hazard in this case is that sooner or later letter would be leaked in distorted form to Baghdad press, as was case with President's February 18 statement, and would then be made text for new round of indignant sermons on US "pressure" and "interference in internal affairs Iraq." Might, however, be well worthwhile for President to send Qassim few days before July 14 National Day letter going well beyond protocol requirements, assuring Qassim that USG well disposed toward young republic, had followed with friendly interest first year of its efforts to create better life for Iraqi people and wished it well in its continued efforts to this end.

Regret our cogitation has produced generally negative reaction to Department's inquiries. Seems to us best course we can follow until situation clearer is to defend our specific interests here as best we can, to maintain such programs as we can, especially in fields of education and development as symbols continued western interest and good will, and to continue assure Qassim we sincerely want see Iraq be independent and prosperous and are prepared to help toward that end.

Our general estimate of situation and prospects has not changed during week since transmission Embassy telegram 2758.[5] We think that their deep aversion to Nasser leads Turks and to lesser extent British to declare somewhat greater confidence than we feel in Qassim's determination and ability to steer middle course, but we recognize they may yet be proven right. In any case, we see no present alternative to support of Qassim.

Jernegan

[5] Document 166.

APRIL 1959–DECEMBER 1960: U.S. RELATIONS WITH THE QASSIM GOVERNMENT; CONTINUED U.S. NON-INVOLVEMENT IN IRAQI AFFAIRS

172. Memorandum From the President's Special Assistant for National Security Affairs (Gray) to Acting Secretary of State Herter

Washington, April 3, 1959.

SUBJECT

Iraq

Following recent discussions in the National Security Council on the subject of Iraq and in view of the deep concern felt by all with respect to developments in that country, the President has indicated that he would like to have brought together, under the leadership of the Acting Secretary of State, the heads of responsible departments and agencies of government specifically including, in addition to Defense, JCS, CIA, USIA and ICA, for the purpose of determining what the U.S. Government either alone or in concert with others, can do [*1 line of source text not declassified*] to avoid a Communist takeover in Iraq.

I believe that it is fair to say that the President attaches considerable urgency to this matter and would like a report at the earliest date consistent with thoroughgoing analysis and consideration.[1]

I shall be pleased to discuss this with you if you desire.

Gordon Gray

Source: Department of State, PPS Files: Lot 67 D 548, Iraq. Top Secret.

[1] According to an attached memorandum from Herman T. Skofield of S/S to Dayton S. Mak of NEA, Herter wished that a "coordinated study" be prepared in the Department of State prior to any interagency meeting as suggested in Gray's memorandum. NEA was given responsibility for preparing said study as soon as possible and clearing it with INR, P, S/P, G, and W (and perhaps EUR depending on the recommendations). For text of the study, see Document 175.

173. Memorandum of Conversation

Washington, April 4, 1959, 3 p.m.

SUBJECT

The Situation in Iraq

PARTICIPANTS

United States

The Acting Secretary
NE—Mr. Stuart W. Rockwell

United Kingdom

Mr. Selwyn Lloyd
Sir Harold Caccia
Lord Hood
Mr. Willie Morris
Mr. Denis Laskey

Selwyn Lloyd began by stating that at the recent Camp David meetings[1] it had been agreed that it would be useful if something could be done to end the present tension between the UAR and Iraq. He asserted it had been decided to await the results of Arab League efforts to this end, but these seemed to be proving fruitless and Mr. Lloyd wondered whether the US and UK should not now take some action themselves. There wasn't much that could be said to Qassim but perhaps the US might take steps in Cairo to get Nasser to "lay off" Iraq. The more the UAR attacked Iraq the more the latter was forced to rely on the Communists.

The opinion was expressed to Mr. Lloyd that if the US were to approach Nasser in this sense there would be a grave risk that he might interpret this as espousal of Iraq's cause against that of the UAR and as an indication that the US did not support the UAR anti-Communist campaign. While this campaign carried with it the risk of causing Iraq to rely more than it might wish to upon the Communists, the value of the UAR anti-Communist campaign was so great that it would seem unwise to jeopardize the latter in an effort to ease UAR pressure on Iraq. Furthermore, it was by no means certain that the Qassim regime would turn away from the Communists if the UAR attacks ceased. Accordingly, the US would be very reluctant to approach Nasser in the sense suggested by Mr. Lloyd.

Source: Department of State, Central Files, 787.00/4–459. Secret. Drafted by Rockwell and approved by Herter on April 13. The meeting was held at the British Embassy. Selwyn Lloyd was in Washington to attend the NATO Ministerial Meeting April 2–4.

[1] See Document 62.

Mr. Lloyd said that the UK was deeply concerned by the situation in Iraq. What if the IPC should be nationalized? Furthermore, he was certain that the Iraqi decision to withdraw from the Baghdad Pact was taken as the direct result of the UAR attack on Iraq. Mr. Lloyd said that he was to see Mr. Hammarskjold in New York in the next few days and wondered whether he might suggest to the Secretary General that he seek to ease the tension between the UAR and Iraq, proceeding from the Arab General Assembly Resolution of last August calling for good neighborly relations between the Arab states.

It was suggested to Mr. Lloyd that if it became thought or known in the Middle East that the Secretary General had intervened between the UAR and Iraq at Western suggestion, there would be the same grave risk of causing the UAR to slack off in its anti-Communist campaign as would be present were the US to approach Nasser directly. However it might be useful for the UK to ask Mr. Hammarskjold to arrange to convey to the UAR the UK's sincere desire for the resumption of diplomatic relations and the establishment of confidence between the UK and the UAR. Mr. Lloyd thought this was a good idea and said he would approach the Secretary General in this sense instead.

Mr. Lloyd also said that he would explain to the Secretary General the reasoning behind the UK decision to agree to sell arms to Iraq, which was now pretty firm. Previously during the conversation Mr. Lloyd had wondered whether it might not be a good idea for the UK to convey these reasons directly to the UAR. It was suggested, however, to Mr. Lloyd that such action might only deepen the current UAR suspicion of the UK, since any value which might reside in prior notification to the UAR had been destroyed by the publicity already given to the possibility that the UK would reach an affirmative decision on the Iraqi arms matter, and on the grounds that "qui s'excuse, s'accuse". Mr. Lloyd believed this reasoning had merit. (During this part of the conversation, Mr. Lloyd said he had the impression the US hoped the UK would provide arms to Iraq. In response the US position was outlined. It is that if the UK should decide, in its own interests, to go ahead, the US would not object. Mr. Lloyd said he had thought our position was more "affirmative" than this.)

Turning again to the situation in Iraq Mr. Lloyd asked if there were not something that the US and UK could now do about reducing tensions between the UAR and Iraq. In reply it was noted that Nasser's direct attacks on Qassim seemed to be less frequent and that the UAR had agreed to attend the Arab League meeting now going on in Beirut. It was perhaps too soon to say that this meeting had failed, and it might be that in the next few days there would be a slacking off of the UAR propaganda attacks on Iraq. It seemed desirable for the US and the UK not to intervene at this stage in this specific sense. However, it might be useful

if the US and the UK were to approach other nations with the suggestion that they instruct their representatives in Baghdad to warn the Iraqi Government against the dangers of becoming too closely involved with the Soviet Union. Such a suggestion had just been received from the American Embassy in Baghdad, together with a suggested list of countries to be approached. These included a number of Arab states, which the Department thought it might not be a good idea for the US and UK to approach, since this would inevitably become known in the Near East thus destroying the effectiveness of any démarche. However there were a number of other nations outside the area which might exert a beneficial influence. It was suggested to Mr. Lloyd that the US and UK might agree upon which of these countries each would approach. Mr. Lloyd thought this was a good idea and said the UK might take Yugoslavia, for example, and the US might take Spain. It was agreed that the Department and the UK Embassy would consult about this.

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174. Telegram From the Embassy in Saudi Arabia to the Department of State

Jidda, April 4, 1959, noon.

847. King Saud sent Tubaishi with message he vitally concerned about danger of Communist Iraq to Saudi Arabia, Arab world and West. Anxious to know plans or thinking of US and British about what to do stop communism in Iraq.[1] His information that Qassem Communist and believes if not stopped Communist Iraq will take over Kuwait, Jordan, Syria, Lebanon and Saudi Arabia in that order, therefore action to counter vital. Tubaishi interjected personal view that US must watch UK to insure British do not fail in what they are attempting but would not elaborate. Nasser has appealed to King and willing do anything for his support but King believes Nasser has lost heavily as result Mosul and Iraqis have powerful weapon in anti-Nasser sentiment in Syria. Claims Nasser has become obsessed by need destroy Qassem. If US and UK are going take action against communism in Iraq can count on King and

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Source: Department of State, Central Files, 787.00/4–459. Top Secret; Limit Distribution.

[1] [*Text of footnote not declassified.*]

Saudi Arabia for anything. Saudi Arabia cannot act alone and must continue in its own interest for time being with public posture of neutralism. Again Tubaishi interjected own inability understand why King did not speak out. King now in Mecca but will leave for Riyadh via Jidda on April 8 and hopes for message from USG before then.[2]

Sweeney

[2] In telegram 891 to Jidda, April 6, the Department asked that Sweeney inform King Saud that the United States shared his concern but recognized that expressions of concern from Western sources might only serve to strengthen the Communist position in Iraq. The Department wondered whether the King would consider approaching Qassim to warn him of the dangers associated with involvement with the Soviet Union. (Department of State, Central Files, 787.00/4–659)

175. Paper Prepared in the Department of State

Washington, April 15, 1959.

THE SITUATION IN IRAQ

Policy the United States Should Follow To Prevent Communism From Establishing Control of the Country

I. Evaluation of the Situation

If the rapid development of Communist strength in Iraq is not arrested, there is grave danger that the country will fall under Communist control. The Communists have taken over all significant media of public expression in Iraq. They also control the increasingly active para-mili-

Source: Eisenhower Library, Files of the Special Assistant for National Security Affairs, Near East. Top Secret. Drafted by Rockwell. Sent by Calhoun to Karl G. Harr, Jr., at the White House for use at the April 17 meeting of the NSC; see Document 176. According to an April 14 memorandum from Skofield to Mak, Herter read and approved this paper. Herter hoped that prompt interagency agreement on the courses of action recommended herein could be achieved without invoking a meeting of the heads of the various agencies and that the coordinated program could be recommended to the President. (Department of State, S/P Files: Lot 67 D 548, Iraq)

tary Popular Resistance Forces, and they are marshaling trade union and student groups to serve the Communist cause. In addition, Communists or pro-Communists are established in certain key positions in the Iraqi Government, notably in the fields of economic development and propaganda, and in the immediate entourage of the Prime Minister. The Communists are also making strenuous efforts to subvert the army, the key factor in the control of the country. The army cannot be said as yet to be Communist-controlled, but apparently the Communists are having success in subverting the lower ranks and the possibility is a real one that in a time of crisis the junior officers and non-commissioned officers would not obey instructions from above which might be opposed by the Communists.

Although the majority of the Iraqis are not sympathetic to communism, there is at present no effective opposition to the Communist forces. The anti-Communist nationalists are at the moment demoralized and virtually powerless.

In the midst of this growing Communist strength the Prime Minister remains an enigma. Although on several occasions he has with apparent sincerity stated that he has no intention of turning Iraq over either to the Western "imperialists" or to the Communists, and although certain Communist demands, such as the execution of imprisoned officials of the Nuri regime and the full arming of the Popular Resistance Forces, have not been met, the Prime Minister has taken no significant action to curb Communist strength.

The Soviet Union is according full support to Iraq both publicly in the propaganda field and particularly by economic and military assistance. The tone and content of the Iraqi press and radio output give firm indication of Soviet guidance and coaching. Meanwhile, despite the Prime Minister's protestations of friendship for the West, the position of the latter in Iraq continues to deteriorate. Westerners long resident in the country are being expelled and Western contractors are being harassed by the Communists and by government obstruction. The West is daily attacked in the Iraqi press and over the Iraq radio. The Prime Minister's stated desire that Iraq shall follow a policy of neutrality is rendered meaningless by the actions of subordinate officials of the Iraqi Government who are clearly biased in favor of the Soviet Union and the Communists.

Accordingly, the situation in Iraq is cause for grave concern on the part of the United States. If matters proceed along their present course it seems but a matter of time before Communist control of the country will be established, even though surface appearances may be that Qassim is in control. If the Communists take over Iraq, they will be in a position to extend their influences into Syria and the Persian Gulf areas, particularly Kuwait, thus threatening the West's control of the Middle East oil

reserves. The repercussions of a Communist takeover in Iraq could well include the downfall of the regime in Iran.

Despite this grave situation it is notable that certain Middle East friends of the United States regard the Iraq situation by no means as darkly as does the United States. Turkey, Jordan, and Israel in particular, and Iran to a lesser degree, appear to believe that Qassim will keep Iraq independent of the Communists and feel strongly that Nasser is undermining this possibility by his attacks on Iraq. The Turks have gone so far as to give the impression that they would go to Iraq's assistance if Nasser should intervene in that country. Even the UK views the Iraq situation with less alarm than does the United States. The attitude of the Sudan seems to be that it is none of the business of the rest of the Arab world whether Iraq goes Communist, and King Saud, in viewing developments in Iraq, is torn between his fear of the Communists and his hatred of Nasser. During the recent Arab League meeting in Beirut only Yemen strongly supported the UAR with regard to Iraq. The reason for the difference between these states' appraisal of the Iraqi situation and that of the United States seems in varying degrees to lie in the fear and resentment of Nasser on the part of the former and the belief that even a Communist takeover in Iraq might be preferable to a Nasser takeover.

While the developments in Iraq, from the United States point of view, present a very dark picture, it must not be forgotten that developments in the rest of the Near East present a far brighter picture from the United States viewpoint than has been the case for a long time. The rapprochement between the US and the UAR, the effective campaign being carried on by Nasser against local Communists and the Soviet Union, the resultant awakening of the Arabs to the danger of international communism—all of these are developments which would not have seemed possible a year ago and which bring tremendous political benefits from our point of view. We must be very careful, in considering steps we might take, with regard to Iraq, to proceed cautiously with any measures which might jeopardize the present favorable developments in the rest of the area.

II. Steps which the United States and its Friends Might Take to Arrest the Trend toward Communist Control of Iraq

a. Endeavor to Convince Qassim of United States Friendship and Desire to See Iraq Remain Independent

This is being done. The United States has made a special effort to counteract Communist lies that the United States is plotting against the Qassim regime and seeks to overthrow it. It is difficult to know whether Qassim has been convinced but for some weeks he has not reiterated his previous conviction, apparently based on Communist reports, that the United States was in fact plotting against his government. In support of

this approach and in order to help provide Qassim with an alternative to complete reliance on the USSR, the United States has indicated its willingness to continue to provide technical assistance and its desire that United States firms continue to contribute toward the economic strength of Iraq. As regards military assistance, the Iraqi Government has never responded to our request for information on its position with regard to the military aid agreement and there is good reason to doubt that the supplying of arms to Iraq at this time would produce benefits within the country great enough to outweigh the disadvantage which would derive from Nasser's obtaining the impression that we were supporting Iraq against him, with the possible lessening of his anti-Communist campaign as a result. Thus while we should continue to seek friendly relations with the Iraqi Government and to convince them that we are not plotting against them it would not be in our interests to offer to provide arms, beyond agreeing to sell spare parts for United States military equipment in Iraqi hands. At the same time Iraq is not entirely cut off from Western sources of supply for military equipment, since the British have apparently decided to accede to the Iraqi request to sell arms.

b. Military Intervention

It has been suggested that national policy attaches such importance to the prevention of Communist domination of the states in the Middle East that we should be prepared to go even to the length of military intervention to prevent this. If we felt that US military action, if taken in Iraq, would keep Iraq from communism and would not gravely endanger US interests in the Middle East of even greater significance than Iraq, we should not be deterred from taking such action by the threat of Soviet military reaction. However, as soon as US forces left Iraq the revulsion against any government set up under their aegis would be so great that it would probably be swept away and its replacement would in all likelihood be a Communist government. Thus for this reason alone we cannot advocate this course, apart from the long standing United States principles which would be violated by what would in effect be unprovoked United States aggression and apart from the catastrophic psychological reaction throughout Africa and Asia which would inevitably portray us as being worse aggressors than the Communists.

c. Public Expressions of US Concern over Growth of Communism in Iraq

We tried this approach when Syria was threatened with a Communist takeover and came to the conclusion that it did more harm than good. Such a move produces resentment amongst sensitive Arab nationalists, tends to unify Arab opinion in hostility to the United States, and thereby weakens the position of the West and strengthens that of the Communists. The less the West can do in Iraq to provide a target

around which the Communists can rally opinion against the West, the better.

It should also be noted that any public expression of US concern over the growth of communism in Iraq would tend publicly to identify us with Nasser's current anti-Communist campaign. This would be most unfortunate since Communist propagandists would exploit our statement to substantiate their allegations that Nasser is fast becoming an "imperialist stooge". Our statement would thus seriously compromise Nasser's anti-Communist efforts which in the end are likely to be much more effective than any efforts of our own. For the foregoing reasons, a public statement by us expressing concern over communism in Iraq would clearly be unwise.

d. Attempt to Dissuade Nasser from Attacking Qassim and Iraq

However great may be the risks that Nasser's attacks on Iraq are forcing Qassim to rely more than he might wish on the Communists, we believe that the advantages which the West derives from Nasser's current anti-Communist campaign are such that the risk in Iraq must be run. It is likely that if we were to approach Nasser to suggest letting up on Iraq he would interpret this as revealing that we were taking Iraq's side against him; he might slacken if not cease his anti-Communist campaign. We do not wish to run this risk. It is also of course by no means certain that if there were a détente between the UAR and Iraq, the Government of Iraq would turn its attention to curbing the Communists.

e. Encourage Nasser in his Campaign against Communism in Iraq

While we have not directly linked with Nasser's present campaign against communism the steps we have recently taken to aid Egypt, there is no doubt that Nasser knows that we have taken these steps as a sign of approval of his current campaign and that they have emboldened him in his anti-Communist efforts. We have instructed Ambassador Hare to convey to Nasser expressions of encouragement from the highest circles of the United States Government and we are certain that Nasser, at the moment at least, has no concern that if he presses his attack on communism in Iraq and elsewhere in the Near East the United States will take the occasion to stab him in the back somehow. He would be even more certain of our attitude if something could be done to help him with the difficult problem of disposing of Egyptian cotton, for the lifting of which he now depends so heavily on the USSR. We should continue to encourage Nasser in his present attitude by whatever means may be feasible to us. At the same time it should be borne in mind that Nasser's current conflict with the Communists, while opening up new opportunities for the West, has not altered his basic pan-Arab goals which include the elimination of the remaining positions of Western, and particularly British, influence in the area.

f. Encourage Representations to Iraqi Government by Other Nations

We believe it would be useful to encourage other nations represented in Baghdad to instruct their representatives there to bring home to Qassim the dangers of becoming too closely involved with the Soviet Union and of allowing the Communists to attain too much control and authority. We are proceeding to attempt to achieve the agreement of the nations concerned to send such instructions.

g. Western Threat to Boycott Iraqi Oil, Cutting of IPC Pipeline, General Economic Boycott

Even if we could obtain British and French agreement to join us in a public announcement at this time that we would boycott Iraqi oil if the Communists established control of Iraq, we do not believe that this would be a desirable step to take as it would enrage the Iraqi population and thus enhance the Communist position, and would cause the Iraqis to turn even more to the Russians. The same reasoning would apply to the possibility of our contriving to have the IPC pipelines cut as a means of bringing pressure on the Iraqi Government. If we undertook an economic boycott of Iraq, the USSR would without doubt step in to aid Iraq, thus further consolidating its position there as it did in Egypt where it quickly agreed to supply commodities urgently needed by the Egyptians. These courses would increase rather than curb the growth of communism in Iraq.

h. Letter from President Eisenhower to Qassim

We have considered the possibility that the President might write an appropriate letter to Prime Minister Qassim warning him of the danger of collaboration with the USSR and the Communists. We have felt, and the Embassy in Baghdad concurs, that such a step would be deeply resented as intervention in Iraqi affairs, would provide the Communists with helpful ammunition against us, and thus would not be effective.

III. Conclusions

The capacity of the United States to take decisive action which would arrest the growing Communist strength in Iraq and at the same time insure against the resurgence of communism as soon as the US action were terminated, is limited. The United States could of course send forces into Iraq but this would not prevent communism from re-establishing itself once these forces withdrew. Furthermore, such military action would set the whole Middle East against us at a time when the current in the area, with the exception of Iraq, is for the first time in a long while running in favor of the United States. It is unlikely that economic warfare against Iraq by the United States would have any effect other than to turn the population against us and strengthen the position of the Communists and of the USSR, which would provide the neces-

sary economic assistance to Iraq. As for assets in Iraq at this time of sufficient significance to influence decisively the course of events in that country, the United States does not possess them.

Other factors which limit the ability of the United States to take decisive and effective action are the support which Prime Minister Qassim continues to receive from the army and the key segments of the Iraqi population; the efficiency of the Iraqi security forces which have foiled several attempts to overthrow the Qassim regime; the identification of the United States with the hated regime of Nuri Said; the social ostracism and personal harassment currently being experienced by Americans in Iraq, and the example of Egypt in obtaining help from the USSR while maintaining its independence, which no doubt leads the Iraqi leaders to believe they can do the same thing.

Another factor which at present is working against the United States is that of timing. The Iraqi leaders have carried out a revolution and swept away all the restraints which the previous regime had imposed on the population. The pendulum in Iraq has thus swung very far from the direction in which it was held for so many years. The Iraqi leaders, even some pro-Western ones, seem to be operating on the philosophy that this is perfectly natural under the circumstances and that in due course a balanced position of neutrality will be achieved. Thus, efforts by outsiders at this time to establish a feeling of alarm and concern in the Iraqi leaders over the degree of progress toward the left come at the wrong psychological moment as far as the leaders are concerned. The problem of course is that if they should attempt at some future date to redress the balance they may find it is too late.

In view of the limited capacity of the United States effectively to alter developments in Iraq by direct approach, it is perforce necessary to turn to indirect methods of influencing the situation. A decision to do this implies, in the circumstances, that the problem will not be quickly solved. There is thus the risk that the Communists will become too deeply entrenched before the indirect approach can become effective in curbing their strength. It must be recalled, however, that when a similar situation, although admittedly not so serious a one, existed in connection with Syria and after our direct approaches to the Syrian problem had failed, the trend toward Communist domination of Syria was effectively arrested by regional elements, with our indirect encouragement. It seems to us that we must approach the Iraqi problem in the same fashion, recognizing the limitations upon our ability to bring about quick results and accepting the risk inherent in the relatively long period of time which will be required before the indirect approach through regional elements can prove effective. We also assume that there are anti-Communist elements in Iraq awaiting a suitable opportunity to bring about a change of the present trend.

The regional force which obviously presents itself as the avenue through which it may be possible to curb the growth of communism in Iraq is Arab nationalism as headed by President Nasser of the United Arab Republic. This force, with its powerful propaganda, is already heavily engaged against communism in the area, and is in specific conflict with the Iraqi regime. Judging from reports received, Nasser is confident that he will win this battle. Although he may be overestimating his abilities vis-à-vis the Communists, there is no doubt he recognizes the serious nature of the struggle and realizes that if he loses it he risks losing Syria and weakening his position in Egypt as well.

We have already taken steps to make clear to Nasser that we approve of what he is doing and that we support him in this battle. Recognizing that in the circumstances the best chances of curbing the Communists in Iraq reside in measures which the Arabs themselves may take to bring this about, we should continue this policy, implementing it with such steps as we can take from time to time in our own right to contribute to the outcome. Assuming that we are granted the necessary time, we should not be discouraged if progress seems slow. We should remember the many months and the patient painstaking work which were involved in bringing the United Arab Republic to a realization of the dangers of communism and in establishing the considerable degree of confidence which now exists between ourselves and the United Arab Republic, a situation which many observers would have thought impossible a year ago. It should be emphasized that if our policy with respect to the United Arab Republic has been successful it has been due in large measure to our recognition of the delicacy involved and our avoidance of the sensational, the dramatic, and newspaper publicity. In dealing with the grave Iraqi situation, it would behoove us to move with the same delicacy, secrecy and painstaking effort.

IV. Recommended Courses of Action

a. Without publicly injecting ourselves into Nasser's battle against the Communists in the Middle East, or taking sides in the Nasser–Qassim fight, we should discreetly lend Nasser encouragement and assistance recognizing that the United States is severely handicapped as far as ability quickly to change the situation in Iraq is concerned and that the problem should be approached through indigenous forces.

b. If there should develop grounds for sound belief that the trend toward communism in Iraq would be arrested if a détente between Iraq and the UAR could be brought about, we should urgently explore means of achieving this.

c. We should maintain a correct but friendly attitude toward Qassim and the Iraqi Government, refraining from publicly condemning Iraq and from adopting an attitude of public hostility toward her. We

have not given up hope that Qassim, or other forces in Iraq, will take measures to curb the Communists.

d. At the same time, we should make every effort firmly to defend United States interests in Iraq. We should not allow the Iraqis to take unfriendly actions such as the harassment of our personnel without appropriate protest.

e. We should make every effort to maintain and where feasible strengthen the United States "presence" in Iraq. This means maintaining elements of our technical assistance program which are being utilized and attempting to be helpful in other non-dramatic and non-military fields.

f. We should make energetic efforts to align the evaluation by other friendly nations of the situation in Iraq with our own. We need particularly to persuade the Turks of the dangers involved in the current situation in Iraq.

g. We should make efforts to persuade appropriate friendly nations which share our views of the situation in Iraq to make representations to the Iraqi Government to warn it of the dangers of becoming too closely involved with the Soviet Union and of permitting the Communists to become too powerful.

i. [*sic*] We should cooperate closely with the British and coordinate with them policy designed to achieve our purposes.

j. We should and are urgently examining with the British steps, [*less then 1 line of source text not declassified*] which we might take in the event that, despite the measures described above, a Communist takeover of Iraq occurs. In this connection, contingency plans should be formulated for replacing IPC oil supplies to Western Europe by oil from other Mideast sources.

176. Memorandum of Discussion at the 402d Meeting of the National Security Council

Washington, April 17, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda item 1, "Resignation of John Foster Dulles as Secretary of State."]

2. *Significant World Developments Affecting U.S. Security*

Mr. Gray reminded the Council that the only business before it this morning was the grave situation in Iraq and what courses of action the U.S. might carry out to meet the threat of a Communist take-over in that country. He then explained that the Director of Central Intelligence would first brief the Council on the latest developments in Iraq and would thereafter add such other items of intelligence as he deemed of particular importance.

[Here follows discussion of unrelated matters.]

With respect to the latest developments in Iraq, Mr. Dulles asked the Vice President's permission to read a brief, coordinated Intelligence Estimate of the situation.[1] The report, as read by Mr. Dulles, was extremely pessimistic from the point of view of the interests of the U.S. and the West. It indicated that the Iraqi Communists will presently have the capability to take over direct control of Iraq if, indeed, they do not have this capability already. On the other hand, Mr. Dulles was inclined to doubt if the Communists would make use of this capability in the near future because to do so might not be to their long-term advantage. The report also discussed the changing point of view of the British Foreign Office and of the Turkish Government, both of whom were now inclined to take a much more serious view of Communist influence in Iraq. There had been no change, however, in the well-known Israeli view that Nasser constituted a worse threat than Communism if the U.A.R. gained control of Iraq. Mr. Dulles asked Assistant Secretary Rountree if he entertained different views about Iraq than those provided by the report just read. Secretary Rountree indicated that he did not.

Secretary McElroy asked Mr. Dulles whether he felt that the previous Turkish point of view about Qasim was influenced by the views of

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on April 20. In addition to Gleason's memoranda of this meeting, Rountree and Gerard Smith prepared less extensive memoranda of conversation of the meeting, both April 17. (Department of State, Central Files, 787.00/4–1759, and *ibid.*, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action No. 2068)

[1] Not found, but the description of the conclusions is similar to that in Documents 179 and 181.

the Israelis. When Mr. Dulles replied that he felt the Turks were somewhat influenced by the Israeli point of view, Secretary McElroy went on to say that he had recently had quite a long talk with Turkish Foreign Minister Zorlu who repeated their well-known view that Nasser was the real enemy in the Middle East and that Communism was nothing like the threat of Nasserism in that area.

Mr. Allen Dulles then informed the Council that a recent telegram from Ambassador Jernegan in Baghdad contained the information that the British Ambassador to Iraq, Sir Hugh Trevelyan, had been ordered back to London for consultation.[2] It was Jernegan's understanding that Trevelyan still intended to recommend to the British Government that it supply arms to Iraq. However, inasmuch as such arms could not be delivered until late in 1960, this proposal was at this stage, hardly more than a gesture.

Mr. Gray pointed out that he had seen recent information that the U.K. may change its mind on supplying these arms to Iraq. Secretary Rountree volunteered the information that the U.K. Government was at this point attempting to decide whether or not to proceed with its offer of armament to Iraq. There was a difference of opinion in the British Foreign Office and this was why Trevelyan had been called back to London. Some elements in the Foreign Office still believed that it was wise to provide Iraq with an alternative to securing arms solely from the U.S.S.R.

Mr. Allen Dulles then commented on the long and growing list of Iraqi harassments of U.S. officials in Iraq. He also alluded to the so-called repatriation of a number of Kurds from the Soviet Union. While perhaps most of these Kurds had been exiled from Iraq by the former regime of Nuri-Said, there were undoubtedly a number of Soviet agents included among them.

With respect to the list of incidents in which the Iraqis were harassing U.S. personnel in Iraq, Mr. Gordon Gray singled out as particularly shocking their treatment of Mr. Nash.[3] Secretary Rountree agreed that the treatment which he described in detail, was shocking. He indicated that Nash had now been released from prison and given only twenty-four hours to leave the country. Mr. Gray commented that if this sort of

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[2] Telegram 2964 from Baghdad, April 15. (Department of State, Central Files, 787.56/4–1559)

[3] John R. Nash, a member of USOM in Iraq, was arrested on April 14 by Iraqi plain-clothes agents who searched his house and confiscated a tape recorder. Nash was taken to the Ministry of Defense and then the police station. Despite assurances to Ambassador Jernegan that Nash would be released, he was detained overnight, interrogated, insulted, and treated roughly. He was released at noon on April 15 and given 2 days to leave Iraq, which he did. At no time was he provided with an explanation of his arrest, but his interrogators led him to believe he was suspected of spying. (Telegram 3099 from Baghdad, April 29; *ibid.*, 611.87/4–2959)

thing were to occur in Cuba or Bolivia or almost anywhere else, it seemed that our Government would get excited about such an incident and at least make strong protests. Secretary Rountree countered by stating that we were making strong protests to the Prime Minister. Indeed our Ambassador was at this very moment meeting with Qasim to discuss this and numerous other similar incidents.[4] He believed that the State Department had done an adequate job of protesting each of these incidents as they had occurred.

The National Security Council:

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to the situation in Yemen; indications that Khrushchev's health may have been impaired by overwork in recent months; and a coordinated intelligence survey of the situation in Iraq.

3. *The Situation in Iraq* (NSC 5810/1, paragraph 34–d;[5] NSC 5820/1;[6] NSC Actions Nos. 2033–b and 2065–b[7])

In introducing Council discussion on Iraq Mr. Gray informed the Vice President who was presiding at this meeting, as well as the other members of the Council, that he had discussed the idea of holding such a meeting with the President yesterday morning at Augusta. The President had agreed that such a meeting would be desirable. Mr. Gray added the comment that from personal observation of the President, it seemed to him that his health was good and his tone fine. However, he added that the President had obviously suffered a heavy personal blow in the resignation of Secretary Dulles. Mr. Gray then said that the only written material before the Council on the subject of Iraq was a paper prepared in the Department of State on the situation and possible courses of action.[8] While this paper was responsive to the President's previous instruction, there had been no time to coordinate the paper with the other responsible departments and agencies. (A copy of Mr.

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[4] In telegram 2543 to Baghdad, April 10, Jernegan was instructed to meet with Qassim to "leave definite impression of seriousness with which we view apparently rising tide of deliberate anti-American actions and public statements on part of Iraqi officials." (*Ibid.*, 611.87/4–859) Jernegan was not able to see Qassim until April 28 when he made the démarche as instructed and received a rambling and disjointed response from Qassim. Jernegan commented that Qassim's manner was friendly, his comments broad and idealistic, his conviction that the United States was plotting against him unshaken, and there was no indication that he was disposed to take concrete actions to settle the specific problems of harassment of the U.S. Embassy and Americans in Iraq. (Telegram 3099 from Baghdad, April 29; *ibid.*, 611.87/4–2959)

[5] See Document 170.

[6] Document 51.

[7] See footnote 2, Document 157, and footnote 4, Document 170.

[8] Document 175.

Gray's briefing note[9] and the State Department paper are filed in the Minutes of the Meeting.) The Vice President then asked Secretary Rountree whether he had any additional comments to make with respect to Mr. Allen Dulles' briefing on Iraq or the State paper which Mr. Gray had just mentioned.

Secretary Rountree explained that several days ago Secretary Herter had instructed him to prepare this paper on Iraq and to coordinate it subsequently with the other interested departments for presentation to the National Security Council. Unfortunately, there had not been time to effect this coordination prior to the present meeting. It had, however, been distributed to the other departments yesterday and the coordinating process would promptly be begun. The analysis of the situation in Iraq, as contained in the State Department paper, was very similar to the Estimate which Mr. Allen Dulles had just provided to the Council. Secretary Rountree then reminded those present that at the last meeting at which the Council had discussed Iraq,[10] shortly after he (Secretary Rountree) had returned from his visit to Iraq, he had reported on two major developments in that country. The first of these concerned how the Communists had come out in the open in Iraq. The second related to the strong anti-Communist campaign in the several Arab states which had emerged as a result of the demonstration of strong Communist power in Iraq. This latter Secretary Rountree described as an extraordinary change. Unfortunately, however, the effort to launch a program by the Arab League against the pro-Communist regime in Iraq had been unsuccessful. Nevertheless, consideration as to what we should do with respect to Iraq should be undertaken in the light of these two most significant developments. In short, whatever the U.S. considered doing in Iraq should avoid if possible any conflict with this new and favorable anti-Communist trend in all the Arab states except Iraq. In this connection Secretary Rountree pointed out that the U.S. Government had recently greatly improved its relations with Nasser and the United Arab Republic. Nevertheless, the State Department doubted the wisdom of Nasser's violent attacks on Qasim personally as opposed to the more sensible course of action of attacking Communism in Iraq. There appeared to be in the making, however, a shift in the direction of Nasser's propaganda and in the future we might expect Nasser to attack the Iraqi

[9] From this briefing note Gray read to the Council the text of his April 3 memorandum to Herter (Document 172) and stated that he would naturally report the results of this meeting to the President in Augusta, Georgia. Gray then suggested creation of an interdepartmental group as outlined in paragraph b of NSC Action No. 2068 (see footnote 12 below).

[10] See Document 155.

Communists rather than to go after Qasim directly. Such attacks would nevertheless continue to be made against Qasim's entourage.

Secretary Rountree then indicated that he did not propose to go into a detailed analysis of the situation in Iraq at present because this had been so well done by Mr. Allen Dulles earlier in the meeting. Thereafter he summarized the remainder of the content of the State Department paper and also discussed the attitude of the Turks, the Israelis, and the Jordanians toward developments in Iraq.

The Vice President interrupted to state that he judged that these three nations as well as the U.K. were a good deal less concerned about the situation in Iraq than was the U.S. He presumed that this was so because all these governments were rather more concerned about the threat posed by Nasser. Did this mean, inquired the Vice President, that the position of these governments with respect to Qasim would be to support him because Nasser was attacking him?

Secretary Rountree replied that when he and his associates had talked with the British recently at Camp David,[11] three possible eventualities had been foreseen in Iraq: first, a Communist take-over; second, a Nasser take-over; and third, a "Nationalist" take-over which would remove both the Communists and the pro-Nasser leaders from the Iraqi Government. While all of us had hoped that the latter possibility would actually come to pass, it was agreed that one of the first two possibilities was the more likely. Because they so completely distrusted Nasser, the British were much more willing to undertake the risks which would be incurred by attempting to follow the third possibility of a Nationalist come-back in Iraq.

The Vice President expressed the opinion that even if the Nationalists should win temporarily in Iraq, their victory might lead to an eventual Communist take-over. The Vice President said that this was what he deduced from the State Department paper. While he described this paper as an excellent analysis, the Vice President added that when one got through reading it, one came away with the idea that there was really nothing that the U.S. could do to prevent the worst from happening in Iraq.

Secretary Rountree said that he would like to describe the main factors which underlay the situation in Iraq with respect to these three possible alternatives. He believed that the vast majority of the population in Iraq want neither Nasser nor the Communists to take over their country. Accordingly, there was some reason to hope that even if the

[11] An account of that discussion, in which Iraq was one of the topics discussed, is in a memorandum of conversation, March 22. (Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199)

Iraqi Communists now have the upper hand, that the pendulum would ultimately swing back away from Communism but not in the direction of Nasserism. This at least was the view and the hope of some of the leading Iraqi citizens.

The Vice President then inquired of Secretary Rountree whether he would say that the people of Iraq were more worried about the Communists or about Nasser. Secretary Rountree replied that at the moment at least they were more worried about the Communists. But, continued the Vice President, the British and apparently the Turks, Israelis, and some others seem more worried about Nasser than about the Communists. Secretary Rountree did not think this was quite accurate but noted that the governments mentioned by the Vice President were certainly reluctant to enter into any program which would result in building up Nasser in the Middle East. The Vice President then commented that nevertheless it seemed unlikely that we could find any middle ground between Communistic control of Iraq and control by Nasser. Secretary Rountree answered that a leading authority in the U.A.R. had stated yesterday that in his view Qasim's career was finished. If it turned out that Qasim was a Communist, then clearly the Communists have him in the bag. If, on the other hand, it turns out that Qasim is not a Communist, the Communists will get rid of him very soon. They will never permit him to swing back to a nationalist but non-Communist position. According to the U.A.R. informant, the U.S.S.R. had been willing to submit to tremendous losses in its long-term program for taking over the Middle East by virtue of the support that it had given to the Iraqi Communists. Secretary Rountree pointed out that of course these views constituted an Arab argument but he nevertheless thought them significant. Secretary Rountree gave it as his own view that we do not believe that we can yet conclude that Qasim was lost and that there was no possibility of a reverse of the trend of Iraq toward Communist domination.

The Vice President then referred to the several alternative U.S. courses of action as set forth in the State Department paper. He commented that there seemed a strong implication that each one of these alternatives was weighed down with so many liabilities from the U.S. point of view that one was driven to the conclusion that it was perhaps better to let Iraq go down the drain than to attempt to carry out any of the alternatives. Secretary Rountree said that he could not agree with the Vice President's deduction but the Vice President replied that the State Department paper seemed to argue against each of the alternative courses of action because each course of action, while providing some hope of improvement in Iraq, carried with it the likelihood that it would hurt the interests of the U.S. in all the other Arab countries.

Secretary Rountree responded by stating his belief in the possibility of avoiding the loss of Iraq while using means short of drastic U.S. ac-

tion. The basis for his belief, said Secretary Rountree, lay in the fact that the Arab countries themselves were now so deeply concerned about the Communist threat to Iraq and to the entire Middle East. As a result, the Arab countries themselves may undertake to do what is necessary to save Iraq. Such a course of action would certainly be the best from the U.S. point of view and this was the course of action which at the present time the U.S. Government was following. Secretary Rountree added that this did not mean, of course, that there were not certain things that the U.S. could do to assist the Arab movement.

(At this point the Vice President temporarily left the room to take a telephone call from the President at Augusta.)

While the Vice President was absent from the room, Mr. Gray asked the members of the Council whether they would approve of his drafting a Resolution by the National Security Council on the resignation of the Secretary of State. Mr. Gray thought that the Council Resolution should be undertaken prior to the appointment of a successor to Secretary Dulles. All present responded enthusiastically to Mr. Gray's suggestion. (The draft Resolution is given as Item 1 in the list of Council actions for this meeting.)

When the Vice President had returned, Secretary Rountree went on to say that the most hopeful possibility of saving Iraq was in his opinion to give the lead in the process to the Arab states themselves. We were encouraging this course of action in every possible way. If this course of action did not ultimately succeed and Iraq was lost to the Communists, we could at least derive some comfort from the fact that the Arabs themselves would thereafter recognize the necessity for drastic action if the whole Middle East was not to be lost to Communism. Once this realization had dawned, then the U.S. would be in a position to undertake forceful military measures in collaboration with the Arab states to change the situation in Iraq.

The Vice President observed that he understood that the State Department was trying to build up the basis for this course of action with respect to Iraq. Secretary Rountree replied in the affirmative and said that in addition to the State Department paper before the Council, we had discussed this course of action with the British in the Macmillan meetings at Camp David, along with various other contingencies. Secretary Rountree added that there was a group of U.S. officials working on the problem in very great secrecy. The group had arrived at no magic solutions but it was engaged in surveying practically continuously all possible courses of action.

The Vice President said that as he understood Secretary Rountree's remarks, he was in effect stating that we simply could not tolerate a Communist take-over in Iraq and that we were therefore engaged in building a case to prevent this from happening or for overthrowing a

Communist regime in case one became established in Iraq. Secretary Rountree answered in the affirmative and stated that the U.S. could not tolerate a Communist take-over in Iraq. Such a take-over would not only result in the loss of Iraq, it would pose great danger to Iran, Kuwait, and Syria—indeed in time it would endanger the entire Arab world. This was not only an obvious truth, thought Secretary Rountree, but one which he thought in a short time the Arab states themselves would recognize.

The Vice President next inquired of Secretary Rountree whether there was any considerable number of people in Iraq who would rally to the support of Qasim against either the Communists or the pro-Nasser forces. Were there a number of genuine Iraqi Nationalists? Secretary Rountree replied that while there were plenty of strong personalities in Iraq who would support Qasim against either Communist or Nasser forces, these Nationalists were not well organized at the present time. Secretary Rountree went on to add that we were not as appalled over the possibility of a pro-U.A.R. take-over in Iraq as were the British. We felt that we could do more about a Nasserite regime in Iraq at some future time than we would ever be able to do about a Communist regime in that country. Moreover, we are convinced that the Iraqis basically would never accept Egyptian domination over any considerable period. Since we thus believe that any Egyptian domination of Iraq would inevitably be for a short term, we are not too greatly concerned about the possibility of a take-over by Nasser in Iraq.

General Twining at this point stated that if the Council was entertaining thoughts of going as far as our current NSC policy on the Near East suggested, namely, to prevent by all possible means Soviet domination of countries in the Near East, we had better begin now to think about preparing for the possibility of military action in the area. If we contemplate military action to save Iraq, General Twining was convinced that we would need to clarify our reasoning in order to make such a move acceptable to the American public. Moreover, said General Twining, have we asked Nasser what he would think about such a U.S. plan for military action? We could easily take over Iraq by military force if the appropriate preparations were made in advance.

Secretary Anderson said that he was convinced that one of the basic elements in Soviet and Chinese Communist strategy was to multiply the number of crises in the world at any given time. We are now in such a situation as was exemplified by the Berlin crisis, Iraq, etc. If the Russians are very concerned about the possibility of having a free Berlin within Soviet controlled territory, how much greater should our concern be if Iraq fell into Russian hands. When you look at the Arab states which border Iraq, you cannot fail to observe the very great lack of significant military capability in all of them. Accordingly, if a strong Communist

military capability should be established in Iraq, then the whole of the Middle East is likely to go down the drain. Any such Communist military strength in Iraq would likewise lead to a most serious threat both to NATO and to the economic life and health of Western Europe as a whole. Fuel requirements alone would present an appalling problem for Western Europe as the Suez affair clearly demonstrated sometime ago. This would have repercussions even for the U.S. If the Suez affair had continued a few months longer, Secretary Anderson said he was convinced that fuel would have been rationed in the U.S.

Secretary Anderson then said that he agreed with Secretary Rountree as to the modification in the past few weeks of prior Arab hostility toward the U.S. Nevertheless we must be realistic. In his judgment, said Secretary Anderson, there was really no basic and permanent Arab unity except perhaps unity against Israel. The basic interests of the Arabs were the basic interests of the individual Arab countries rather than of the Arab nation as a whole. Even if we assumed that the man in the street does not want Communism to win out in Iraq, there always remained the problem of how effective the man in the street can be in Iraq unless we provide him with external assistance. With respect to the choice between Nasserism or Communism in Iraq, Secretary Anderson expressed himself as shocked that the British or anyone else could fail to realize that Communism is much the worse of the two choices. To Secretary Anderson indeed there was simply no choice at all. That the U.A.R. should take over as an alternative to the Communist take-over was to Secretary Anderson not even a debatable point.

Continuing, Secretary Anderson said that he was particularly worried about certain earlier situations which resemble the crisis we were now facing in the Middle East. He recalled all the discussion in the National Security Council about saving Indo-China from the Communists. After a great deal of talk, we finally came to the conclusion that we simply could not afford to lose Indo-China to the Communists. Yet after that, when we finally got down to military planning, we found ourselves talking about such a scale of magnitude that our intervention appeared to be hopeless. In point of fact, therefore, much of Indo-China was lost to the Communists while we were here talking and planning about saving it. We must not now repeat this error in the Middle East. How long are we expected to wait before we take action or make plans? How firm is our resolution that we cannot afford to lose Iraq to the Communists regardless of the risks that we would incur by forceful action to save the country? Secretary Anderson believed that the people of the U.S. would understand a U.S. decision to intervene to save Iraq. He expressed himself as much more worried about public opinion in Europe. Certainly there was no fuss in the U.S. about the action which our armed forces took in Lebanon and Iraq after all was much more important than

Lebanon. Secretary Anderson emphasized that he did not wish to state positively that we were taking adequate steps or inadequate steps to support Nasser or to do other useful things but he simply could not bring himself to believe that Qasim was a possible trump card in our hands. On the contrary, Secretary Anderson said he considered Qasim to be a doomed man if he did not actually prove to be a Communist.

Secretary Anderson went on to say that he did not think that Nasser and Qasim were comparable in terms of their capacity to make use of and yet to hold off the Soviet Union. Accordingly, it seemed to Secretary Anderson that the National Security Council ought to share the President's view that any take-over by the Communists in Iraq was completely unacceptable and that we should be prepared to take very great risks to prevent such a take-over. To this end he recommended that the Council set up at once a group of Government officials whose sole duty it should be to plan to prevent such a Communist take-over. At the same time we should exert all possible pressure on our European allies and on our Arab friends to act in timely fashion to save Iraq, as we certainly did not do in the case of Indo-China. We do not want another Dienbienphu. We face a formidable task in preparing the U.S. to act militarily against Iraq without having recourse to the use of atomic weapons. Such U.S. intervention would require many divisions.

Turning to Secretary Rountree, the Vice President commented that as he understood the State Department view, it was that the State Department felt that no action which the U.S. can take at the present time could succeed in Iraq. Secondly, the State Department sees nothing that we can do to save Iraq which, even if successful in that country, would not destroy the U.S. position and prestige in all the other Arab countries. Secretary Rountree replied that this was indeed the case and would be the case until the Communists actually took over in Iraq and by so doing brought the Arabs to see what this meant for them and therefore induced them to support U.S. intervention to destroy the Communist regime in Iraq. The Vice President then went on to say to Secretary Rountree that as he, the Vice President, understood it, as far as Nasser and the leaders of the other Arab states were concerned, all that the State Department thinks we can expect for the time being is that they can stir up public opinion in Iraq to stand up against the Communists. Secretary Rountree replied in the affirmative.

Mr. George Allen stated that there seemed to him to be other possibilities. Perhaps, he said, he viewed the situation in Iraq with less concern than the other members of the Council. It seemed to Mr. Allen quite possible that Qasim's course of action might well end up as a repetition of the action previously taken by Mossadegh in Iran and by Nasser in Egypt. In the midst of the Iranian and Egyptian crises, many of us in the U.S. were convinced that both Iran and Egypt were lost to the West.

Nevertheless, as Iran and Egypt showed, every time one of these Arab governments drastically changes in character, the pendulum inevitably swings back in due course. Therefore, Mr. Allen argued that he was not at all sure that the situation in Iraq had at this point gone any further than had the similar developments in Iran under Mossadegh and Egypt under Nasser at an earlier time. He therefore recommended that we remain calm and roll with the punches. He was quite sure that the Soviets would have a great deal of trouble in Iraq and he had the feeling that we were going through an era in Iraq not unlike that which Iran and Egypt had earlier gone through. If we did not lose our poise and our nerve, we might well come out all right. Moreover, if by our courses of action, we ended by handing over Iraq to Nasser, Mr. Allen was sure we would find Nasser extremely hard to deal with. In fact, if he added Iraq to his existing holdings, he would soon end up by swallowing the whole of the Middle East. He would therefore, said Mr. Allen, be inclined to let the nations of the Arab world settle their own affairs. In concluding his remarks, Mr. Allen pointed out that the great difficulties which Nasser had encountered in attempting to line up the Arab League against Iraq at the Beirut meeting had resulted, as it turned out, in only Yemen supporting Nasser's efforts.

Mr. Allen's comments induced Secretary Rountree to outline in some detail the recent meeting of the Arab League at Beirut and the reasons for Nasser's failure to get Arab League support against Qasim. He said that the Arabs feared a complete triumph of Nasser. Secretary Rountree himself believed that the possibilities that Nasser could permanently take over in Iraq were very remote. He therefore repeated that he was not particularly worried about the U.S. policy of encouraging Nasser in his current anti-Communist program.

Secretary McElroy stated that he and his colleagues in the Defense Department together with the Joint Chiefs of Staff had been giving thought to U.S. requirements in the event that a determination was made for military action in Iraq. It was the view of the Defense Department that if we were to intervene in Iraq, we would have to be invited to do so by some kind of Iraqi governmental unit as had been the case in Lebanon. If Qasim was not going to be around long enough to invite us in to assist him in action against the Communists and we nevertheless intervened, we should be regarded in the eyes of much of the world as merely having become engaged in old-fashioned power politics. Secretary McElroy likewise thought it would not be easy to sell a program of military intervention in Iraq to the American people. In any event he was quite sure that we could not intervene in Iraq without requiring several divisions and without encountering severe logistical problems. Although of course we could successfully intervene, we must realize that we could not do so without bringing on a real strain in this country.

We might very well be forced to total mobilization to prepare for various contingencies; for example, that Iraq would be defended militarily by the armed forces of the Soviet Union. This of course could well lead to war between the U.S. and the U.S.S.R. All this, in Secretary McElroy's view, pointed straight to trying to do whatever we could to act in Iraq without resorting to military actions—more perhaps than we were now doing. For example, should we not consider boycotting Iraqi petroleum? It would be possible for the Free World to get along without oil from Iraq. Beyond this course of action Secretary McElroy recommended that we should make a further effort to determine what Qasim's objectives and wishes really were—whether he was a Communist or an anti-Communist or, hopefully, a Third Force Nationalist. If the latter turned out to be the truth, then Qasim must be made to accept whatever support the U.S. could supply. If this were not the case and he turned out to be a Communist, we should think at once of applying commercial sanctions. Speaking with great feeling, Secretary McElroy said he felt it was outrageous that our British and French allies were treating developments in Iraq so casually when these were the very nations who would suffer first and the most acutely if Middle Eastern oil were lost to Western Europe and the Free World.

Mr. Gray asked for some clarification as to the views given in the State Department paper with respect to shutting off Iraqi oil as a commercial sanction against the Iraqi regime. Was the State Department thinking of a sudden and drastic shut-off of this oil or of a more subtle course of action such as a progressive reduction in Free World purchase of Iraqi petroleum supplies? Secretary McElroy replied that we were thinking rather of the progressive reduction of the purchase of the oil than of a sudden embargo.

Mr. Allen Dulles said that he was very much inclined to agree with Secretary McElroy that what was happening in Iraq represented a major effort by the Soviet Union to split the Middle East. He expressed himself as particularly worried about the eventual fate of Iran and he said that we could not sit by and let the situation in Iraq deteriorate further. In his opinion the Soviets would certainly not have risked their whole position in Egypt if they really did not mean business in Iraq. Their policy and action in Iraq was not certainly a mere drift. The Soviet policy was carefully calculated. Furthermore, he expressed disagreement with the analogy drawn by Mr. Allen between Mossadegh and Qasim, between Iran and Iraq. [2 *lines of source text not declassified*] He felt that there were a number of possible courses of action. He felt we should certainly try to induce the Arabs to take the lead and join in a united front against the Iraqi Communists. In this endeavor Bourguiba might prove a useful instrument. Perhaps he could find out what was really in Qasim's mind and what were Qasim's true objectives in Iraq.

The Vice President commented that it seemed to him that the great problem about waiting until the Communists had overtly taken over in Iraq, as Secretary Rountree advocated, prior to direct U.S. action was this: if the Communists do take over Iraq there will be in a very short time no one left to invite us or anyone else to intervene. Under these circumstances could we still move in? We might but it would be very awkward. On the other hand, the arguments of Secretary Rountree and the State Department paper certainly did emphasize the difficulty of any overt U.S. course of action.

Secretary Rountree commented that Nasser had actually stated that Iraq was a battle which he was obliged to win. Secretary Rountree believed that the employment of Arab military forces against Iraq at some future time was not unlikely. It should be U.S. policy to support such Arab initiative rather than for us to intervene first and overtly.

Secretary Anderson said that while he agreed with Secretary McElroy in general on the desirability of commercial sanctions against the present government in Iraq, he nevertheless doubted whether we would be given a good case to apply sanctions against Iraq as we had been given such a case in Iran when Mossadegh proceeded to take over and to nationalize Western oil concessions in Iran. He believed that the Iraqi Communists would not take over the petroleum industry in Iraq as Mossadegh had in Iran. Therefore, it would be harder to refuse to buy Iraqi oil. So he came back, he said, to talking about U.S. divisions. We must prepare for the time when we reach the conclusion that Iraq is indeed lost to the Communists. We must at that point be able to act in timely fashion. Accordingly, we must have people constantly working on this problem every hour and every day to explore every U.S. action.

Secretary McElroy noted that the Joint Chiefs of Staff had not yet had an opportunity to consider the State Department paper which was now before the National Security Council. He believed that the Chiefs wanted an opportunity to consider the paper. Secretary Rountree said that the State Department was proposing to have meetings at once on its paper with the other responsible departments and agencies. The Vice President again praised the State Department paper despite the fact it concluded that there were more liabilities than assets for practically every course of action proposed in the State paper. He added that he would agree with Secretary Anderson that if we wait until the Communists clearly and openly take over in Iraq, we won't be able to do anything about the accomplished fact.

Secretary Anderson in this context pointed out the difficulties of determining when such a Communist take-over had actually occurred. Secretary McElroy added the point that as regards military action against Iraq he doubted whether the Arabs, [*less than 1 line of source text not declassified*] could overthrow the Communist regime in Iraq. To this

argument Secretary Rountree stated that the kind of military action he envisaged did not consist of a plain confrontation of Iraqi armed forces by the armed forces of the United Arab Republic. Rather such military action would consist of the infiltration of U.A.R. military forces into Iraq to work hand in hand with dissident forces already in action in Iraq, against the Communist regime. At this point Mr. Gray said that he wished to suggest a course of action upon which the Council might agree and recommend to the President. (For the text of the proposed action see Mr. Gray's attached briefing note.) He then read a somewhat lengthy proposed NSC action on the subject of Iraq. The Vice President immediately at the conclusion of Mr. Gray's proposal asked Secretary Rountree how it sounded to him. Secretary Rountree replied that he believed that the State Department should proceed with further consideration of its own paper in conjunction with the other interested departments and attempt to get a coordinated view as to the correct approach. As to Mr. Gray's proposal for regular meetings of a group to study the problem, Secretary Rountree suggested that this would certainly be done in any case. He stressed the great concern of the State Department about developments in Iraq.

In response to Secretary Rountree, Mr. Gray pointed out that the group of officials mentioned in his proposed NSC action would not be expected to deal with day to day operations with respect to Iraq. He added that he realized that at the present time the State Department was heavily burdened. Nevertheless, ten days had passed since the President had asked that a group be set up to study possible courses of action in Iraq and Mr. Gray felt that the President's sense of urgency must be maintained.

The Vice President said that it appeared to him to be useful if three or four high-level officials of the interested departments could keep meeting regularly so that when the President returned from Augusta they would be in a position to report to him. He added his view that the U.S. Information Agency should be a member of this group. In short, he would agree with Mr. Gray's proposed NSC action if Secretary Rountree thought it was workable.

Secretary Rountree observed that he did think the proposal was workable. The Vice President then stated that the group to be set up should spend a minimum amount of time on the nuances of language and promptly get down to what courses of action the U.S. might undertake in the face of various contingencies. He urged that the group not haggle over language. Secretary McElroy added that to have the group report each week on its activities to the Council might be a wise course of action for a period of time but not indefinitely. The State Department would be the best judge on this point.

The National Security Council:[12]

a. Discussed the situation in Iraq, in the light of a report on the subject prepared by the Department of State as a first step in carrying out the President's instructions (transmitted to the Acting Secretary of State and the Secretary of Defense on April 3, 1959) that the Acting Secretary of State take the lead in bringing together the heads of responsible departments and agencies for the purpose of determining what the U.S. Government, either alone or in concert with others, can do [*1 line of source text not declassified*] to avoid a Communist take-over in Iraq.

b. Agreed that continuing work, further to implement the above-mentioned instructions by the President, should be done by an interdepartmental group composed of representatives at the Assistant Secretary level of the Departments of State (Chairman) and Defense, the Joint Chiefs of Staff, the Central Intelligence Agency, and the U.S. Information Agency, assisted as necessary by the International Cooperation Administration. This group would be requested to develop integrated views, keeping their principals fully informed, and to report to the National Security Council each week unless otherwise directed. The group would be concerned with further consideration of the above-mentioned State Department report, current developments, and feasible courses of action; taking into account the discussion at this meeting, particularly the sense of urgency required to prevent a Communist take-over in Iraq.

Note: The action in b above subsequently submitted to the President for his approval and transmittal to the Acting Secretary of State, the Secretary of Defense, the Chairman, JCS, the Director of Central Intelligence, the Director, USIA, and the Director, ICA, for appropriate implementation.

S. Everett Gleason

[12]Paragraphs a and b and the Note that follows constitute NSC Action No. 2068, approved by the President on April 22. (*Ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

177. Memorandum From Vice President Nixon to the President's Special Assistant for National Security Affairs (Gray)

Washington, April 20, 1959.

After our recent meeting[1] I had some thoughts which might be profitable to consider in developing any particular course of action. These ideas all suggest that we use caution in any endorsement of Nasser and his present operations.

First, it is obvious that the Soviets have some really expert personnel in the Middle East and are able to coordinate their actions in Iraq and the UAR. In addition, they undoubtedly have plans calling for the replacement, elimination or control of Nasser if he begins really to hurt their plans, although at the present his propaganda works to solidify Iraqi groups into the Communist popular front in that country.

Second, we have worked hard with the Turks, Saudis and Iranians to prevent Iraq from joining the UAR, and to make an "about face" now could damage our reputation for integrity, particularly after our use of troops in Lebanon.

For these reasons, the wisest plan may be for us to follow a parallel but separate course as long as Nasser continues to berate the Communists publicly, always being prepared to part ways cleanly, quickly and expertly if he changes or if we wish to change. In short, we must be able to exploit his anti-Communist effort without in any way having to agree to deeper commitments.

Source: Department of State, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action 2068. Top Secret. Executive Secretary Lay transmitted this memorandum to the heads of the agencies whose representatives were on the interdepartmental group on Iraq, the Secretaries of State and Defense, and the Directors of Central Intelligence, the U.S. Information Agency, and the International Cooperation Administration.

[1] See Document 176.

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178. Editorial Note

Assistant White House Staff Secretary John S.D. Eisenhower included the following information on Iraq in his "Synopsis of State and Intelligence material reported to the President," April 18–20, 1959:

"Communist pressures have resulted in a number of personnel changes in important Iraqi government posts, and a major revision of the Iraqi cabinet is reported to be impending.

"According to a UK Foreign Office official, the British Ambassador to Iraq—now on consultation in London—holds that there is no alternative to continuing the present UK policy in Iraq, avoiding actions embarrassing to relations with Qasim, and trying to find ways to help him. So far no decision has been reached on an arms offer, but the Ambassador favors it and other projects. He feels Qasim has not given in to every Communist demand, and the label 'Communist' is being used indiscriminately in regard to Iraq." (Eisenhower Library, Whitman File, Eisenhower Diaries)

President Eisenhower initialed the synopsis.

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179. Special National Intelligence Estimate

SNIE 36.2/1–59 Washington, April 21, 1959.

THE COMMUNIST THREAT TO IRAQ[1]

The Problem

To reassess SNIE 36.2–59, "The Communist Threat to Iraq," in the light of subsequent developments.

The Estimate

1. The main themes of SNIE 36.2–59 were the ominously effective Communist drive toward power in Iraq; the apparent disorganization and lack of effective leadership among the local nationalist opposition to Qassim—military and civilian; and the fact that Nasser viewed the situation as a serious challenge and one which he must fight even at the risk of losing Soviet support. We believe that the validity of these judgments has been borne out by subsequent developments, of which the most important are the abortive Mosul uprising in early March and the widening breach between Nasser on the one hand and Qassim and the Soviets on the other.

2. Within Iraq itself, the chief effect of the abortive Mosul rebellion has almost certainly been to help the Communist cause—by increasing

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Source: Department of State, OCB Files: Lot 61 D 385, Iraq Documents. Secret. The special estimate, submitted by the CIA, was prepared by the CIA, INR, the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. On April 21, this estimate was concurred in by all representatives of the USIB except the representatives of the AEC, FBI, the Director of the National Security Agency and the Special Assistant to the Secretary of Defense for Special Operations, who abstained on the grounds that the topic was outside their jurisdiction.

[1] Supplements SNIE 36.2–59, "The Communist Threat to Iraq," dated 17 February 1959. [Footnote in the source text. See Document 161.]

Qassim's dependence upon his Communist backers, by adding to his pronounced distrust of nationalist opposition elements, and by underscoring the deficiencies and reducing the capabilities of those elements. Nasser's diatribes against Qassim and his Soviet and Communist backers have almost certainly intensified Qassim's fears. In this atmosphere the Communists have been moving aggressively, and their influence now permeates all levels and activities in Iraq.

3. Starting with several of Qassim's closest advisors, strong Communist influence now exists in the Ministries of Economics, Development, Agriculture, Education, and National Guidance. In the armed forces, many actively anti-Communist officers have been removed from their commands, transferred, or arrested on allegations of anti-regime activities, and have been replaced by men felt to have a stronger personal loyalty to Qassim, some of whom are known to be pro-Communist. These changes have weakened the anti-regime potential of the armed forces and made them more susceptible to Communist penetration.

4. The Communists now enjoy virtually complete control over the internal dissemination of information. Nearly all non-Communist newspapers were sacked and destroyed by the mob at the time of the Mosul revolt. Radio Baghdad is under the control of a Communist director, and is used frequently to broadcast Communist-inspired "popular demands" for action of various types by Qassim. Proliferating "mass organizations" also serve this purpose, as well as providing channels for feeding the Communist line directly down to labor, student, female, and similar groups.

5. Finally, the Communists are near masters of the "street," with their position reinforced by the Qassim government's recent distribution of small arms to some units of the "Popular Resistance Forces," and they have succeeded in intimidating many Iraqis who are basically opposed to Communism.

6. Popular and military loyalties still appear attached to Qassim rather than to Communism. Hence Qassim may still have some capabilities to avoid Communist domination of Iraq if he were disposed to do so. However, these capabilities are decreasing, those of the Communists are increasing, and Qassim's feeling of dependence on the Communists continues to grow. Accordingly, we think it highly unlikely that Qassim will strike at them, and we know of no potential leader in Iraq who could do so with success. In short, the Communists will soon, if they do not already, have the ability to assume direct control in Iraq. We believe that the local Communists and the USSR will prefer for some time not to assert Communist power openly, though they would probably do so in the event of a serious challenge to their position.

180. Editorial Note

On April 23 at the 403d Meeting of the National Security Council, Director of Central Intelligence Allen Dulles briefed the Council on "Significant World Developments Affecting U.S. Security." Included in that briefing was the following discussion on Iraq:

"With respect to Iraq, Mr. Dulles stated that the developments in that country were proceeding along the road which we feared they would continue to take. There had been a wave of new arrests of non-Communists and there was still every indication of a progressive Communist take-over in Iraq. The prevailing feeling in Baghdad was apparently one of terror even within the Army. Mr. Dulles then noted a list of recent incidents and harassments of U.S. and Western officials.

"Mr. Gray pointed out that subsequent to last Friday's special NSC meeting on Iraq, a group had been established to watch the situation in Iraq under the chairmanship of Assistant Secretary Rountree of the Department of State. It appeared that this group had not yet reached a unanimity of opinion but Mr. Gray believed that the group would have a report for the Council in time for next week's meeting.

"The President inquired what we had done to carry out the arrangements we had made with the British about Iraq during their recent visit. Secretary Herter explained that the relatively complacent British Government view of developments in Iraq had not significantly changed. Mr. Allen Dulles commented that there was a great deal more agreement about the Iraq situation at the working levels in the British and U.S. Governments than there was at the top level where we and the British held differing views." (Memorandum of discussion by Gleason, April 23; Eisenhower Library, Whitman File, NSC Records)

Also on April 23 Assistant White House Staff Secretary John S.D. Eisenhower included the following information on Iraq in his "Synopsis of State and Intelligence material reported to the President":

"Mass rallies against 'imperialism,' commemorating the Bandung conference, are scheduled for 24 April in Baghdad and elsewhere in Iraq. These demonstrations will be sponsored by numerous Communist-dominated mass organizations and will serve to keep non-Communist-elements aware of the Communist 'power of the street.' Communist leaders might also take the opportunity to complicate further the Qassim regime's relations with the West by staging incidents involving Western personnel and property." (*Ibid.*, Eisenhower Diaries)

181. Special National Intelligence Estimate

SNIE 36.2–2–59 Washington, April 28, 1959.

PROBABLE REACTIONS TO THE COMMUNIST THREAT IN IRAQ

The Problem

To assess the reactions of interested states to the developing situation in Iraq.

Conclusions

1. Nasser regards the Communist-backed Qassim regime as an immediate and critical danger to his interests. The UAR will continue efforts to topple this regime, and has more political and subversive potential than any other government for doing so. Nevertheless, this potential has been impaired and increasing Communist control in Iraq will weaken it further. Nasser will welcome improved relations with the US, but will also seek to avoid a complete break with the Bloc. (Paras. 7, 10–21)

2. Most other governments in the area, as well as some British circles, have shown less concern about developments in Iraq and have hoped that Qassim would provide a useful counterpoise to Nasser. These hopes are fading, and we believe that awareness of the Communist threat will spread. Initially, most of these governments will prefer action to reverse the trend without augmenting Nasser's influence, but if this proves not feasible, there will be increasing willingness to countenance, if not support, Nasser's efforts. Notable exceptions will be Israel and probably the present regime in Jordan. (Paras. 6, 8, 22–28)

3. Except for the UAR, Arab states individually can do little to affect the situation in Iraq. A unified stand among the Arab governments would be more promising, but difficult to maintain. Short of military intervention by their armed forces, Turkey and Iran have only limited capabilities. (Paras. 22–26)

4. We believe that the Soviets would much prefer to avoid a sudden Communist coup or provocative Bloc action in Iraq. They almost certainly hope, and probably believe, that a continuation of present

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Source: Department of State, OCB Files: Lot 61 D 385, Iraq Documents. Secret. This special estimate, submitted by the CIA, was prepared by CIA, INR, the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. On April 21, this estimate was concurred in by all the representatives of the USIB except the representatives of the AEC, FBI, the Director of the National Security Agency, and the Special Assistant to the Secretary of Defense for Special Operations, who abstained on the grounds that the subject was outside their jurisdiction.

trends will obviate the necessity of such a move. While we believe that the USSR would take energetic measures involving some risks to maintain the Communist position in Iraq, in our judgment it would not at this time intentionally run serious risks of general war for that purpose. The closer Iraq comes to membership in the Communist camp, the greater will be the degree of risk which the Soviet Union will be prepared to run if Communist power there should be challenged. (Paras. 29–31)

[Here follows the five-page "Discussion" portion of the estimate.]

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182. Memorandum of Discussion at the 404th Meeting of the National Security Council

Washington, April 30, 1959.

[Here follows a paragraph listing the participants at the meeting and agenda items 1–3.]

4. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters.]

In Iraq unrest and disorder continue, particularly along the Iranian and Syrian frontiers and possibly along the Turkish frontier. It seems probable that the Syrians and the Turks are stirring up trouble among the border tribesmen in Iraq. In any case, Baghdad believes that the dissident tribes are getting support from both Syria and Turkey. The Communists are continuing to consolidate their strength in the economic field in Iraq. Soviet technicians have recently arrived in Basra. The Economic Minister in Iraq has recommended a revision of Iraq's agreements with the Free World, and has suggested that Iraq's economy should be organized along Soviet lines. However, the attitude of Turkey toward the situation in Iraq has recently changed. Turkey now wants U.S.-Turkish talks on the problem.

[Here follows discussion of events in Iran and Soviet-UAR relations.]

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs on April 30.

5. *The Situation In Iraq* (NSC Action No. 2068)[1]

Mr. Gray called on Secretary Dillon for a report on the work of the Interdepartmental Group established by NSC Action No. 2068. Mr. Dillon said that the Group had been meeting regularly and had appointed a working group which had reached agreement on an outline of planning, covering measures already taken, measures to be taken, continuing measures and contingency planning. We had already approached Nasser and indicated that we approved his anti-Communist campaign. However, he has made it known that he wishes more support from us. In collaboration with the U.K., we have suggested to a number of other countries (aside from the major Western Powers) that they warn Qasim against communism. Japan and Spain have already responded to this suggestion. We have also approached Turkey and discovered that Turkish thinking has changed and that the Turks are now concerned about Iraq and want to talk to us about what to do. [*2 lines of source text not declassified*] The U.K. feels there is danger from communism in Iraq, but nevertheless seems to be prepared to deliver heavy armaments to that country on the basis of stating to the Iraqis that the U.K. is convinced that Iraq will preserve an attitude of independence and neutrality and assure the continued supply of oil. We have received a report from Egypt that Nasser will cease his personal attacks on Qasim but will continue his anti-Communist campaign. We consider this a favorable development in U.S. policy. In Iraq itself we have asked our Ambassador to protest vigorously against restrictive measures imposed on U.S. personnel. Apparently our protests have had little effect on the Qasim government. We are asking Ambassador Jernegan to come back to the U.S. to deliver a first-hand report next week.

In the future, Secretary Dillon said, it seems probable that we will approach Nasser again to explore parallel measures which the U.S. and the U.A.R. might take. This approach, however, will involve some very delicate timing and will probably not be attempted until Ambassador Jernegan makes his report. We are continuing to encourage other Arab leaders to express concern over the situation in Iraq; we are continuing efforts through the Mutual Security Program to strengthen Iraq's neighbors; and we are continuing to encourage states in addition to Japan and Spain to warn Qasim against communism.

In connection with contingency planning, Secretary Dillon continued, we are studying the oil situation to see whether a continued flow of oil could be maintained in the event of a Communist take-over in Iraq; and we are reviewing U.S. military plans. Mr. Dillon added that the review of military plans was an essential element in this situation if we

[1] See footnote 12, Document 176.

were to be able to move quickly in the event of necessity. In conclusion Mr. Dillon said that the agencies represented on the Interdepartmental Group were in general agreement, that the committee would keep on top of the situation, and that it would continue to make reports to the Council.

General Twining said that the military planning to which Mr. Dillon referred was solely U.S. planning, although the U.S. and U.K. had contingency plans based on their being invited into Iraq.

The Vice President wondered whether the British thought they could make a deal with the Iraqi Communists and whether they considered Nasser a greater danger than the Communists to the Near East. He also wondered whether the U.S. would continue to take the public position that it would not intervene in Iraq. Secretary Dillon answered the last question in the affirmative, adding that while we were discouraged about the trend in Iraq, we did not wish to indicate publicly that we thought Iraq might go Communist. The Vice President suggested that it might be well to talk the matter over with certain Senators and ask them not to go too far in saying that Iraq may go Communist.

The President said the British attitude seemed to be that they were not sure what line Qasim would follow in the future, but they were very sure about the line communism would follow and were very much concerned over the possibility of a Communist take-over in Iraq. The British also feel that Nasser cannot be trusted.

The National Security Council:[2]

Noted and discussed a report presented by the Acting Secretary of State on the activities of the Interdepartmental Group established by NSC Action No. 2068.

[Here follows a brief note indicating that President Eisenhower held a special NSC meeting prior to this regular one to discuss a report of the Comparative Evaluations Group.]

Marion W. Boggs

[2] The following paragraph constitutes NSC Action No. 2074, approved by the President on May 4. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

183. Memorandum of Discussion at the 405th Meeting of the National Security Council

Washington, May 7, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2.]

3. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters.]

With respect to Iraq, Mr. Dulles said that he would not say very much at this time because Ambassador Jernegan was here to give a report on developments in Iraq. He did have, however, one or two developments which had occurred since Ambassador Jernegan had left Baghdad. There had been more clashes in the last couple of days in the northern part of Iraq between dissident Kurdish tribesmen and the Iraqi army. These clashes probably had been fostered by the United Arab Republic. We had also learned [*less than 1 line of source text not declassified*] that some of the Communist officers in the Iraqi army were making more extreme statements than those being made by the recognized Communist leaders in Iraq.

The National Security Council:[1]

Noted and discussed an oral briefing by the Director of Central Intelligence on the subject, with specific reference to possible Austrian agitation in the Italian Tyrol; the circumstances surrounding the departure of the Soviet Attaché at Rangoon; the views allegedly expressed to a leader of the Greek Progressive Party by Khrushchev; the implications of the current visit of the Shah of Iran to Western Europe; highlights of De Gaulle's first year of power in France; and recent developments in Jordan and in Iraq.

4. *The Situation In Iraq* (NSC Action Nos. 2068 and 2074)[2]

Mr. Gray asked Secretary Herter to introduce Ambassador Jernegan who would, thought Mr. Gray, report to the National Security Council about the latest developments in the Interdepartmental Watch Group which had recently been established by the NSC to scrutinize developments in Iraq.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on May 8.

[1] The following paragraph constitutes NSC Action No. 2077, approved by the President on May 18. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[2] See footnote 12, Document 176, and footnote 2, Document 182.

Ambassador Jernegan moved to the Council table and opened his remarks by stating that he supposed that it would not be necessary to describe in any detail the process of Leftward drift which had begun in Iraq on July 14 of last year and which had been greatly accelerated in recent weeks and months. Of this development Ambassador Jernegan thought it sufficient to state that it was obvious that the Communist Party in Iraq was more and more active both overtly and covertly. The Communists had achieved substantial control of many popular organizations in Iraq, a number of which the Ambassador cited. The most alarming symptom of what was going on in Iraq was the fact that these popular organizations were following whole-heartedly the Communist Party line. Things had reached a point where the Communist Party actually signed statements and manifestos openly.

In addition, Ambassador Jernegan said that there was good reason to believe that the Communists and their sympathizers had now succeeded in penetrating more deeply into the government of Iraq. They had not yet reached the level of the cabinet but they were entrenched at the second and third echelons of the Iraqi government. There were numerous reports that the Iraqi army had likewise been infiltrated to some extent. Ambassador Jernegan said he was not sure just how far infiltration into the army had occurred. Perhaps some of our reports on this matter were slightly exaggerated. Nevertheless, it was at best a gloomy picture and one that was getting worse rather than better.[3]

Ambassador Jernegan then stated that in his opinion there were five major reasons for this trend to the Left in Iraq. The first of these reasons was a reaction against the pro-West attitudes and policies of the former Nuri regime. Secondly, Qasim himself and many other Iraqi leaders distrust the West and feared that we were working to destroy the new regime. The third reason was widespread fear that the regime would be brought down by Nasser and the U.A.R. Ambassador Jernegan commented that it was obvious that Nassar was out "to get" the new regime and in this instance Qasim's fears were justified. Fourthly, the Communists themselves in Iraq had worked very hard and were extremely well organized. The fifth reason was that Qasim may really want events to take the course they have been taking. He might be a Communist or a pro-Communist. Personally, however, Ambassador Jernegan did not think so. He did think that Qasim was scared and that he was tolerating the Communist activity because he felt sure of the strong support of the Communists.

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[3] This was the general conclusion of telegram 3144 from Baghdad, May 3, which was an extensive assessment of the Iraqi situation for the previous 5 weeks. (Department of State, Central Files, 787.00/5–459)

In the face of this picture, continued Ambassador Jernegan, we have been following a policy of trying to reassure Qasim and to support his regime. We have repeatedly offered our assistance to help Qasim. While Ambassador Jernegan admitted that this policy had not thus far worked too well, matters might have been much worse if we had tried another kind of policy. He therefore believed in this policy and strongly advised that we should stick to it. He did not really believe that Qasim wanted to end up in the Soviet camp and he therefore thought that sticking with our present policy was less risky for the U.S. than the adoption of a policy of hostility to Qasim whether overt or covert. A U.S. policy of overt hostility would surely drive Qasim more completely into the hands of the Soviets. [*3-1/2 lines of source text not declassified*] Finally, there was no one now in sight who could replace Qasim if we succeeded in ousting him.

Ambassador Jernegan then suggested that in carrying out the present U.S. policy vis-à-vis Iraq, he believed that there were two or three additional things which we might attempt to do. First, he felt we should try to end Iraq's complete isolation from all the other Arab countries. Some degree of rapprochement might be useful although, of course, this would require a change in Nasser's point of view. Ambassador Jernegan felt that we should try to get Nasser to stop his direct attacks on Qasim while continuing his general anti-Communist campaign. While Nasser's anti-Communist campaign had produced very useful results in the Middle East generally, this campaign had been a failure as regards Qasim personally because he was the great hero in Iraq and the father-figure of that country.

Secondly, Ambassador Jernegan urged that we carry out a technical assistance training program for Iraq which had already been proposed and agreed upon in Washington. This program, he explained, would train 170 Iraqis either in the U.S. or in Beirut. The proposal now awaits the approval of the Iraqi Government and the nomination of the 170 candidates.

Thirdly, Ambassador Jernegan thought that this Government ought to propose to negotiate a cultural agreement with Iraq. Such cultural agreements were all the rage today in Iraq. Many such agreements had been made with the Iron Curtain countries. In connection with such a U.S.-Iraqi cultural agreement, Ambassador Jernegan recommended that we invite some of the high officials of the Iraqi Government to visit the U.S. Such officials should be in the cultural or economic areas and not in the political.

This, said Ambassador Jernegan, was his story in a nutshell although he would glad to answer any questions which members of the Council wished to put to him.

Secretary Scribner asked about business conditions in Iraq at the present time. Ambassador Jernegan replied that business was a bit depressed. There was a good deal of unemployment, there had been a significant drop in foreign trade and in construction. There was a serious lack of confidence in the new regime on the part of Iraqi businessmen.

Mr. McCone inquired about the oil situation. Ambassador Jernegan replied that this was good and output had actually been increasing. Secretary Quarles inquired whether the Ambassador felt that Qasim would continue to recognize that Iraq's economic ties were still necessarily with the West. The Ambassador replied that this would certainly be the case as far as petroleum was concerned. The Iraq Petroleum Company did not seem now greatly concerned about dangerous interference by the Iraqi Government. With respect to other kinds of trade, Ambassador Jernegan said he did not know precisely the views of Qasim. On the other hand, it was clear that the Minister of Economics in the Iraqi cabinet desired to counter-balance Western ties with Eastern ties and has therefore signed a lot of trade agreements with the Iron Curtain countries.

The President thanked Ambassador Jernegan at the conclusion of the discussion.

The National Security Council:[4]

Noted and discussed an oral report on the subject by the U.S. Ambassador to Iraq.

[Here follows agenda item 5.]

S. Everett Gleason

[4] The following sentence constitutes NSC Action No. 2078, approved by the President on May 18. (*Ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

184. Editorial Note

From May 12 to 15, President Eisenhower's synopsis of State and Intelligence material included accounts of events in Iraq. On May 12, the following information was reported to the President:

"Hare found Nasser's thinking on Qasim very much like ours. Despite somber aspects of the Iraqi situation, Nasser felt there were a few hopeful glimmerings. He made clear he did not wish to obstruct any constructive developments in Iraq. Agreeing in principle with the desirability of closing Arab ranks to the Communist menace, the UAR leader

nevertheless saw practical difficulties arising from extraneous circumstances. Nasser said he had no plan whatsoever for renewing full relations with the British. Referring to the UK's decision to supply matériel to Iraq, he said the British had not yet made their views known to him," (Synopsis of State and Intelligence material reported to the President by John S.D. Eisenhower, May 12; Eisenhower Library, Whitman File, Eisenhower Diaries)

On May 13, the following information was reported to the President as part of the synopsis of State and Intelligence material:

"The Communist-controlled press is intensifying its pressure on Qasim to legalize political parties and to appoint avowed Communists to the revised 18-post cabinet. Editorials during the past few days have sharply attacked the government on this issue, and have referred to Qasim in tones less laudatory than usual. The strongly pro-Communist ministers of economy and health have publicly backed the party's demands, and the leading Communist newspaper is seeking endorsements from other cabinet members.

"A Foreign Office official has informed Embassy London that the Canadian Ambassador in Cairo conveyed to Nasser on Monday Lloyd's letter to Fawzi concerning the UK decision on arms for Iraq. Nasser read the letter and listened 'thoughtfully.' He seemed to regard the UK position with 'understanding and respect,' and said Fawzi would reply to the letter. The Foreign Office official obviously is gratified by this outcome, according to our Embassy."(*Ibid.*)

John Eisenhower's synopsis of May 14 included the following information on Iraq:

"Nasser told Hare on Saturday [May 12] that one of the 'hopeful glimmerings' in the Iraqi situation was Qasim's stand on political parties and his retention of certain ministers who had been strongly criticized by the Communists. In these circumstances Nasser had decided to desist from attacks on Qasim to afford him the opportunity to stand up to the Communists.

"Hare later reported Nasser told IBRD President Black on Monday he could understand what the British were trying to do in giving arms to Iraq, although he did not think it would be effective." (*Ibid.*)

On May 15, the following information on Iraq was included in John Eisenhower's synopsis reported to the President:

"The Soviet bloc is apparently succeeding in its efforts to obtain civil air rights in Iraq. The USSR, Czechoslovakia, and Hungary have been negotiating for a route to Baghdad, presumably via Cairo. Iraqi Airways is reported to be preparing a new schedule which would include the USSR and East Europe as well as Asian and African countries now served. Moscow reportedly has offered to re-equip the Iraqi civil air fleet." (*Ibid.*)

At the 406th Meeting of the National Security Council, May 13, General Cabell included the following on Iraq in his briefing on "Significant World Developments Affecting U.S. Security":

"General Cabell said that in Iraq the Communists continued their drive and were demanding the inclusion of avowed Communist Party members in the Iraqi cabinet now being formed. The Economic Minister and one other minister have supported the inclusion of Communists in the cabinet. The Iraqi press appears to be conducting a strong pro-Communist campaign and is at the same time de-emphasizing Qasim. There are many indications of a struggle behind the scenes between Qasim and the Communists. Qasim is not opposing the Communists but is seeking to control the terms on which they enter the Cabinet. Relations between the U.S.S.R. and Iraq continue to be close, with Soviet aircraft being delivered to Iraq and Soviet technicians and economic missions entering the country." (*Ibid.*, NSC Records)

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185. Telegram From the Department of State to the Embassy in Iraq

Washington, May 15, 1959, 8:31 p.m.

2891. Confirming discussions in Washington, Ambassador authorized in early conversation with Prime Minister to make oral comments along following lines:[1]

"As you know, I have just returned from a brief period of consultation Washington. I found there great continuing interest in Iraqi developments and continuing sympathy for aims of your government—the improvement of standard of living of Iraqi people, the establishment of true democracy, and maintenance of independence of Iraq.

Source: Department of State, Central Files, 787.00/5–1559. Secret. Drafted and approved by Rountree and cleared in draft by Murphy.

[1] According to telegram 3307 from Baghdad, May 18, Jernegan made the same oral comments to Foreign Secretary Jawad who agreed it was important that Jernegan speak to Qassim along the same lines. (*Ibid.*, 787.00/5–1859)

According to telegram 3385 from Baghdad, May 26, Jernegan saw Qassim on May 25 and made the comments as instructed. Jernegan reported that he "toned-down anti-Communist warning" because Qassim had recently made assertions of neutrality and for Jernegan to make such warnings would imply that the United States was not convinced of Iraq's neutrality. After Jernegan made his points, Qassim claimed he had not doubted U.S. friendship and was sure U.S.-Iraqi relations would improve. Jernegan attempted to refute specific rumors and stories that the United States was working against Iraq. Qassim listened to Jernegan's extensive defense and then stated that he did not attach much importance to rumors. Jernegan commented to the Department that while Qassim was not as forthcoming as he could be, he seemed "reasonably sympathetic" and "gave no indication of skepticism." He concluded, "I think we are on the right track in expression confidence in him and should continue seek ways to reassure him by concrete actions as well as words." (*Ibid.*, 787.00/5–2659)

At the same time, I found much concern over what many people consider evidence of growing Communist influence in Iraq, which seems to threaten maintenance of country's independence. I need hardly point out to you the unfortunate effect which Communist control of Iraq would have on relations between our two countries. People who have followed progress of Soviet Communist expansion since World War II pointed out that number of developments in Iraq, such as policy and activities of Iraqi Communist Party and various popular organizations, appear to follow traditional Communist strategy of gaining control of sources of power, one by one, and then taking over government itself. They emphasized that this process can take place even though government currently in office is not sympathetic to aims and ideology of international communism.

I reported to authorities in Washington assurances you had given me that you intended to maintain Iraq's independence and that you did not believe Iraqi people wished to adopt Communism. These statements were received with pleasure, but I was asked to stress need which my Government sees for great watchfulness in these matters.

I was also asked to tell you that US Government continues to place confidence in you personally and in government under your direction. It continues to desire friendliest relations. It does not wish to make your task more difficult. In particular, I am instructed to assure you again that US Government is not intriguing against you either in Baghdad, other cities or in frontier areas where there have been reported disturbances. We do not believe any Americans are associated with such activities, even as private individuals.

Furthermore, my Government would look with disfavor on any acts by governments of other countries which might disturb the independence of Iraq."

Dillon

186. Special National Intelligence Estimate

SNIE 36.2–3–59 Washington, May 19, 1959.

IMPLICATIONS OF A COMMUNIST TAKEOVER IN IRAQ

The Problem

To estimate implications of a Communist takeover in Iraq and of possible courses of action by other powers over the next year or so.

Assumption

In previous estimates, we concluded that the Communists would soon be in virtual control of Iraq, if indeed they were not already in that position.[1] The present estimate examines the situation which would obtain if such a Communist takeover were in fact to take place.

Conclusions

1. Both the Iraqi Communists and the USSR would probably seek to conceal Iraq's subservience to Soviet policy, and it may remain well nigh impossible to determine precisely when the movement toward Communist control has passed the "point of no return." Nevertheless, the establishment of decisive Soviet influence over Iraq would presage a radical change in the Middle Eastern political scene, and over the longer run, the USSR would almost certainly exploit this base to enhance Communist influence elsewhere in the area. (Paras. 11, 14–15)

2. Even a Communist Iraq would want to avoid isolation within the Arab Community. It might thus initially soft-pedal subversive actions against its Arab neighbors, but it appears almost inevitable that sooner or later such efforts would be directed against Syria, Kuwait, and Iran. The regime would probably also move to obtain greater influence over the Iraq Petroleum Company and to exert a disruptive influence on the Middle East oil industry. Actions such as these would be likely to be

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Source: Department of State, OCB Files: Lot 61 D 385, Iraq Documents. Secret. A note on the cover sheet indicates that this special estimate, submitted by the CIA, was prepared by CIA, INR, the intelligence organizations of the Army, the Navy, the Air force, and the Joint Staff. All members of the USIB concurred with this estimate on May 19 except the representatives of the AEC, FBI, the Director of the National Security Agency, and the Assistant to the Secretary of Defense, for Special Operations, all of whom abstained on the grounds that the topic was outside their jurisdiction.

[1] The likelihood of a Communist takeover and the probable reactions of other interested parties to the developing threat are discussed in SNIE 36.2–59 (17 February 1959) [Document 161] and SNIE 36.2/1–59 (21 April 1959) on "The Communist Threat to Iraq" [Document 179] and in SNIE 36.2–2–59 (28 April 1959) on "Probable Reactions to the Communist Threat in Iraq" [Document 181]. The present estimate supplements these previous estimates. [Footnote in the source text.]

accelerated if the Communist regime felt compelled to maintain its momentum in the face of outside attack. (Paras. 15–18, 22)

3. Nasser will persist in a two-fold effort to undermine the Communists in Iraq and to prevent the spread of their influence elsewhere in the Arab World. For both these endeavors, he will seek discreet US support as a source of influence over conservative and opportunist elements in other Arab States and as a counterweight to Soviet pressures. (Paras. 24–28)

4. Nasser is unlikely for some time at least to be able to affect significantly the situation within Iraq. His chances are fairly good for isolating the Communist regime from the rest of the Arab World and blocking the spread of its influence. He has greater popular appeal and more assets in the Arab States generally than has Qassim, and his anti-Communist crusade has already had widespread public effect in the Arab World. He would probably have the support of the Arab World as a whole in any measures he might take to repeal aggressive Iraqi moves beyond Iraq's own borders. Except in the case of an internal upheaval in Iraq, direct UAR military intervention is unlikely. For such a move at least tacit Western support would be needed. (Paras. 38–48)

5. Turkey, Iran, the UK, and the conservative Arab States will remain distrustful of Nasser's ambitions, but would be likely to find themselves compelled eventually to recognize that he must almost certainly play a major role if Communist influence in Iraq is to be contained or eliminated. For the time being, however, these states will probably gyrate through shifts in policies and alignments. (Paras. 23, 29–32, 34)

6. Turkey and Iran are unlikely to intervene overtly in Iraq without US support; in any event such intervention would be highly repugnant both to Iraqi nationalists and to the Arab World generally. While direct US and UK military intervention in Iraq could result in the removal of Qassim and the Communist-dominated regime, Arab nationalists would be deeply offended by such action. The effect would probably be modified if important Arab leaders were consulted in advance, if some justification beyond that of simply resisting Communism could be found, and especially if the operation were quick and decisive. (Paras. 41–42)

7. Should UAR subversive efforts against Iraq appear to be effective, the USSR would probably respond with economic and political pressure on the UAR. The Soviets would also be prepared to make the considerable effort necessary to support the Iraqi regime in the event of external economic measures against it. (Para. 50)

8. The USSR's initial and immediate reaction to overt military intervention in Iraq would probably be limited to action in the UN and to warnings, backed by military preparations, of Soviet countermeasures

if the intervention did not cease. If these political measures failed and if the Communists were overthrown and a new government established in Iraq before the USSR could bring effective countermeasures to bear, Moscow would probably accept the situation rather than attempt to upset it by direct use of force. (Para. 52)

9. If the Iraqi regime showed some ability to maintain resistance to an intervention by neighboring states, the USSR would probably soon begin to supplement its diplomatic support with material aid. If only Arab or Iranian forces were involved, the USSR would probably attempt to provide military assistance, including "volunteer" technicians and specialists, on a covert basis, but it would try to avoid provoking direct Western involvement. In case Turkey were involved in this intervention, the USSR would probably also extend this kind of support, and would probably also engage in military redeployments along the Turkish border. Nevertheless, it would still seek to avoid provoking Western involvement. The Soviet response would probably be the same even if Western conduct and posture lent implicit support to the local effort. (Para. 53)

10. In the case of direct US or UK military involvement, a Soviet decision would have to be virtually immediate. The nature of the Soviet response would depend in large measure on the manner in which the crisis had developed and on the scale and nature of the Western intervention. On the one hand, failure to act would not only mean the loss of the Communist position in Iraq, but also a blow to Soviet prestige elsewhere, particularly in Eastern Europe. On the other hand, open Soviet intervention in Iraq would involve great military disadvantages for the USSR and would probably require violation of Turkish and Iranian air space or territory or both. This in turn would serve to spread the conflict with the risk of making it general. In these complex circumstances, we cannot precisely assess the chances of Soviet military intervention against the US and UK forces. We believe that the odds are against such intervention, although the chance of such a move cannot, of course, be ruled out.[2] (Para 54)

[Here follows the "Discussion" portion of the estimate (paragraphs 11–54) with sections headed: "Introduction," "Probable Policies of a Communist Dominated Iraq," "Attitudes and Aims of Other Interested States," "Actions Which Might Affect the Situation: Chances of Success and Probable Consequences," and "The Soviet Role."]

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[2] The Assistant Chief of Staff, Intelligence, USAF, believes that the Soviet leaders are virtually certain to estimate that any overt engagement of Soviet and US armed forces would lead to general war. Accordingly, they are most unlikely to undertake to intervene in Iraq in the contingency posed. He would accordingly delete the last two sentences and substitute: "We therefore believe that the USSR would not intervene militarily against US-UK forces." [Footnote in the source text.]

187. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to Acting Secretary of State Dillon

Washington, May 20, 1959.

SUBJECT

Statement to the NSC on the Situation in Iraq

Discussion

The situation in Iraq is scheduled for discussion at the NSC meeting on May 21. The Secretary last reported to the NSC on the Iraq situation on May 7 (Tab A).[1] Ambassador Jernegan accompanied the Secretary to that meeting and gave an oral briefing on Iraq.

In discussing Iraq with the NSC this week I would suggest you may wish to comment along the following lines:

Ambassador Jernegan returned to Iraq last Thursday (May 14) after helpful discussions with the Department and other interested agencies. The Council will recall that the Ambassador's general view was that the situation in Iraq is not yet lost, that there have been some encouraging though by no means conclusive signs that Qasim is resisting some Communist demands, and that in our contingency planning we should therefore avoid taking any actions which might jeopardize the hope of weaning Qasim away from dependence on the Communists.

Although there have been further developments favoring the Communists in Iraq, there have recently been some encouraging signs that the Communists may yet be prevented from taking over. Starting with his April 30 speech Qasim has made several public statements in which he has continued to resist Communist demands for permitting political party activity and executing the "traitors" convicted by the military tribunal. In these recent speeches, Qasim has also emphasized Iraq's adherence to a foreign policy of neutrality and a willingness to be friendly with all states that wish to be friendly with Iraq. Both Qasim and Foreign Minister Jawad have personally assured the US and other representatives that Iraq will not go Communist. Despite overt Communist pressures for participation in the cabinet, Qasim has so far not named any Communists to cabinet posts. The British have informed us that Qasim's personal reaction to their decision to accede to his request for arms

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Source: Department of State, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action 2068. Top Secret; Limit Distribution. Drafted by Rountree's Special Assistant, Harrison Symmes, and sent through Murphy.

[1] See Document 183.

appeared to be favorable. Meanwhile, our Embassy in Baghdad has reported that following Ambassador Jernegan's representations of about two weeks ago customs difficulties experienced by the Embassy have been eased. The Iraq Government has recently requested an ICA participation program to include sending ten police officers to the US. The Iraq Embassy in Washington has published a letter asserting that 100 Iraqi students have come to the US since the revolution and an additional 100 are expected to matriculate in this country in the autumn.

The latest SNIE on Iraq (Tab B),[2] on which the Director of CIA will probably have briefed the Council, brings out the dangerous implications of a Communist takeover in Iraq. The conclusions it draws indicate the importance of continuing our contingency planning.

So far as planning is concerned, a US-UK Working Group is actively involved in the consideration of courses of action designed to deal with the present situation and in the preparation of contingency plans in the event of a Communist takeover. We also continue to work as closely as possible with allies other than the UK in regard to Iraq. For example, utilizing the occasion of an orientation trip through the area, Deputy Assistant Secretary Hart has discussed the situation in Iraq with key officials of the Turkish and Iranian Governments. These discussions have revealed that the Turks and Iranians have begun to see the situation much more clearly as we view it. The Inter-Agency Committee established under NSC action 2068[3] has continued to meet, and it had the benefit of the views of Ambassador Jernegan on the situation in Iraq and his comments on the Committee's Outline of Planning (Tab C)[4] while he was here on consultation. Ambassador Jernegan generally approved the Committee's Outline of Planning but cautioned against taking any action designed to bring down the regime until it had been decided that Qasim is beyond hope. The steps recommended in the Outline of Planning, [*less than 1 line of source text not declassified*] are now being carried out.

Now that he has returned to Iraq, Ambassador Jernegan has been instructed at an early meeting with Prime Minister Qasim to assure him once again that the US Government is not intriguing against him either in Baghdad, other cities, or in frontier areas where there have been reports of disturbances. The Ambassador is also to say to Qasim that the US would look with disfavor on any acts by other governments which might disturb the independence of Iraq.[5]

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[2] Document 186.

[3] See footnote 12, Document 176.

[4] Reference is to Document 189.

[5] See Document 185.

Recently UAR propaganda on Iraq has discontinued the previous personal attacks on Qasim. The US suggested this tactic to Nasser. If there is any truth to rumors that Nasser and Qasim might get together, we believe the cessation of the UAR's attacks on Qasim personally will have been an important element.

In summary, there is some evidence that the situation in Iraq may have improved slightly from our point of view since the last report to the NSC. The single bits of evidence—such as, for example, Qasim's not giving in to Communist demands for the licensing of political parties or the execution of political prisoners—do not loom large. Taken together, however, they appear to us to justify the present line of trying to build up Qasim's confidence in our intentions toward him and weaning him away from the Communists as the best alternative we now have.

Recommendation

That you make an oral statement on Iraq along the lines outlined above.

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188. Editorial Note

At the 407th Meeting of the National Security Council, May 21, Allen Dulles informed the Council as part of his briefing on "Significant World Developments Affecting U.S. Security" that confirmed evidence "in recent days had indicated a real effort by Nasser to provide support to Prime Minister Qasim against the Communist Party of Iraq. This would be a most hopeful sign if only Nasser could be trusted. Meanwhile, the UAR had up-graded its attack on the Iraqi Communists while toning down its attacks on Qasim personally. This would constitute a very favorable development provided it lasts. Mr. Dulles said that the Kurdish situation in Iraq and other countries in the Middle East was becoming more and more confused."

Later in the meeting, Under Secretary of State Dillon briefed the Council on Iraq:

"Mr. Gray inquired of Secretary Dillon whether he had anything to report on the work of the Interdepartmental Group on Iraq established by NSC action. Secretary Dillon said he could report only very briefly. While the Interdepartmental Group had been meeting, it had no further suggestions to make with respect to action at this time. All the programs

for Iraq are underway [*1-1/2 lines of source text not declassified*]. Secretary Dillon testified that the general feeling was that we had been making some progress in Iraq in recent days. For example, our differences with the Turks and with the Iranians as to the seriousness of the situation in Iraq have disappeared. Then secondly, the UAR has behaved far better than we had hoped. It was still our hope that Qasim could be prevailed upon to stand up to the Iraqi Communists. Thus, by and large, we felt slightly more optimistic about Iraq although the situation was certainly anything but rosy. The few odds and ends of improvement were not very significant in themselves but they provided some hope if looked at cumulatively.

Mr. Gray said that he understood that Ambassador Jernegan was about to engage in another interview with Prime Minister Qasim. Mr. Gray asked if we had instructed the Ambassador to inform Qasim of the serious view taken by the U.S. of increasing Communist influence in Iraq. Secretary Dillon and the President said that of course we had so informed Ambassador Jernegan." (Memorandum of discussion by Gleason, May 21; Eisenhower Library, Whitman File, NSC Records)

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189. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to Acting Secretary of State Dillon

Washington, May 23, 1959.

[Source: Department of State, Central Files, 787.00/5–2359. Top Secret; Limit Distribution. 4 pages of source text not declassified.]

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190. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to the Deputy Under Secretary of State for Political Affairs (Murphy)

Washington, May 27, 1959.

[Source: Department of State, Central Files, 787.00/5–2759. Top Secret; Limit Distribution. 2 pages of source text not declassified.]

191. Memorandum for the Record

Washington, June 1, 1959, 11 a.m.

SUBJECT

Meeting of Special Committee on Iraq

PARTICIPANTS

Assistant Secretary of State William M. Rountree, Chairman
Mr. Parker T. Hart, Deputy Assistant Secretary of State
Mr. Stuart Rockwell, Director, Office of Near Eastern Affairs, Department of State
Mr. Harrison Symmes, Special Assistant to Mr. Rountree
Acting Assistant Secretary of Defense F. Haydn Williams
Dr. Lynford A. Lardner, ISA, Department of Defense
Colonel Butler—JCS (USAF)
[*less than 1 line of source text not declassified*], CIA
Mr. William J. Handley, Area Director, NEA, USIA
Mr. Philip J. Halla, NSC Staff

In opening the meeting, Mr. Rountree said he thought it would be advisable for the group to meet regularly on Mondays at 11 o'clock until further notice. He remarked that we had probably all seen the cabled report of Ambassador Jernegan's conversation with Kassem following his return from consultations in Washington.[1] Mr. Rountree observed that the Ambassador seemed neither encouraged nor discouraged as a result of his latest discussion with the Iraqi leader. The Assistant Secretary felt that there was slight evidence of improvement, particularly regarding the Communists. There were, however, no signs that Kassem was building up any anti-Communist forces. One encouraging fact was Kassem's decision not to arm the Popular Resistance Forces. At least one could say that the situation has not deteriorated further.

Mr. Rountree continued that the Iraqi decision to cancel our military assistance agreement and the supplemental sales agreement is the latest development. This was done by diplomatic note, which was in itself an innovation, although the note was only delivered[2] shortly before the press announcement was made. The Department is not sure what the "economic assistance agreement" of July 23, 1957 is which the Iraqis have also canceled. Mr. Rockwell said it possibly concerned the police agreement made by the Richards Mission. (Embassy Baghdad's cable

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Source: Eisenhower Library, White House Office Files, Project Clean Up, The Middle East. Top Secret. Drafted by Halla.

[1] See footnote 1, Document 185.

[2] The Iraqi Government delivered the note to the U.S. Embassy the morning of May 29.

3439 of May 29[3]—copy attached—thought the reference might be to the telecommunications agreement signed in connection with the Baghdad Pact.)

Mr. Rountree's Deputy, Mr. Parker T. Hart, reported on his recent trip to the area. Mr. Hart said he went primarily to discuss the Iraqi situation with the Turks at their request. He had a lengthy conference at the Hilton Hotel in Istanbul with Foreign Minister Zorlou and several other Turkish officials, including the former Turkish Minister to Syria, whom he had known in Damascus.[4] Mr. Hart regards this man, who is now Zorlou's Middle East advisor, as a very sound individual. The discussion showed that Zorlou may have revised his views of Arab nationalism somewhat. He now seemed to agree that the choice was between independence and Communism in Iraq. At the same time, Zorlou hoped that we would not help resurrect Nasser's influence in Iraq. During the conversation, Zorlou appeared moderate and willing to listen. Among other items, the Turkish Foreign Minister agreed to our suggestion that the Turks extend military aid to the Afghanistan Military Academy. The Turks indicated that they were worried about Iran as well as Iraq, regarding the Shah's country as a weak reed.

Zorlou's attitude toward the Kurds was that they were beset by ancient rivalries and always scrapping among themselves. The Turks do not favor Kurdish activity at present and have so informed Kassem. However, Zorlou considers the Kurds a factor to be held in reserve for possible use if the Iraq situation deteriorates.

In Iran, Mr. Hart mentioned meeting with General Paklavan, deputy head of SAVAK, the Iranian intelligence mechanism, whom he found to be very knowledgeable on Iraq.[5] Mr. Hart found the general attitude toward Iraq more relaxed in Tehran than in Beirut and Ankara. The General appeared to have numerous sources in Iraq which Mr. Hart presumed were among the Shiite Muslim community. Paklavan thought a strong force was building up in the Iraqi army, which would be prepared to take anti-Communist action if necessary. He indicated that the Iranians were also attempting to hold back the Kurds and keep them in reserve.

In response to my question as to whether there were still differences of view between Zorlou and Prime Minister Menderes concerning Iraq, Mr. Rountree said he had talked with Zorlou when he was here last week for Secretary Dulles' funeral. He confirmed Mr. Hart's impres-

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[3] Not printed. (Department of State, Central Files, 687.00/5–2952)

[4] Hart reported his conversation in telegram 3229 from Ankara, May 16. (*Ibid.*, 787.00/5–1659)

[5] Hart reported his conversation in telegram 2303 from Tehran, May 21. (*Ibid.*, 787.00/5–2159)

sions, stressed Zorlou's dislike of Nasser and his feeling that we should not build up the UAR leader, as well as an impression that the Iraqi situation might start to deteriorate quickly. Zorlou wanted to start joint planning for possible contingencies in Iraq. Mr. Rountree still thinks this would be highly dangerous and said he "finessed" this Turkish request. The Assistant Secretary feels that we should continue to exchange information, but go no further with the Turks at this time.

Mr. Rountree then asked Mr. Rockwell for comments. The Director of Near Eastern Affairs said that he thought things looked a little better than the last time the group had met.[6]

[*less than 1 line of source text not declassified*] when asked for comments, said things perhaps are improving, although recent events in themselves had not proven the case. He said Kassem has not given the real tip off of his intentions, which might come if current rumors that he is about to remove one or both of the two pro-Communist Taher brothers turn out to be true or if he cracks down on Col. Mahdawi of the military tribunal.

Mr. Handley asked for State's view of Ambassador Jernegan's suggestion that we send a representative to the celebration of the July 14th revolution.[7] Mr. Rountree replied that if invited we would attend. If the USSR is invited and we are not, it would be highly significant. (Mr. Handley told me later that Ambassador Jernegan had suggested that someone like Dr. Elson of the National Presbyterian Church might represent the U.S. Although he had not yet taken up the matter with Mr. George Allen, Handley expressed some doubt of the desirability of this type of appointment and, in fact, wondered whether we should send a special representative at all. I said that perhaps a sensible military representative might make more impression on the present regime in Iraq, although, of course, Dr. Elson is known for his interest in Near Eastern matters.)

Mr. Haydn Williams said he had no substantive comment. He found Mr. Rountree's report interesting and useful. He liked the idea of regular weekly meetings, which would provide useful information for briefing the Council principals, for discussion of whether there will be a report, and, if so, its contents. Mr. Williams favored group discussion of

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[6] At the 408th Meeting of the National Security Council on May 28, as part of his briefing on "Significant World Developments Affecting U.S. Security," Allen Dulles briefed the Council along similar lines noting that Qassim seemed anti-Communist and cautiously favorable to the West. Dulles stated that it was still too early to detect any clear trend. (Memorandum of discussion by Gleason, May 28; Eisenhower Library, Whitman File, NSC Records)

[7] As suggested in telegram 3394 from Baghdad, May 26. (Department of State, Central Files, 887.424/5–2659)

what the reports will contain. He thought it would be useful to include a check off list for the Council on actions taken. The meetings could also permit the input of new ideas from other agencies.

Mr. Rountree agreed in general, noting that the Group would meet regularly and that his office would undertake to supply on an informal basis advance copies of briefing material prepared for the Secretary of State.

I asked whether the Committee would report this week. Mr. Rountree indicated a report would be made along the lines of the previous report.[8]

Mr. Handley said USIA was looking into the Iraqi request that bookmobiles be provided through UNESCO and asked Mr. Rountree's view of the policy implications. Mr. Rountree favored the idea, although he was not happy about the fact that the U.S. would receive no publicity from such an activity. When asked for details Mr. Handley replied that USIA was working with ICA since the equipment would be costly and with the UNESCO relations staff in the State Department. USIA could supply books.

Mr. Lardner of Defense mentioned the problem of certain effects caused by Iraq's abrogation of the military assistance agreements. This raised a question as to what we should try to do about the equipment we had already given them. The discussion brought out the fact that we had given Iraq five F–86 aircraft (which Col. Butler said are not flyable because certain parts have been returned to the U.S.) and thirteen 8″ Howitzers [*less than 1 line of source text not declassified*] which are part of the equipment for an armored regiment. These guns are operational, if maintenance has been kept up. Mr. Rountree and Mr. Rockwell agreed that this represented a problem that we would have to take up with the Iraqi. Mr. Rockwell noted that there is a one-year cancellation notice provision in the agreement, but he was not sure there was much the U.S. could do in view of Iraq's unilateral action.

Philip J. Halla

[8] See footnote 1, Document 192.

192. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to Acting Secretary of State Dillon

Washington, June 3, 1959.

SUBJECT

Statement to the NSC on the Situation in Iraq

Discussion

The situation in Iraq is on the NSC agenda for June 4.[1] A report on Iraq in accordance with NSC action 2068 was last made on May 21 (Tab A).[2] It is our understanding that as in past meetings the Director of CIA will present an intelligence evaluation of the Iraq situation[3] before your statement is made and that it should not be necessary for you to go into details in regard to recent events. I would suggest that you call the attention of the Council to the Embassy's telegraphic evaluation of the situation dated June 1 (Tab B)[4] and that you make a statement along the following lines:

The Embassy's general estimate of the Iraq situation dated June 1 states that the drift towards Communism in Iraq has been slowed down at least temporarily and the Communists have suffered some setbacks and resultant loss of prestige. Nevertheless, the Communists remain the most cohesive and disciplined political force in Iraq today with an undetermined number of members and sympathizers in the Army, the Popular Resistance Force, and the civilian bureaucracy. The slight retreat of

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Source: Department of State, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action 2068. Top Secret; Limit Distribution. Drafted by Symmes and sent through Murphy.

[1] No report on Iraq was made by Dillon at the NSC meeting. A memorandum of a telephone conversation between Dillon and Gray, June 3, 10:30 a.m., reports that they agreed there was no substantial change from the previous meeting on the situation in Iraq and therefore no need for a Department of State update. (*Ibid.*)

[2] See Document 188.

[3] At the 409th Meeting of the National Security Council on June 4, Allen Dulles provided the following account of events in Iraq as part of his briefing, "Significant World Developments Affecting U.S. Security":

"With respect to Ambassador Jernegan's recent lengthy telegram regarding Iraq, Mr. Dulles said he was inclined to accept Jernegan's conclusions, which he summarized for the Council, to the effect that the drift toward Communism in Iraq had at least slowed down although Iraq was far from out of danger. There was perhaps some reason to believe, said Mr. Dulles, that Moscow has cautioned Prime Minister Qasim to go a little slow." (Memorandum of discussion by Gleason, June 4; Eisenhower Library, Whitman File, NSC Records)

[4] Reference is to telegram 3451 from Baghdad, June 1, which is summarized below. (Department of State, Central Files, 787.00/6–159)

the Communists in Iraq may therefore be only tactical. Moreover, there are no signs that Qasim is building an anti-Communist organization of his own, and he still seems to feel he cannot do without the continued support of the Communists. The Embassy concludes that we and our friends are following a correct policy at present and that our chances of retrieving the situation will best be served by continuing to support Qasim and giving him concrete evidence of our support for Iraq's continued independence under his leadership.

Ambassador Jernegan saw Qasim on May 25 and at that time carried out his instructions to assure Qasim of our support.[5] During this conversation the Ambassador took up several specific cases of alleged US involvement in activities prejudicial to Iraq's interests and tried to show Qasim that the allegations were fabrications designed to poison US-Iraqi relations.

Meanwhile, the Iraqis have formally notified us of their decision to terminate the April 21, 1954 Military Assistance Agreement, the July 25, 1955 supplement to that agreement, and an "economic assistance" agreement of May 22, 1957 resulting from the visit of the Richards Mission earlier in 1957.[6] The Iraq Government's note to us which was friendly in tone, as well as a Baghdad Radio broadcast have referred to the termination of these agreements as one of the steps being taken by Iraq to liquidate Iraq's past commitments in order to implement its policy of positive neutrality. The Baghdad Radio broadcast asserts that the agreements represented a "conditional" form of assistance that derogated from Iraqi sovereignty. At the same time, however, the broadcast stated that Iraq desires to enhance the bonds of friendship with the US on a basis of understanding and mutual interest.

Our policy in the current situation might be summed up under the following headings:

(1) Continuing efforts to promote the reconciliation of Qasim and non-Communist elements in Iraq with the UAR and the other Arab countries, stressing the idea that Iraq's independence should be preserved without reliance on the Communists and with a view to the establishment of a joint effort against the Communists. In this connection, we are using opportunities to persuade the UAR and other Arabs to indicate that they support Iraq's independence. Where feasible we are also supporting efforts by the Arab League or neutral states to effect a reconciliation between Qasim and the UAR.

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[5] See footnote 1, Document 185.

[6] 5 UST 2496, 6 UST 2227, and 8 UST 772, respectively. On March 9, 1957, President Eisenhower announced that he was sending James P. Richards, former Chairman of the House Foreign Affairs Committee, to the Middle East to explain the Eisenhower Doctrine and to report to the President on possible cooperation and mutual assistance as contemplated under the doctrine.

(2) Continuing to promote a better understanding by Qasim of US and UK attitudes toward Iraq and its continued independence and to dispel his suspicions of our intentions.

(3) Encouraging Afro-Asian states that have learned the true nature of the Communist threat to national independence to use their influence where feasible to bring home to Qasim the menace of Communism.

(4) Encouraging the Turkish and Iranian Governments to continue their contacts with Qasim and other Iraqi officials, stressing their support for a truly independent Iraq. We are also at the present time avoiding any commitment to undertake joint contingency planning with the Turks because of the risk that such planning might be disclosed to the Iraqis.

(5) When necessary we continue to make firm representations in support of our interests in Iraq and stress the mutuality of Iraqi and Western economic and commercial interests.

(6) We continue to follow a line of non-involvement in the UAR-Iraqi propaganda battle.

So far as contingency planning is concerned, the Inter Agency Committee established under NSC action 2068 and the US/UK Working Group which was reactivated following the Camp David talks have continued to meet and to follow closely the current situation. [*4 lines of source text not declassified*]

Recommendation

That you make an oral statement on Iraq along the foregoing lines.

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193. Memorandum for the Record

Washington, June 8, 1959, 11 a.m.

SUBJECT

Meeting of Special Committee on Iraq

PARTICIPANTS

Assistant Secretary of State William M. Rountree, Chairman
Mr. Parker T. Hart, Deputy Assistant Secretary of State
Mr. Harrison Symmes, Special Assistant to Mr. Rountree
Deputy Assistant Secretary of Defense (ISA) Robert H. Knight

Source: Department of State, White House Office Records, Project Clean Up, The Middle East. Top Secret. A stamped note on the source text reads: "Noted by Mr. Gray."

Dr. Lynford A. Lardner, ISA, Department of Defense
Colonel William A. Stiles, Joint Chiefs of Staff
[*less than 1 line of source text not declassified*], CIA
Mr. William J. Handley, Area Director, NEA, USIA
Mr. Philip J. Halla, NSC Staff

At the opening of the meeting, I stated that as of that hour (11:00 AM) we did not know whether there would be a Council meeting this week.[1] Mr. Rountree said that if a meeting were held, the Department would brief Acting Secretary Dillon to report briefly on Iraq. There was perhaps less reason to report this week than last, so far as developments are concerned, except for the fact that the Committee had not reported last week because of the agreement between Mr. Dillon and Mr. Gray.[2]

Mr. Knight of Defense, substituting for Mr. Haydn Williams, wondered why it was necessary to convene the Committee every week in view of the fact that there seemed general agreement on the policy being followed (which he described as one of "wait and see") and that the members of the Committee had not been prepared to introduce alternatives.

Mr. Rountree said the main purpose was to permit the agencies represented to compare notes. He gave Mr. Knight a background briefing on the origins of the Committee; as he saw it the group had been formed as a result of the Vice President's wish at the NSC (in the President's absence) to have people looking for ideas which could be applied in the Iraq crisis and not necessarily to write a paper or draw up a plan. However, preliminary contingency planning was going forward in Defense and CIA.

Mr. Knight thought the Committee should report back to the NSC at this stage to the effect that there was general agreement on the policy being followed, that contingency plans were being formulated or reviewed, and should then recommend to the Council that the group not meet for the time being. Mr. Handley thought that if that were done, the Committee should be relieved of responsibility for making action recommendations. I said I wondered if this was not premature. I was not sure my principal would favor putting the Committee on the shelf. Mr. Rountree said this was not the case. The Committee would not meet henceforth unless a meeting were requested, which could be done by any member agency. State would review the situation on Fridays to determine if it thought a meeting should be called. The understanding was that Mr. Rountree would so recommend to Secretary Dillon. Advance copies of the paper submitted to Mr. Dillon would be available to members of the group. Mr. Rountree felt that such a report could be made this

[1] There was no NSC meeting held that week.
[2] See footnote 1, Document 192.

week, if an NSC meeting were scheduled, or whenever the next meeting occurred.

Turning to the situation in Iraq, Mr. Rountree said the Department was still concerned about whether the U.S. would be invited to the celebration of the July 14 Revolution. The Iraqis have invited the British and Turks, among others, but not the U.S. He felt that if invited, we should send a relatively high ranking (sub-Cabinet level) official, such as Deputy Under Secretary of State Murphy. Mr. Hart noted that the issue of Iraq's agreeing in advance, at least in the principle, to pay compensation for the three Americans killed last July 14 might be an issue connected with the invitation and our decision to accept. Mr. Rountree noted that the U.K. planned to be represented by its Ambassador in Baghdad, perhaps aided by a British Ambassador from one of the neighboring states. I asked what the advantage would be to the U.S. in sending a man of Mr. Murphy's standing. Mr. Rountree thought the opportunity which he would have to talk with Kassem would be worthwhile and noted that Kassem and Murphy had gotten along well last year when he visited Iraq.

Further questions then arose as to other developments in Iraq. Mr. Rountree said the firing of non-Communist army officers was apparently continuing, although the *rate* had not increased. One more local employee of the U.S. Embassy had been arrested, making a total of nine arrested or deported. On the positive side, there were continuing reports that Kassem's pro-Communist aide, Tahir, would be demoted through a foreign assignment.

I asked whether Mr. Rountree had discussed the situation with Ambassador Hare, who is now on leave in the U.S. He said that he had and that Mr. Hare would return to Washington later for further talks with U.S. officials. Commenting on my question (based on Dana Adams Schmidt's article in the Sunday *Times*) about Nasser's probable next move, Mr. Rountree said the situation is explosive in the Middle East, aside from the Iraq situation. He listed three elements: (1) The Suez Canal crisis involving the Danish ship, a crisis which he felt had been precipitated by the Israelis. The case may go to the Security Council (Israel's cabinet is discussing it today) and if so the U.S. will be placed in a difficult position. (2) The air battle over the week-end between UAR and Israeli planes indicated the degree of tension between the two sides. (3) The tension between Jordan and the UAR, which has deliberately closed the Syrian-Jordanian border. This issue is in the hands of the UN Presence (Spinelli) Mission at the moment. Mr. Rountree said we hope that Hammarskjold will get further into the act on both the Suez Canal and Jordan border problems. Separately each item is important. Taken together they may make Nasser feel impelled to act to cover up the fact that he lost in his moves against Kassem. Meanwhile, our relations with

the UAR are pretty good and Nasser himself seems to have worked rather hard on his side toward normalizing them. Mr. Rountree feared, however, that a crisis over Israel, the Canal, or Jordan would rock the boat.

Mr. Handley said USIA was scraping together money to put a small show on at the Damascus Fair in August, in response to the Consul General's recommendations. It would include things like closed circuit television and a solar energy exhibit. Handley said he would not favor making a major splash at this time, but thought we should participate in a limited way to demonstrate the normalizing of relations.

Dr. Lardner of Defense noted that according to Ambassador Jernegan's reports, Kassem seemed favorably influenced by the Indians. He wondered if the Indian Ambassador in Baghdad (Chopra) may be a useful channel [*5-1/2 lines of source text not declassified*]. A discussion of the role of the previous Indian envoy to Baghdad, a Muslim, followed, but no decisions were taken.

The meeting adjourned about 11:40 AM.

P.J.H.

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194. Memorandum of Discussion at the 410th Meeting of the National Security Council

Washington, June 18, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2.]

3. *The Situation in Iraq* (NSC Actions Nos. 2068, 2074, 2078 and 2090)[1]

Mr. Gray pointed out that the Council had had no report since May 21 by the "Rountree Committee" which had been set up to report each week to the Council on developments in Iraq. He understood that Secretary Dillon was prepared this morning to provide the Council with the current thinking of the Rountree Committee on Iraq.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on June 18.

[1] See footnote 12, Document 176; footnote 2, Document 182; and footnote 4, Document 183. NSC Action No. 2090, approved by the President on May 25, stated that the Council noted Dillon's report on Iraq at the 407th Meeting of the NSC, May 21 (see Document 188). (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

Secretary Dillon said that the Interdepartmental Committee, chaired by Mr. Rountree, had asked him to make this report. The report indicated that we should continue to carry out the measures vis-à-vis Iraq which had been described earlier to the National Security Council. The Committee did not feel that any new or additional measures were desirable unless conditions in Iraq should change radically in the future. Secretary Dillon thought that by and large the situation in Iraq seemed a little less discouraging than it had a month ago. He concluded by citing a number of indications of a somewhat better atmosphere from the U.S. point of view in Iraq.

Secretary Dillon then indicated that the Interdepartmental Committee was unanimous in its feeling that while the situation in Iraq should be kept under continuous review, that it would be desirable to release the Committee from the obligation to make weekly reports to the Council inasmuch as no different types of U.S. measures were contemplated. The Committee would prefer instead to report to the Council only when they feel they had something new and significant to say.

No objection was raised to the Committee's recommendation.

The National Security Council:[2]

a. Noted an oral report on the subject by the Department of State, based upon the work of the interdepartmental group established by NSC Action No. 2068.

b. Agreed that the above-mentioned interdepartmental group should henceforth report to the NSC only when it considers that developments justify such a report, rather than making a weekly report as called for by NSC Action No. 2068.

Note: The action in b above, as approved by the President, subsequently transmitted to the Secretary of State, the Secretary of Defense, the Chairman, JCS, the Director of Central Intelligence, the Director, USIA, and the Director, ICA, for appropriate implementation.

S. Everett Gleason

[2] Paragraphs a and b and the Note that follows constitute NSC Action No. 2100, approved by the President on June 22. (*Ibid.*)

195. Special National Intelligence Estimate

SNIE 36.2/2–59 Washington, June 30, 1959.

SHORT-TERM OUTLOOK IN IRAQ

The Estimate

1. Concerning the situation in Iraq, we now feel that recent SNIE's have been too gloomy.[1] There are signs of growing resolve on Qassim's part to move with increasing determination against the Iraqi Communists. We now think that Communist control of Iraq is somewhat less likely than we thought it was a few weeks ago.[2]

2. This does not mean that the tide has turned finally and irrevocably against the Communists. They almost certainly retain an influential position in government ministries and some army commands. Their power over mass organizations and street mobs has not evaporated. The regime has as yet shown no signs of dissatisfaction with its close ties with and heavy dependence on the Sino-Soviet Bloc.

3. Any estimate of what will happen next has to be highly tentative. The Soviet Ambassador has left for Moscow for "medical reasons" and the USSR may decide that a tactic of temporary accommodation is now the better part of Communist valor. Indeed, there is a recent report that attempts are being made by the Communists to work out a united front with dissident elements of the leftist National Democratic Party. On the other hand, the Communists, whether or not prompted by Moscow, may feel impelled to strike back—to protect themselves and their position against the reprisals that would be likely if the nationalists gained dominance.

4. The period between now and the week of 14 July, the first anniversary of the Revolution, promises to be one of intense political maneuvering. Events taking place during this period of popular emotional buildup could precipitate significant clashes.

Source: Department of State, OCB Files: Lot 61 D 385, Iraq Documents. Secret. A note on the cover sheet indicates that this estimate, submitted by the CIA, was prepared by CIA, INR, the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the USIB concurred with this estimate on June 30 except the representatives of the AEC and FBI, the Director of the National Security Agency, and the Assistant to the Secretary of Defense for Special Operations, the subject being outside their jurisdiction.

[1] Notably SNIE 36.2–59, "The Communist Threat to Iraq," dated 17 February 1959 [Document 161], and SNIE 36.2/1–59, same title, 21 April 1959 [Document 179]. [Footnote in the source text.]

[2] In briefing the NSC at its 412th Meeting on July 9 on "Significant World Developments Affecting U.S. Security," Allen Dulles informed the Council that "there were continuing signs of Prime Minister Qasim's intention of curbing the power of the Iraqi Communists," but that "the tide had not yet irrevocably turned against the Communists." (Memorandum of discussion by Gleason, July 9; Eisenhower Library, Whitman File, NSC Records)

196. Editorial Note

In John S.D. Eisenhower's "Synopsis of State and Intelligence material reported to the President," July 10–13, the following account of events on Iraq was included:

"Anti-Communist elements have been further encouraged by the tenor of Qasim's speeches in the past several days. A number of high Army officers predict that Communist officials in the government will be purged soon after the 14 July celebrations and conservative former officials will be called to serve.

"A serious riot involving Communists and security forces has been reported in a town in southern Iraq on 10 July.

"Iraq has apparently made devious overtures to reestablish diplomatic relations with Jordan. Jordan's reply through the same channel that it is not averse to such a resumption provided (1) Qasim expresses regret over the murder of King Faisal, and (2) certain possessions which the Hashemites have taken to Iraq be returned to Jordan." (Eisenhower Library, Whitman File, Eisenhower Diaries)

On July 14, John Eisenhower included the following on Iraq in his "Synopsis":

"Baghdad Radio on 13 July announced the reorganization and enlargement of Qasim's cabinet to include four new members. Three of these, according to their backgrounds, are extreme leftists. Biographical information is not sufficient to determine whether the three are aligned with the Communist party." (*Ibid.*)

The Director of Central Intelligence, Allen Dulles, briefed the National Security Council at its 413th Meeting, July 13, on the cabinet reorganization in Iraq. Dulles' account, part of his briefing on "Significant World Developments Affecting U.S. Security," reads as follows:

"With respect to developments in Iraq, Mr. Dulles stated that it was difficult to interpret the meaning of the recent reshuffle of the Cabinet. It was plainly something of a sop to the Communists because three of the four new Cabinet members were extreme Leftists. On the other hand, developments suggest a continuing trend toward a course of action which would free Qasim from dependence on the Communists. In sum, we were a little disappointed in the new Cabinet although it offered no dramatic changes." (*Ibid.*, NSC Records)

The Embassy in Baghdad submitted an analysis of the new Cabinet in telegram 130 from Baghdad, July 15, which was similar to Dulles' assessment. (Department of State, Central Files, 787.00/7–1559) This was a view not shared by the Israelis, who used an official [*text not declassified*] to "plant" the view with the United States that the new Iraqi Government clearly strengthened Qassim's hand against the Communists. (Telegram 173 from Ankara, July 17; *ibid.*, 787.13/7–1759)

197. Memorandum Prepared by the Assistant White House Staff Secretary (Eisenhower)

Washington, July 21, 1959.

[Here follows a section on an unrelated matter.]

Iraq

We have informed our NATO mission that available information indicates that in the northern Iraqi city of Kirkuk clashes involving violence and casualties occurred on July 14 and the days immediately following. However, our information is still incomplete and it by no means has been established that these developments represented a calculated and clear-cut clash between Communists and anti-Communists, as some press treatment has suggested. Though the evidence strongly indicates that an important ingredient in the situation was the long-standing hostility between Kurdish and Turkoman elements of the Kirkuk population, Communist exploitation is not improbable. The role of the Kirkuk Army garrison during the violence remains obscure. The Baghdad Government subsequently ordered military reinforcements to Kirkuk to re-establish order and, on the basis of the latest reports, the Government now appears to have the situation under control. Meanwhile, the Department has also received reports of minor clashes between Communist and nationalist elements in suburban Baghdad areas which resulted in some local casualties.

[Here follows a section on an unrelated matter.]

John SD Eisenhower

Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Top Secret. Goodpaster initialed the memorandum.

198. Editorial Note

At the 414th Meeting of the National Security Council, July 23, Director of Central Intelligence Allen Dulles briefed the Council on disorders in Iraq as part of his "Significant World Developments Affecting U.S. Security" briefing as follows:

"Iraq, which Mr. Dulles described as a troubled land was, he said, having still more trouble. Apparently the Kirkuk outbreak had been put down more rapidly than our own or the Egyptian press had indicated. Still, however, no one knows much about why the outbreak began or how it began. On the other hand, further outbreaks could occur at any time. Qasim has condemned all the elements involved in these outbreaks and has especially singled out the Communists. Qasim has been invited to go to Moscow for a state visit and it is reported that he has accepted the invitation without, however, specifying any date."

Later on in the briefing was the following exchange:

"Reverting to the Kirkuk disturbances, the President inquired of Mr. Dulles about the ethnic difference between the Turkomans and the Kurds. Mr. Dulles replied that they are different tribes and had a different language and he believed that they are ethnically quite different. He said that he had virtually completed a lengthy study of the Kurds and would be able to report to the President more fully on his question later." (Eisenhower Library, Whitman File, NSC Records)

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199. Telegram From the Embassy in Iraq to the Department of State

Baghdad, August 9, 1959, 11 a.m.

355. Department pass Defense. Information addressees pass major military commands. Paris also for USRO. Embassy telegram 3451.[1] Following is Embassy's estimate of current situation in Iraq:

1. *Corner Turned.* Since our last general assessment (June 1), tide running against Communism here has greatly increased in strength.

Source: Department of State, Central Files, 787.00/8–959. Secret. Transmitted in three sections and repeated to Amman, Ankara, Beirut, Benghazi, Bonn, Cairo, Damascus, Jidda, Karachi, Khartoum, London, Moscow, Paris, Rabat, Rome, Tehran, New Delhi, Tripoli, Tel Aviv, Tunis, Basra, Dhahran, and Kuwait.

[1] See footnote 4, Document 192.

CPI has gone too far and has alarmed and angered Qassim to point where he will now not only definitely check any CPI attempts to increase power but will also take concrete steps to reduce its present power. Indications that Prime Minister now believes himself strong enough to stay in control without help of any one group and particularly without help of CPI include: Virtual nullification of PRF as active force, public identification of committees for defense of republic as illegal, (temporary?) closing of General Federation of Trade Unions offices and arrest of its Communist General Secretary, public denunciation by Qassim of student union participation in political terrorism and partisan propaganda, public rejection by Qassim of National Union Front, dismissal of some (though far from all) pro-Communist army officers and return to duty of certain previously retired officers, and Qassim's condemnation of Kirkuk massacres.

2. *Where Will CPI Go From Here?* Our belief that upward thrust of CPI now halted and its power being reduced does not lead us to underestimate tremendous gains party has made since July 14, 1958. Party's tactics for coping with current reverses is to admit that its partisans, and to some extent party itself, have made mistakes, to tar its enemies with same brush, and, we believe, to count on Qassim's tendency to be lenient with repentant sinners to save party apparatus from serious harm. Soul-searching session of central committee held recently, and party press has announced its results will soon be published. We expect that resolutions and manifestoes put out for public consumption will be of roll-with-punch variety. Possible that search for scapegoats will lead to expulsion or downgrading of some party stalwarts. By sitting tight, quietly mending factional splits and strengthening internal organization, CPI may and probably will come to January 6 starting line for resumption of political activity as well-organized cohesive party probably second only to NDP in size and best prepared of all parties to wage political campaign.

3. *Intermediate Communist Objectives.* International Communism has reason to be pleased with gains already made here and may have recommended caution and moderation to its local adherents for time being. Communists should be well satisfied during next few years if GOI continues to be a neutral state in which Soviet bloc is in good standing and in which a legal CPI has developed strong apparatus. Move toward satellization of Iraq might well be deferred until after revolution in Iran, which Communists confidently predict. Then Communist drive could pick up speed and power with prospect of acquiring as Soviet satellites two oil-rich Middle East countries with warm-water ports.

4. *What Will Qassim's Position Be?* Prime Minister has been repelled by Communist excesses in Kirkuk and elsewhere. He says he intends punish severely individuals found to have taken direct part in murders

and other crimes in order prevent recurrences such disorders. He has set in motion house cleaning of army and government departments. Qassim apparently still not convinced, however, that Communist ideology threatens Iraq's future in any way he, as popular leader, cannot meet and overcome. (He has never used word "Communist" in his denunciations.) While there seem to be elements of extreme naivete in this position, it may just be that under present circumstances in Iraq toleration is a more effective tactic than suppression. In this connection we do not think Qassim will suppress CPI if it eschews violence and subversion, nor that he will liquidate popular organization, in whose founding he has taken friendly interest, if they heed his call for reforms.

Barring new developments, Prime Minister will try to adhere to his announced plan to permit resumption of "party life" by next January and to move toward new constitution and election of a Parliament by next July. We doubt that he can carry out this schedule but believe he will try.

5. *Political Party Prospects.* Our guess is that next five months will see following political party developments. NDP will try to increase its numbers and improve efficiency its organization. Ba'ath will re-emerge as significant Arab nationalist force in Iraq. Istiqlal and other right-wing nationalist groups will play little part unless in coalition with Ba'athist. CPI likely to be less aggressive and to fall back a bit to regroup. CPI may even try ally itself with some new left-wing party (organized by Mahdawi) in order to come to elections under some innocuous coalition label.

6. *Economic Prospects.* Apart from political problems, particularly the Communist issue, government will be faced with serious economic difficulties which may hamper its efforts maintain internal stability and keep Communists in place. Administrative mismanagement and confusion, low productivity, labor indiscipline and harassment of foreign and Iraqi business and industrial enterprises since revolution have created serious economic situation. Retrieval will be close thing, but solid hope for rapid improvement lies in emergence of Hadid as chief Economic Administrator, down-grading of Kubba and return of officially encouraged discipline to labor force. Serious effort now being made reactivate long-stalled development program, with concomitant improvement in attitude toward participation Western firms. These signs of recognition that Iraq's economic salvation cannot be achieved through ties with Soviet bloc. Soviet aid program limited in scope and will be slow in realization. Exaggerated expectations of its benefits may react against Soviet prestige as its limitations become generally apparent. Effects such disillusionment, however, could be offset by gains local Communists would derive from economic confusion and hardship.

7. *Iraq and Arab World.* While process of Iraq's reassimilation into Arab world not yet progressed measurably, current climate for it more favorable than at any time since last October. Prospects been enhanced by changed UAR policies (abstention since March from attempts unseat Qassim, toning-down of anti-Qassim propaganda) and by domestic course Qassim now following. Fact Qassim no longer fears Nasserite subversion has contributed greatly to his resolution to bring Iraqi Communists into line, and this in turn should raise his standing with other Arab governments.

8. *Position.* US policy toward Iraq republic—friendly support for Qassim's declared objective of neutral and truly independent Iraq despite many months of abuse of US and harassment of Americans in Iraq—at last beginning pay dividends. Qassim's earlier suspicions of US and of British as well seem to have been largely overcome. He has repudiated Communist attempts blame "imperialists" for recent internal conflicts. Press now not exclusively anti-American and once virulent tone of Radio Baghdad been muted. Although their range of Iraqi contacts is still limited, official and unofficial Americans in Iraq are no longer pariahs. Over-all relations with East and West still not in balance but by no means as far out of line as formerly. We convinced our best bet is to continue support Qassim in every reasonable way, provided, naturally, that he continues his present course.

9. *Conclusion*

Despite favorable developments and portents reviewed above, Iraq likely be turbulent trouble-spot for years to come. Qassim's evident resolve to achieve internal stability and adopt effectively neutral stance in foreign relations must contend with persistent regional and world tensions and with inherent instability of Iraq's political, cultural, religious and ethnic make-up. Our hopes for measurable progress toward relative stability and genuine independence are riding on shoulders of one man, whose judgment regarding key factor of Communism is still open to question.

10. [*less than 1 line of source text not declassified*] Service Attaché concur.

Jernegan

200. Editorial Note

On September 10 Allen Dulles briefed the National Security Council at its 418th Meeting on "Significant World Developments Affecting U.S. Security." Included in this briefing was the following on the situation in Iraq:

"Mr. Dulles said that the situation in Iraq was considerably more tense because of the growing feeling of the anti-Communists that Kassem will not take forthright action against Communism. The core of anti-Communist sentiment is in the Army, even though the Army is to some extent penetrated by the Communists. General Abdi is the most frequently-mentioned possible leader of an anti-Communist regime succeeding Kassem. The UAR is shifting toward a more active role in Iraq, including the dispatch of arms and money to bolster pro-UAR elements in the country. Fear of a Communist coup prevails but there is no evidence that such a coup is contemplated. In fact the Iraqi Communists are now taking a softer line. Any attempt at a coup could mean civil war." (Memorandum of discussion by Boggs, September 10; Eisenhower Library, Whitman File, NSC Records)

General Saleh al-Abdi, a trusted confidant of Qassim, was the Military Governor General of Iraq and had been one of the original perpetrators of the July 1958 revolution. (Memorandum from H.W. Glidden of RME/NE to Meyer, September 14; Department of State, Central Files, 787.00/9–1459)

201. Memorandum of Conversation

SecDel/MC/23 New York, September 21, 1959, 11:30 a.m.

SECRETARY'S DELEGATION TO THE FOURTEENTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

New York, September 17–22, 1959

PARTICIPANTS

US

The Secretary
Mr. Jones
R.W. Adams, NEA

Iraq

Hashim Jawad, Minister for Foreign Affairs, Iraq

SUBJECT

The Situation in Iraq

The Secretary expressed his pleasure at meeting Foreign Minister Jawad and said that he was pleased to note the great improvement in relations between the United States and Iraq over the past year. The Secretary added that there had been considerable concern a year ago that Communist elements might seize control in Iraq.

Mr. Jawad assured the Secretary (and repeated several times during the ensuing conversation) that Iraq couldn't possibly become a Communist-controlled country. He said that he was particularly happy that Ambassador Jernegan was in Baghdad and had so correctly reported the Iraqi scene to the Secretary at a time when others might have been misled by the apparent rise of communism during the revolutionary period. Not only is communism alien to Iraqi culture, but the present government is dedicated to the cause of democracy. The Prime Minister firmly believes in the future of democratic government and intends to permit the re-establishment of political parties in January 1960, with elections to follow as soon as possible thereafter. The Communists will also be allowed to organize a political party, Mr. Jawad said, as the government prefers to cope with the Communists out in the open rather than have them hide underground. The previous danger that armed Communist groups might prove troublesome, concerning which the Prime Minister had been particularly alert, had now disappeared with the disarming of all the revolutionary groups.

Source: Department of State, Conference Files: Lot 64 D 560, CF 1476. Limited Official Use. No drafting officer is indicated on the source text. The conversation took place at the Waldorf Astoria Hotel.

In response to a question by Mr. Jones, Mr. Jawad said the Iraq Development Board was again beginning to make good progress in carrying out established development programs. The basic, long-range programs are good, and there is no need for the Development Board to consider any new projects at this time. Iraq needs considerable foreign assistance in its development, but Mr. Jawad assured the Secretary that if Iraq sought aid from the Soviet bloc, such aid and any resultant technicians would be "tightly controlled", and would, of course, be utilized only in the carrying out of established Iraqi programs.

Land distribution, and a better utilization of agricultural lands are among the major problems Iraq faces in its economic development, Mr. Jawad said. It will be the work of many years properly to distribute land. A real problem is the lack of managerial knowledge, and the present government feels that there is a real need for the previous landowners or sheiks, many of whom left their lands after the revolution, to return to give proper management. They were the "real entrepreneurs" who put in capital and know-how in the operation of their agricultural estates. The government is therefore making an effort to have at least some of them return to their holdings.

Mr. Jawad said that relations with neighboring countries had improved considerably since Iraq left the Baghdad Pact. While there were some border disputes with Iran, some of very long standing, he thought it might not be too difficult to reach a friendly settlement with Iran. Iraq, he said, has always had closer ties with Turkey and Iran than with the Arab countries. The sooner this is understood by Nasser, who "has been dreaming of an empire", the sooner normal relations can be resumed with the UAR. The entire "Egyptian conspiracy" in Iraq, Mr. Jawad said, has been based on Nasser's false assumptions that Iraq is closely bound to the Arab countries and that, lacking Nasser's domination, Iraq would turn to communism.

Iran has no problems with the United States,[1] and no particular issues in the current session of the United Nations General Assembly in which it is vitally concerned. Of greatest interest to Iraq and all the smaller countries during the current session is the possibility, or the hope, that the United States and the Soviet Union can reach some sort of understanding which will lead to a lessening of tensions and of the threat of world war.

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[1] In a separate memorandum of this conversation, during a discussion concerning the three Americans killed during the Iraqi coup, the Secretary thanked Jawad for his personal attention to this matter and hoped he could ensure that a larger compensation be given to the families. Jawad responded that although he thought his government had done all it could he "promised the Secretary that he would see what he could do about greater compensation as soon as he returned to Baghdad." (*Ibid.*)

202. Special National Intelligence Estimate

SNIE 36.2–4–59 Washington, September 24, 1959.

POSSIBLE DEVELOPMENTS IN IRAQ

The Problem

To estimate the short-term outlook for Iraq.

The Estimate

1. The situation in Iraq has grown even more unstable and uncertain since our last estimate (SNIE 36.2/2–59, "The Short-Term Outlook in Iraq," dated 30 June).[1] Qassim has made a number of moves to limit Communist activities. At the same time, these measures have been overshadowed by his public approval of pro-Communist Col. Mahdawi's anti-nationalist activities in the People's Court and the recent execution of Brigadier Tabaqchali and other participants in the Mosul uprising, as well as four civilian members of Nuri's last government.

2. Meanwhile, throughout the period the Soviet Bloc has continued and even expanded its activities in Iraq. Increasing numbers of Bloc personnel are working in Iraq, some of whom are high-level specialists advising Iraqi ministries. The Bloc is rapidly implementing its military and economic agreements and new negotiations have taken place, for example, in the field of atomic energy and civil aviation. In general, we believe the Soviet Bloc is likely to continue its support to Qassim.[2] However, at the same time that Qassim has been cultivating expanded relations with the Sino-Soviet Bloc, he has also been seeking to improve Iraq's position with the West.

Source: Department of State, PPS Files: Lot 67 D 548, Iraq. Secret. A note on the cover sheet indicates that this special estimate, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the USIB concurred in this estimate on September 24 except the representatives of the AEC and FBI, the Director of the National Security Agency, and the Assistant to the Secretary of Defense for Special Operations, who abstained on the grounds that the topic was outside their jurisdiction.

[1] Document 195.

[2] For our assessment of basic factors affecting Soviet policy toward Iraq and its connection with Soviet objectives in Iran, see Annex: paragraphs 45 and 47 of NIE 30–59, "Main Currents in the Arab World," dated 25 August 1959 [Document 71]. We believe these paragraphs remain valid. [Footnote in the source text.]

3. Predictions as to future developments must remain highly tentative. Despite Qassim's success in maintaining his position, he has not yet developed a political organization personally loyal to him. He probably hopes to maintain an equilibrium between Communist and the various non-Communist forces. He may be able to do so, possibly by counterbalancing the Tabaqchali execution with new moves to cut down Communist power. For example, the trials of persons involved in the Kirkuk disturbances would provide such an opportunity. However, we believe that the struggle for control of Iraq is about to enter another critical phase. The execution of Tabaqchali could serve as a catalyst for action in the tense situation. Such a crisis would not necessarily prove decisive, but it would probably involve more extensive disturbances and reprisals than have yet taken place.

4. Reports of coup plots, including the assassination of Qassim, have increased in recent weeks, but no organization capable of bringing off a successful coup is known to exist. Iraqi nationalists' disillusionment with Qassim is at a new peak and the UAR apparently once again fears that Qassim cannot be relied upon to keep Iraq out of Communist hands. Nasser has claimed that any new coup move would fail, but may now feel compelled to attempt to create a climate favorable for a coup.

5. Qassim and the Communists are both almost certainly aware that the nationalists may resort to desperate measures. Either or both may move to forestall a nationalist challenge, though we believe that the Communists would still hope to act in conjunction with Qassim. We believe that army support is essential, either to maintain the Qassim regime in power or to overthrow it. There is little firm information available upon which to judge the balance of sentiment among army leaders toward Qassim, the nationalists, the UAR, or even the Communists. There is considerable reason to believe, however, that troop commanders in the Baghdad area are loyal to Qassim and that many identified antiregime nationalist and pro-UAR officers have been purged or placed in positions of relative unimportance. Thus, if the nationalists, either alone or with UAR help, do attempt a coup at this time, we believe that its chances of success would be less than even. In the event of a coup attempt, and especially if Qassim were assassinated, serious civil strife is likely.

6. Action against the Communists in the Kirkuk trials would hearten the anti-Communist forces. However, Qassim is not likely to take continuing strong action against the Communists so long as he is under direct attack by Nasser. On balance, we believe that the influence of the various Arab nationalist elements in Iraq will be further weak-

ened. The probable result of this weakening would be acute and more overt hostility between Iraq and the UAR and consequently increased turmoil in the Arab World and the Middle East generally.[3]

Annex

Paragraphs 45 and 47 of NIE 30–59, "Main Currents in the Arab World," dated 25 August 1959.[4]

45. We believe that the Soviets attach considerable importance to the stakes involved in Iraq. However, Soviet tactics in seeking to build and consolidate Communist power there will depend on their assessment of the risks and opportunities involved. They probably prefer that the Iraqi Communists acquire the substance of power behind a facade of Arab nationalism. Under present circumstances, at least, they will probably avoid attempting an overt and complete Communist takeover because of the risks of failure and foreign intervention and the probable costs to Bloc relations with Nasser and the nationalist movements. Their most likely tactic is to foster some form of popular front. Nevertheless, they would probably not remain content to share power indefinitely. If in time they came to believe that the Iraqi Communists could take over and retain power, the Soviets would be likely to support them in doing so, particularly if the situation in Iran seemed to be developing in a manner favorable to Soviet interests.

47. In the broadest sense we believe that the emergence of radicalism in Iraq has demonstrated the essential conflicts between Soviet policies and those of the reformist brand of Arab nationalism. In the long run, Bloc interests will almost certainly lie with the more extreme proponents of social and economic change. Even allowing for maximum

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[3] The Assistant Chief of Naval Operations for Intelligence, Department of the Navy, does not concur with the third and fourth sentences of this paragraph. He would delete them and substitute the following:

"This circumstance would probably have the effect of fusing the Iraqi nationalists of all shades and of creating a more amenable attitude toward the UAR among those nationalists hitherto wary of, if not antagonistic toward, Nasser. The probable result would be to sharpen the conflict between the Communists and the anti-Communists in Iraq, and thus increase turmoil in the Arab World and the Middle East generally." [Footnote in the source text.]

[4] See Document 71.

flexibility in Bloc tactics toward individual governments, it is likely to become increasingly difficult for the Soviets to maintain the substance and even the form of convincing support for both reformism and radicalism, particularly if the latter continues to grow as a significant force in Arab affairs.

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203. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to Secretary of State Herter

Washington, September 28, 1959.

SUBJECT

Statement to the NSC re the Situation in Iraq

Discussion:

Pursuant to NSC action 2068, April 17, 1959,[1] an inter-agency committee was established to concern itself with the situation in Iraq and to consider feasible courses of action with a view to preventing a Communist take-over in that country. The Department's NEA Assistant Secretary was named chairman of the group.

The inter-agency group held a number of meetings during April, May and June under the chairmanship of Mr. Rountree. Ambassador Jernegan was brought home and his views were extremely helpful to the Committee's deliberations as well as to the NSC, before whom Mr. Jernegan appeared personally.

In its deliberations, the inter-agency committee agreed that the policy outlined in NSC 5820/1 entitled "Statement of United States Policy toward the Near East"[2] continued to be valid, and no change of this basic policy was required. With reference to specific courses of action, the Committee felt that dramatic military or political action by the United States was not desirable, that the most effective restraint on Commu-

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Source: Department of State, Central Files, 787.00/9–2859. Top Secret. Drafted by Meyer.

[1] See footnote 12, Document 176.

[2] Document 51.

nism in Iraq is that exercised by the Arab peoples themselves, and that our best efforts could be along the lines of encouraging Qasim, particularly through third parties such as Afro-Asian representatives, to maintain an independent Iraq resistant to the Communist threat.

When the situation in Iraq appeared to be improving (Tab B),[3] the NSC accepted a recommendation on June 22 by the inter-agency group that further weekly reports by the Committee to the NSC would be discontinued unless there occurred a substantial change in the situation in Iraq.[4]

Since there have been some recent somewhat disturbing developments in Iraq, the inter-agency committee under my chairmanship met again to examine the Iraqi situation on September 24. It was agreed to report to the NSC that the meeting was held, that the situation in Iraq was reviewed, that at the moment there appears to be no reason to alter policies and action courses previously agreed upon, but that the Committee would meet again when further information and evaluations are available including particularly the views of Ambassador Jernegan. In this connection, we have sent a telegram to Ambassador Jernegan asking for an assessment[5] and his preliminary response[6] may be available to you before the meeting Wednesday morning.[7]

Recommendations:

1. That you report to the Council that the inter-agency committee concerned with Iraq pursuant to NSC action 2068 of April 17 met on September 24, that it reviewed the situation in Iraq including the September

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[3] Tab B is a memorandum from Rountree to Dillon, June 17, reporting on events in Iraq since May 21 and the work of the interagency committee. (Department of State, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action 2068)

[4] See Document 194.

[5] Telegram 920 to Baghdad, September 28. (Department of State, Central Files, 787.00/9–2859)

[6] In telegram 787 from Baghdad, September 29, the Embassy informed the Department that telegram 784 from Baghdad (September 28), which crossed telegram 920 to Baghdad, "gives our best estimate present situation." The Embassy did not see any reason to change U.S. policies since U.S. capabilities for influencing the situation remained extremely limited, and believed that U.S. intervention, either direct or indirect, would only make matters worse. (*Ibid.*)

In telegram 784 from Baghdad, the Embassy submitted a general estimate on Iraq during the last 7 weeks, stating that the "pattern of events during the period has been inconsistent, with factors unfavorable to Communist cause running parallel to another sequence which has benefited Communists. But momentum of anti-Communist trend has slowed, while circumstances which favor Communists have assumed greater importance, especially in past two weeks." The Embassy concluded that Qassim's ability to maintain a "balance" was declining, and outspoken nationalist criticism might impel him to turn once again to the Communists for support. (*Ibid.*)

[7] September 30.

20 executions,[8] that it was felt that at the moment there appears to be no need to alter the basic policy established by NSC 5820/1 and the courses of action previously agreed upon by the Committee, but the Committee intends to keep close surveillance on the situation in Iraq and meet again after further information and evaluations are available, particularly from Ambassador Jernegan.

2. If there is a request at the Council for an account of significant developments in Iraq since the last report by the Committee on June 17, you may wish to draw upon the summary attached herewith as Tab A.

3. That you indicate that you will again report to the Council concerning Iraq following the next meeting of the inter-agency committee.

Tab A[9]

Summary of Events in Iraq Since Late June

In reviewing the situation since the latter part of June, the intervening period can usefully be divided into the time up to August 11 and the period since then.

1. Between late June and early August the following favorable developments took place:

a. The Popular Resistance Forces which had been heavily infiltrated by the Communists were first disarmed and subsequently all but disbanded by Qasim. Training was discontinued and even the wearing of PRF-type uniforms in public has been forbidden.

b. A number of strongly anti-Communist newspapers, including several that had been sacked by Communist-led mobs at the time of the Mosul revolt, re-emerged. They have continued up until the present to take a line strongly antagonistic to Communist activities in Iraq.

c. The influence of the moderate Ministers of Foreign Affairs and Finance appeared to be on the increase and there was an apparent lessening of anti-Western suspicions on the part of the Iraqi Government.

d. Qasim reaffirmed his ban on political party activity and publicly rebuffed Communist efforts to press the formation of a United National Front.

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[8] See Tab A.

[9] Top Secret.

e. Finally, the Communists badly overplayed their hand at the time of the July 14 celebrations of the first anniversary of the revolution. Communist supporters were involved in bloody atrocities and murders in Kirkuk which moved the Prime Minister to public expression of horror and public castigation of the "anarchists" responsible for these events. This stand on Qasim's part, and concomitant measures taken by the military authorities against the student unions and other Communist infiltrated organizations, greatly heartened nationalist and anti-Communist elements in Iraq.

2. The resurgence of the nationalists shortly reached such dimensions that Qasim apparently again became nervous for his own position and became convinced that his policy of seeking to maintain a balance between the Communists and nationalists was in danger. In any event it was suddenly announced on August 11 that Brig. Gen. Tabaqchali and a number of other senior officers suspected of involvement in the Mosul revolt would, contrary to prevailing expectations, be brought to trial before the so-called People's Court of Col. Mahdawi. These officers were all considered to have nationalist leanings. This decision began a train of events which have increased tensions in Iraq.

a. On August 13, Qasim, apparently stung by the defiant attitude of Tabaqchali and other defendants in the opening session of their trial before the People's Court on the previous day, publicly gave the court president, Col. Fadhil Mahdawi, his unqualified support and endorsement. This move discouraged the hopes of anti-Communist elements who consider that by his words and deeds Col. Mahdawi had shown himself to be favorably inclined toward, if not the actual ally of, the Communists in Iraq.

b. Large numbers of Communist students who had been rounded up after the Kirkuk massacre were ordered released by Qasim and allowed to return to their studies with an admonition to stay out of politics.

c. A Communist-dominated coalition slate won the Journalist Association elections, with the result that the Board of the Association, which has the power to close down publications by expulsion of publishers from membership, is largely in the hands of the Communists and their sympathizers.

d. The execution on August 25 of five military officers and one civilian earlier convicted of participation in the Mosul revolt provided a further indication of the way the wind was blowing. This was followed on September 20 by the sudden carrying out of the death sentences handed down earlier by Col. Mahdawi's Court, of the 13 nationalist officers headed by the popular Brig. Tabaqchali. The immediately preceding execution of Sa'id Qazzaz, Minister of Interior under Nuri Sa'id, and three old regime police officials was apparently intended partly as a sop to the Communists and partly to counter criticism that no old regime executions had been carried out whereas 23 of the thirty officers sen-

tenced to death in connection with the Mosul rebellion have been put to death.

3. While developments since August 11 have clearly been to the disfavor of the nationalist elements, it seems premature to conclude that the Communists have made corresponding gains. As late as two days ago, Qasim declared publicly that Iraq will maintain its policy of neutrality and will become a satellite of no country. Qasim's actions against nationalist elements since August 11 quite probably were designed to establish respect for his authority in the face of recurring rumors of anti-Qasim conspiracies allegedly supported by Nasser. Undoubtedly they have earned for Qasim bitter nationalist hatred. Despite a few relatively mild disturbances in reaction to the September 20 executions, Qasim seems as of the moment still to have the internal security situation under control. However, the army on which Qasim depends for his authority appears deeply riven by Communist-nationalist conflict.

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204. Memorandum of Discussion at the 420th Meeting of the National Security Council

Washington, October 1, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2. Secretary of State Herter presided at the meeting.]

3. *The Situation in Iraq* (NSC 5820/1;[1] NSC Actions Nos. 2068, 2074, 2078 and 2100;[2] SNIE 36.2–4–59[3])

Mr. Gray said the next item was a report by the Interdepartmental Group on Iraq, established by NSC Action No. 2068. At this point Mr. G. Lewis Jones and Mr. Armin Meyer of the Department of State joined the meeting.

Mr. Jones presented the report of the Interdepartmental Group. He said the Group had concluded that (1) dramatic action by the US in Iraq was not desirable; (2) restraint by the Arab countries is the best means of restraining Iraq; (3) Kassem should be encouraged through third parties

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs on October 2.

[1] Document 51.

[2] See footnotes 1 and 2, Document 194.

[3] Document 202.

to maintain an independent Iraq which would resist the Communist threat. The Group was keeping the situation in Iraq under close scrutiny and had agreed to meet again in ten or twelve days, shortly after the CENTO session.[4] After the meeting of the Group, a telegram from Ambassador Jernegan (telegram of September 28, 1959)[5] had been received. This telegram indicated that (1) the short-range prospect for internal stability in Iraq was worse, (2) the anti-Communist trend was slowing up, (3) US capabilities in Iraq are extremely limited and US intervention in the country would only make matters worse. The Ambassador believes contingency planning looking toward the protection of American lives and property is desirable; accordingly, the Washington Liaison Group had been asked to be on the alert for evacuation of Americans from Iraq.

Mr. Jones said there were numerous reports of a forthcoming attempt to assassinate Kassem.[6] Such reports emanating from Cairo and Baghdad may, however, be Communist provocations. If major civil strife should occur in Iraq our best course might be to insure that Iraq's neighbors did not undertake a rash interference in Iraq's internal affairs. Contingency planning with some countries against the possibility of civil strife in Iraq might do more harm than good if Iraq became aware of the planning. However, the US should continue to consult the British as appropriate on all the factors in the Iraq situation. In conclusion, Mr. Jones reported that a recent telegram indicated that the Turkish Ambassador had recently seen Kassem and found him "calmly confident." The Turkish Ambassador believed it unlikely that Kassem would willingly swing to Communism.[7]

Secretary Herter said the Turks appear to be optimistic about the situation in Iraq. Mr. Gray said he had the impression Nasser had not been as active recently in propaganda and subversive activities in Iraq, even though recent rumors continued to link Nasser with assassination plots. He asked Mr. Dulles to comment.

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[4] October 7–9; see Documents 76 and 77.

[5] See footnote 6, Document 203.

[6] On October 1, Goodpaster prepared a "Synopsis of Intelligence Items Reported to the President." The first item, based on September 28 information, reads: "Baghdad seething with rumors that Qasim is about to order execution of additional prominent prisoners. A new coup, to start with the assassination of Qasim, is scheduled 'within a week.' Our Ambassador considers the situation hazardous and unstable. Nationalist reaction to the execution of Mosul conspirators is virulent and spontaneous."

A second item on Iraq, based on September 30 information, reads: "Nasser is counseling conspirators involved in plan for coup in Iraq within a week, including assassination of Qasim. Nasser is ready to send UAR troops to oppose any counter-move thereafter." (Eisenhower Library, Whitman File, NSC Records)

[7] Telegram 807 from Baghdad, September 30. (Department of State, Central Files, 787.00/9–3059)

Mr. Dulles said that Radio Cairo continued to be anti-Kassem and that Nasser had resumed some radio attacks on Kassem. Also Nasser had been doing some contingency planning and had urged the assassination plotters not to move too fast. Nasser had inquired of the US [*less than 1 line of source text not declassified*] what our attitude would be in the event of a battle in Iraq among Kassem, the nationalists and the Communists. The UAR may be laying plans to intervene in the event chaos ensues in Iraq. Rumors were generally wrong, but it was possible an attempt would be made on Kassem's life in the next two months. Mr. Dulles agreed with Mr. Jones as to contingency planning, but believed we should be giving thought as to what we might do in various possible situations. We should plan for measures to protect Western interests in the event of chaos in Iraq and our consultative lines with the British should be kept open.

Secretary Herter thought the question of Iraq would probably be discussed at the CENTO meeting. He noted that the Turks have been consistently optimistic about Iraq; while the British, who were formerly optimistic, are now downcast.

Mr. Gray asked whether the Department of Defense had sufficient guidance on the Iraq situation. Mr. Gates said it did, and added that planning under CINCEUR was in good shape.

Mr. Gray said he assumed the Interdepartmental Group would assess the situation in Iraq again after the CENTO meeting.

The National Security Council:[8]

a. Noted and discussed an oral report by the Assistant Secretary of State for Near Eastern Affairs on recent developments with respect to Iraq, the work of the interdepartmental group established pursuant to NSC Action No. 2068–b, and a recent evaluation by Ambassador Jernegan of the situation in Iraq.

b. Noted that the interdepartmental group established pursuant to NSC Action No. 2068–b would continue to keep the situation in Iraq under scrutiny, and would reappraise the situation following the forthcoming CENTO meeting and report the results thereof to the Council.

[Here follows agenda item 4.]

Marion W. Boggs

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[8] Paragraphs a and b constitute NSC Action No. 2133, approved by the President on October 14. (*Ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

205. Editorial Note

On October 7 at approximately 6:30 p.m. local time, Prime Minister 'Abd al-Karim Qassim was wounded in the shoulder in an assassination attempt. Radio Baghdad announced that the Prime Minister was not seriously hurt, asked the Iraqi people to remain calm, and established a curfew for the night of October 7.

In an October 7 report to Secretary Herter, Director of Intelligence and Research Hugh Cumming, Jr., suggested that this assassination attempt might be the beginning of the coup against the Qassim government about which the United States had been picking up rumors. Cumming reported that later that evening Qassim gave a broadcast over Radio Baghdad giving substance to the claims that his wounds were slight. Cumming suspected that the United Arab Republic would be blamed for the attempt. (Department of State, NEA Files: Lot 61 D 43, Baghdad)

On October 10, the Department of State drafted a message from President Eisenhower to Prime Minister Qassim, cleared with Goodpaster at the White House, expressing deep gratitude that Qassim escaped serious harm in the attack on his life and wishing him a speedy recovery. (Telegram 1016 to Baghdad, October 7, 7:41 p.m.; *ibid.*, Central Files, 787.13/10–759)

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206. Memorandum From the Central Intelligence Agency's Member on the Inter-Agency Committee on Iraq [*name not declassified*] to the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones)

Washington, October 13, 1959.

[Source: Department of State, NEA Files: Lot 62 D 435, Inter-Agency Group on Iraq. Secret. 5 pages of source text not declassified.]

207. Memorandum of Discussion at the 423d Meeting of the National Security Council

Washington, November 5, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2.]

3. *The Situation in Iraq* (NSC 5820/1; NSC Actions Nos. 2068, 2074, 2078 and 2100; SNIE 36.2–4–59; NSC Action No. 2133)[1]

Mr. Gray said the next item was an oral report by the Secretary of State on the situation in Iraq,[2] to be made on behalf of the Inter-Agency Group on Iraq. Mr. Gray recalled that the Council on October 1 had agreed that the Interdepartmental Group would continue to keep the situation in Iraq under scrutiny and would reappraise the situation following the forthcoming CENTO Meeting. Secretary Herter said the Inter-Agency Group met on October 16 and will meet again at any time events require a reappraisal of the situation. Meanwhile Iraq is being watched with anxiety. Unrest in that country may lead to further attempts on the life of Qasim. Moreover, Secretary Herter was quite disturbed by the dispute between Iran and Iraq over the Shatt-el-Arab boundaries and navigation. The Iranians were quite willing to discuss this dispute and the Iraqis professed to be willing to do so, but never quite got around to sending negotiators to a meeting. This dispute could some day be explosive. Turning again to the internal situation in Iraq, Secretary Herter said it was difficult to know whether the Communists were gaining or losing influence. However, he was quite disturbed about the possibility of demonstrations and disorders at the time Qasim leaves the hospital. Mr. Dulles said that according to some reports Qasim was more seriously wounded than was first reported. Secretary Herter remarked that on the other hand Ambassador Jernegan had visited Qasim in the hospital and had reported that he seemed to be in good health. Mr. Dulles then reported that [*6-1/2 lines of source text not declassified*].

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs on November 5.

[1] See footnotes 1–3 and 8, Document 204.

[2] Based on a memorandum from Hart to Herter, November 4. (Department of State, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action No. 2068)

The National Security Council:[3]

Noted an oral report by the Secretary of State on the results of the reappraisal of the situation in Iraq following the recent CENTO meeting, undertaken in accordance with NSC Action No. 2133–b by the Interdepartmental Group established pursuant to NSC Action No. 2068–b; and comments by the Director of Central Intelligence related thereto.

[Here follows agenda item 4.]

Marion W. Boggs

[3] The following paragraph constitutes NSC Action No. 2146, approved by the President on November 10. (*Ibid.*, S/S–NSC (Miscellaneous) Files: Lot D 66 D 95, Records of Action by the National Security Council)

208. Editorial Note

At the 426th Meeting of the National Security Council, December 1, Director of Central Intelligence Allen Dulles included in his briefing on "Significant World Developments Affecting U.S. Security" the following on Iraq:

"Mr. Dulles noted that the latest U.S. Embassy review of the situation in Iraq was gloomier than past reviews. Kassem was still in the hospital despite his recovery from the attempt to assassinate him, probably because he feels safer there. [*3 lines of source text not declassified*] In conclusion, Mr. Dulles characterized Kassem as an enigma and said he might hang on for several months longer." (Memorandum of discussion by Boggs, January 26, 1960; Eisenhower Library, Whitman File, NSC Records)

Dulles' reference to "the latest Embassy review" was to telegram 1234 from Baghdad, November 25. (Department of State, Central Files, 787.00/11–2559)

209. Memorandum of Discussion at the 428th Meeting of the National Security Council

Washington, December 10, 1959.

[Here follow a paragraph listing the participants at the meeting and agenda item 1. Vice President Nixon presided at the meeting.]

2. *Significant World Developments Affecting U.S. Security* (NSC Action No. 2068)[1]

Reporting on Iraq, Mr. Bissell said that Kassem left the hospital last week after his recovery. His recuperation was celebrated publicly by a parade which had been organized and dominated by the Communists. Iraqi troops had been extensively deployed during this parade and the Nationalist quarters had been blocked off. In addition to these arrangements, Kassem had held a six-hour press conference which turned into a denunciation of the Nationalists. In this conference he had reversed himself sufficiently to say that the Kirkuk massacre had been stirred up by the Nationalists and had denounced a current attempt to contest Communist control over an Iraqi student union. In other words, all the auspices surrounding Kassem's departure from the hospital indicated that he now blames the assassination attempt against him on the Nationalists and that his mind is inflamed against them. The indications now are that if Kassem had to make a choice, he would rely heavily on the Communists instead of maintaining the precarious balance which he has been seeking to maintain in the past. However, Mr. Bissell continued, the picture in Iraq is not entirely black. Kassem's popularity has considerably diminished, and there are officers in the army who take the Nationalist point of view and who are ready to move against him. Recognizing that predictions are hazardous, Mr. Bissell predicted that if no further assassination attempts were made against Kassem, there was a strong possibility of a growth in Communist power. However, there was a better than even chance that another attempt would be made to assassinate Kassem. An abortive assassination attempt known to Kassem would drive him into the arms of the Communists. The actual assassination of Kassem would quite likely result in civil war and possibly in an intervention by Iraq's neighbors. In summary, Mr. Bissell felt that there would be further assassination attempts and that each of these attempts could present serious policy problems in Washington.

Secretary Herter said the difficulty with the Nationalists was that they were divided into two groups, the genuine Nationalists and the

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs on December 10.

[1] See footnote 12, Document 176.

Nasser stooges. Mr. Bissell said there was even a third group of Nationalists consisting of the survivors of the Nuri Said regime. He added there were indications now that Nasser believed it would not be feasible for the UAR to attempt to annex Iraq. Secretary Herter said Nasser was still active in stirring up trouble in Iraq. The Vice President asked whether he was correct in assuming that this Government had no particular affinity for any of the three groups of Nationalists. Secretary Herter said we hoped that Kassem would be able to steer a middle course. This Government did not want Iraq to be taken over by either Nasser or the Communists. He remarked, incidentally, that our Ambassador to Iraq was not very optimistic about the situation. The Vice President inquired whether Secretary Herter felt there was no possible third force in Iraq. Secretary Herter said there was none. [*1-1/2 lines of source text not declassified*]

Mr. Gray reminded the Council of the existence of the Interdepartmental Group on Iraq established by NSC Action 2068, and said he felt sure the Secretary of State had in mind having the Group keep the Council informed as to the situation. The Vice President was sure that the Interdepartmental Group would be considering the events mentioned by Mr. Bissell. The Vice President recalled that Mr. Bissell had mentioned possible intervention by Iraq's neighbors and asked which neighbors would be likely to intervene in the event of civil war. Mr. Bissell said that Jordan or the UAR might intervene. [*1-1/2 lines of source text not declassified*] Nasser was in close communication with the Baath party. Both Jordan and the UAR felt it would be risky to initiate action against Iraq, but in the course of a self-generated crisis, such as a civil war in Iraq, they might feel free to intervene. Secretary Anderson asked whether the Communists and the Nationalists were about equal in armament in Iraq. Mr. Bissell answered in the affirmative, while pointing out that the Communists were numerically fewer. However, the Communists were organized and disciplined while the Nationalists were divided and discouraged, although the Nationalists probably had the army on their side. Secretary Herter said there was one optimistic note, namely the normal antipathy of Moslems to Communism. Mr. Bissell said he would give the non-Communists a slight edge in the event of civil strife in Iraq because Abdi, the Military Governor, was a symbol of authority and was anti-Communist. Hence in the event of the assassination of Kassem, continuity of authority was possible through the person of Abdi.

[Here follow the remainder of agenda item 2 and agenda items 3 and 4.]

Marion W. Boggs

210. Special National Intelligence Estimate

SNIE 36.2–5–59 Washington, December 15, 1959.

SHORT-TERM PROSPECTS FOR IRAQ

The Problem

To estimate the short-term outlook in Iraq.

The Estimate

1. Since Qassim went into the hospital following the unsuccessful attempt on his life on 7 October, Iraqi politics have shown a superficial calm. There has, however, been mounting tension between the Communists and the various nationalist factions.[1] During the same period, the economy has continued its steady decline, with rising unemployment and prices, stagnating business activity and investment, and a bogging down of the development program. In these circumstances, we believe that Iraq is facing a growing crisis of leadership.

2. The enigmatic figure of Qassim is still central to the short-run outlook in Iraq. Ever since the 1958 revolution, he has maneuvered between the Communists and their antagonists. He probably still considers himself uncommitted to any faction, and capable of playing a role above the struggle. His messianic tendencies have apparently been reinforced by his recent near-martyrdom.

3. However, conflicting political pressures and growing internal problems are likely to make it increasingly difficult for Qassim to remain in effective control and still avoid committing himself to one or another of the Iraqi factions.[2] Baathist elements and other Pan-Arab

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Source: Department of State, PPS Files: Lot 67 D 548, Iraq. Secret. A note on the cover sheet indicates that this special estimate, submitted by the CIA, was prepared by CIA, INR, the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the USIB concurred in this estimate on December 15 except the representatives of the AEC and FBI who abstained on the grounds that the subject was outside their jurisdiction.

[1] In this estimate, we use the term "nationalist" to describe a varied array of Iraqi elements whose chief common quality is that they are not Communist or pro-Communist. When necessary, we distinguish among the nationalist groups—which range from the left-of-center National Democratic Party and the Pan-Arab socialist Baath to more conservative groups with varying allegiances toward Iraqi as against Pan-Arab nationalism. [Footnote in the source text.]

[2] In a December 11 memorandum to Katherine W. Bracken, Chief of the Mid-East Aegean Division of INR, Deputy Director of NE Nicholas Thacher commented on a draft version of this SNIE. Thacher stated that NE did not concur with the thrust of this sentence, which "strongly pointed to a conclusion" that Qassim's continuance in power would lead necessarily to his total dependence on the Communists through force of circumstances and choice. (Department of State, NEA Files: Lot 61 D 43, Baghdad)

nationalists sympathetic to Nasser have of course long opposed Qassim. Their opposition is probably now shared to a growing extent by Iraqi nationalists who once saw in Qassim a leader able and determined to keep Iraq out of the hands of both Nasser and the Communists. Nationalist elements have been alienated by various actions of Qassim, e.g., his continued support for the outspokenly pro-Communist Colonel Mahdawi, his execution of Brigadier Tabaqchali in September, and the antinationalist tone of his speech of 2 December. Qassim's failure to cope with deteriorating economic conditions has almost certainly added further to growing disillusionment.

4. Even so, we believe that Qassim will continue his attempts to maintain himself in power by relying on the support of the armed forces while maneuvering between the various political factions. If he continues his recent line of conduct, he will become increasingly isolated from nationalist elements. It is possible that he might regain a measure of nationalist support, but to do so would require a more drastic reversal of his recent policies, as well as more effective leadership, than we consider likely. Hence, we believe that he will be increasingly isolated from anti-Communist elements, to the longer range advantage of the Communists.

5. We continue to believe that short-run Communist strategy calls for consolidating power and expanding influence without assuming the risks of an overt takeover. It is also likely that, in Communist eyes, Qassim retains his usefulness as a figure who, combining popular appeal and willingness to countenance the Communists, is preferable to any other immediately available leader in terms of short-range Communist interests. In these circumstances, the Communists will probably continue efforts to impress upon Qassim their usefulness and reliability as supporters of his regime against the machinations of the "imperialist" powers and Nasser's agents. In pursuing these tactics, the Communists have, despite certain internal differences, the advantage of better organization than their more numerous but factionalized opponents and a greater ability to make sudden shifts in tactics.

6. Present evidence concerning Qassim's state of mind, particularly his fear of the UAR and the nationalists, indicates that the Communists have good prospects of success in alternately exploiting Qassim's misgivings and courting his favor. And at least in the short run, Qassim would have Communist support against a nationalist opposition short of an uprising. Thus, the reliance of Qassim and the Communists on one another for support appears to be increasing.

7. While alarm and discontent are generally growing, disparate nationalist groups have not coalesced and are likely to do so only on a temporary basis. Present evidence does appear, however, to warrant the estimate that a nationalist move to undercut the Communists would

probably involve an attempt to destroy Qassim's power as well. For a time at least, nationalist opposition groups may be driven closer together out of common fear that they cannot afford to wait too long, lest Qassim's concessions to the Communists cost more nationalist lives or his countermeasures reduce nationalist capabilities.

8. The Iraqi Army, as a whole, has supported Qassim against internal challenges to his regime. This support reflected the army's approval of Qassim's "neutralist" policies, its improved status resulting from better pay, more modern equipment, and its closer identification with the government. Nevertheless, a degree of alarm and disillusionment has beset many elements of the army as the Iraqi situation becomes more unsettled, and plotting among military and civilian groups appears on the increase. On the whole, so long as Qassim survives and continues to cultivate the army, he can probably retain considerable military support, which will reduce the chances of overthrowing him. Internal instability and tension is likely to increase, however.

9. In these circumstances, the most likely way to remove Qassim would be by assassination, and we consider it probable that another attempt will be made before long. We are much less confident concerning which nationalist leaders or groups will actually undertake it.

10. If Qassim were eliminated, the outcome of the coup would depend on how quickly and effectively its organizers could move to consolidate control. Substantial army support would clearly be essential to its success. Given the present state of discontent with the regime, we believe that a well-organized nationalist coup would have at least an even chance of establishing power over the country. Even if the effort were inspired by civilian nationalists (e.g., Baathists), the resulting regime would probably work with and through military officers—possibly such figures as General Rubai and General Abdi.[3] Chances of success would be best if the coup appeared to be wholly internal and without prior commitment to any foreign power, including the UAR.

11. If effective control were not quickly established, Qassim's removal could result in widespread disorders and even civil war, with Iraqi Communists taking active measures to protect their position, such as reactivating the People's Resistance Forces (PRF) and arming their supporters. In such a situation, moreover, there would be at least an even chance of overt intervention by one or more of Iraq's neighbors.

12. Turkey's attitude toward the Qassim regime, heretofore rather tolerant and hopeful, would almost certainly change rapidly if Turkish

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[3] Rubai and Abdi have the advantage of legal claims to power if Qassim should disappear, since Rubai is formal Chief of State and Abdi is military Governor-General of Iraq. [Footnote in the source text.]

leaders came to believe that Communist ascendancy were imminent. Relations with Iran will remain distant, conditioned by the Shatt al-Arab controversy and by Qassim's suspicions of the Shah's intentions toward him. Israel has consistently encouraged Turkey and Iran to tolerate Qassim lest his overthrow strengthen Nasser.

13. Nasser still desires to see Qassim overthrown, but he has been more restrained in his plotting, and we do not believe that he seriously entertains hopes of establishing UAR control over Iraq. Most dissident Iraqi groups turn to Nasser for support in their conspiracies, and the UAR will continue to extend both material and moral backing to various Iraqi elements opposing Qassim, without being overly particular as to which faction initiates a move. Nasser would be reluctant to use overt military force in support of the nationalist cause, but he might feel compelled to respond to a call for help. Before doing so, however, he would probably require US assurances against counter-moves by Israel and Turkey.

14. Hussein still desires to re-establish Hashemite rule in Iraq and to block the extension of Nasser's influence there. Iraqi exiles are in contact with Hussein, and will continue to play upon these desires. However, Hussein is unlikely to intervene overtly in Iraq unless he receives Western acquiescence and support. Although Hussein has been maintaining contact with the UK, Turkey, and Iran concerning Iraq, none of them has indicated much confidence in intervention by Hussein as a solution. However, should the situation become more critical, his aspirations might be taken more seriously. Even Israel might under certain circumstances countenance intervention by Jordan, though it would react strongly against any such move by Nasser.

15. The UK is losing confidence in Qassim's ability to maintain his power. The UK will continue to favor a solution which would result in diminishing the influence of the Communists without unduly augmenting that of Nasser.

16. The Soviets will probably continue to avoid direct involvement in the Iraqi situation, even in the event of Qassim's downfall. They will in any event provide whatever covert support is feasible to the local Communists. If their preferred course of action—the gradual extension of Communist influence in the country—were disrupted, they would probably seek the formation of another pro-Communist, but not openly Communist, regime. In the event of disorder they would seek by threats to discourage any outside power from intervening. If, nevertheless, other powers in the area were to intervene with military force, we believe the Soviets would boost their support of the Communists and other resisting elements, perhaps with covert military assistance, but short of the overt introduction of Soviet military forces.

211. Editorial Note

On December 16, Assistant White House Staff Secretary John S.D. Eisenhower including the following report on United Arab Republic–Iraq relations in his "Synopsis of State and Intelligence Material" reported to the President:

"Nasser is reported to be expressing stronger concern than heretofore that the Qasim regime will fall under the influence of Communist elements.

"On December 11 a Soviet ship delivered the second consignment of arms to the Iraqis under the deal with the Soviet Union. This included antiaircraft and field artillery pieces and vehicles.

"Meanwhile, there are reports that the four Iraqi division commanders have decided to oust Premier Qasim in the near future. They are convinced that he is incapable of controlling the Communists or preventing further disorders. This feeling may have been spurred by the action of the Communist-led mob in Basra on December 8 which besieged the army garrison for a day.

"A report today (December 16) indicates that a foreign office official has told Embassy London that the U.K. still hopes and believes that Qasim will prove able to prevent the domination of Iraq by either Communists or the UAR. The British Chargé in Iraq believes that Qasim has been playing a cautious, skillful game and some time may elapse before his final course is discernible." (Eisenhower Library, Whitman File, Eisenhower Diaries)

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212. Memorandum for the Record

Washington, January 12, 1960, 2:30 p.m.

[Source: Eisenhower Library, White House Office Files, Project Clean Up. Top Secret. 4-1/2 pages of source text not declassified.]

213. Memorandum of Discussion at the 432d Meeting of the National Security Council

Washington, January 14, 1960.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–5.]

6. *The Situation in Iraq* (NSC Actions Nos. 2068 and 2160)[1]

Mr. Gray briefed the Council on this subject. (A copy of Mr. Gray's Briefing Note is filed in the Minutes of the Meeting and another copy is attached to this Memorandum).[2] He then called on Mr. Merchant for the report of the Interdepartmental Group established by NSC Action No. 2068.

Mr. Merchant said the Interdepartmental Group had met on January 12.[3] He did not feel it was necessary to go into detail concerning the deliberations of the Group. He might, however, summarize the situation in Iraq as depressing. Kassem's placement of blame for the assassination attempt on the pro-Nationalist elements had thrown him more heavily into the arms of the Communists for support. Mr. Merchant felt that the best hope for remedying the situation on Iraq lay with the Iraqis themselves. He reported that contingency plans relating to Iraq had been updated and coordinated with the U.K. in deep secrecy. [*4 lines of source text not declassified*] The Interdepartmental Group would continue to follow developments in Iraq from day to day. In particular, in the near future the Group would be watching Kassem's program for licensing political parties. Mr. Merchant anticipated that licenses would probably be granted to the Communist, the Kurdish and the Leftist Parties. Summarizing, Mr. Merchant anticipated that the situation in Iraq compared to six months ago was worse, in that Nationalist stock had gone down and Kassem's dependence on the Communists was greater. Mr. Dulles agreed with Mr. Merchant's summary of the situation. He said Kassem believes the Rightists will assassinate him. [*3 lines of source text not declassified*] He added that the situation had been complicated by the Shatt-al-Arab dispute, which brought Iran's relations with Iraq to a critical state. However, he felt this dispute was now disappearing.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Boggs on March 31.

[1] NSC Action No. 2160, approved by the President on December 23, 1959, noted and discussed the oral briefing to the NSC by Bissell (see Document 209), and agreed that the interdepartmental group on Iraq should be requested to keep the Council informed on the status of contingency planning regarding the Iraq situation and should identify any policy issues requiring Council consideration. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[2] Attached, but not printed.

[3] See Document 212.

The National Security Council:[4]

Noted and discussed the subject in the light of an oral presentation of a report by the Interdepartmental Group on Iraq established by NSC Action No. 2068.

Marion W. Boggs

[4] The following sentence constitutes NSC Action No. 2180, approved by the President on January 19. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

214. Telegram 1945 From the Embassy in Iraq to the Department of State

Baghdad, February 25, 1960, 3 p.m.

[Source: Department of State, Central Files, 787.00/2–2560. Secret; Limit Distribution; Noforn. 3 pages of source text not declassified.]

215. Telegram From the Embassy in Iraq to the Department of State

Baghdad, February 26, 1960, 9 a.m.

1951. Department pass Defense and pouch Kuwait. Information addresses pass military commands. Paris also for USRO. Dhahran for DLG. Rome for Liaison. There follows Embassy's appraisal current situation in Iraq.

Source: Department of State, Central Files, 787.00/2–2660. Secret. Transmitted in three sections and repeated to Amman, Beirut, Cairo, Damascus, Dhahran, Ankara, Jidda, Khartoum, London, Moscow, Paris, Rabat, Rome, Tehran, Tel Aviv, Tripoli, Tunis, and Basra.

A. Elements situation:

1. State of political tension continues with apparent weakening Qassim's prestige and erosion confidence in his leadership among most political groupings including left.

(A) Qassim's December 2 "State of Nation" speech diffusing blame Kirkuk excesses which he previously attributed Communists and labeling Nationalist students efforts break Communist grip student union in fall elections as part plot against him; continued prominence in his regime outspokenly pro-Soviet officers and officials and his own close association with Colonels Mahdawi, Taher; Leftist control radio TV and most organs press; arrests or exile from Baghdad some active Nationalists have brought discouragement and fear to most "Nationalist" groups.

(B) On other hand, Qassim's tactics "redress balance" and weaken Communist monolith have become increasingly apparent over past month. Specific acts include covertly sponsoring, supporting, and, finally, licensing as Communist Party small splinter group following legal resumption activity political parties January 6 and subsequent refusal license main body old CPI; intervention in Agrarian Reform to halt efforts introduce collective rather than cooperative concepts followed by dismissal pro-Communist Minister Agrarian Reform and Oil, Ibrahim Kubba; tolerance one hard-hitting anti-Communist newspaper possibly because personal friendliness towards its editor. These plus his moves against them summer 1959 have left Communists and Leftists uneasy. Communist press has increased its criticism regime citing high prices and depression and calling for thorough purge such Ministries as Interior and Foreign Affairs where Leftist influence negligible.

(C) Between extremes Pan-Arab Nationalists and Communists, most groups seem confused by Qassim's erratic political tactics, discouraged by the lack of concrete evidence progress and disillusioned by his failure give leadership and guidance this faltering state.

(D) Communist power and potential for trouble-making still great. The main Communist Party is well-organized, disciplined and, apparently, financed; it still "controls the streets" in many parts Baghdad, has great influence and varying degrees control Ministries Oil, Municipalities, Guidance, Education, Agrarian Reform and Planning, and in most popular and professional groups. Commander Air Force outspokenly pro-Communist and at least one squadron dominated by pro-Communists; extent which lower ranks army have been penetrated is problematic.

(E) There has been further drop Qassim's popularity with man in street and within most groups with which Embassy maintains contact.

(F) Reports new plots against Qassim's life are rife with most in agreement any successful coup must have support significant elements army. Qassim surrounded by increased security at Ministry Defense quarters and in his moves around Baghdad.

2. Economic disorganization and difficulties in reinvigorating development program resulting in increasingly defensive posture on part Qassim regime and more realistic official appraisal economic problems facing Iraq.

(A) Speeches by Qassim and other regime officials increasingly reflect realization socio-economic problems and attempts ease social pressures by promises that cannot be realized in full.

(B) Increased concern over economy now being reflected in efforts create atmosphere conducive developmental progress. These include attempts resolve GOI difficulties with foreign and domestic contractors, decisions which demonstrate reluctance enter into government-to-government deals, over-ruling ex-Minister Kubb's efforts make USSR sole supplier farm equipment and establish model farm collectives; and easing restrictions which previously inhibited business dealings with west by private sector.

(C) Facts that new development projects are formulated in patchwork manner and regime has lacked managerial competence execute programs when approved have prevented increase in demand for labor and are resulting in increased social pressures on government.

3. Growing disillusionment in public and private sectors economy resulting from limited character benefits derived from east bloc presence in contrast previous great expectations government and people.

(A) Iraqi preference for bargaining element in contracting for development projects becoming manifest. There growing concern over commitments in Soviet aid agreement which many officials fear may not be in accord with Iraq's best interests or in keeping with attitudes toward government-to-government dealings.

(B) Coupled with instances Iraqi insistence on competitive tenders in projects financed under Soviet agreement is gradually improving climate for western business operations.

4. Iraq's relations with UAR, Jordan, and Iran have worsened and it is possible that these states may override differences and covertly agreed lend support opposition elements without and within Iraq in effort oust Qassim. Qassim's recent campaigns for independent Syria, Palestine Republic, and against Shah and government make difficult any rapprochement with UAR, Jordan, and Iran. Relations with rest Arab world correct but not close. Of area states, relations with Turkey have remained best and Turks have exercised some helpful influence in controversy between Iraq and Iran over Shatt Al-Arab.

5. Relations with west seem improved despite continued hostility Iraqi press and radio. Subjectively, most officers of mission feel there has been drop in suspicion western intentions in general and present US policies in particular. Contacts with certain types Iraqi officials easier and more frequent now and some feelers for closer cooperation in military and economic fields have been noted.

6. On political level, relations with Communist bloc continue close with bloc continuing considerable effort make presence felt.

7. Government radio and TV still follow pro-Soviet bloc line as does most of press. Qassim has, however, removed a few most blatantly pro-bloc officials from Ministry Guidance operating level. We still hopeful result will be noticeable.

8. Qassim's devious tactics and attempts maneuver political forces seem have produced distrust of him among most of these. He still appears maintain upper hand and apparently, wields effective control over army command although persistent reports indicate this will be lost unless he continues show firm attitude toward Communists. Although clearly messianic in outlook, it becoming evident Qassim no Communist but "Qassimist" with his own interests and those of Iraqi nationalism foremost.

B. Conclusions and recommendations:

1. An attempt against Qassim's life is possible at any time. If successful and military junta (possibly headed by Sovereignty Council President Rubai and Military Governor General Abdi) takes over, transition would be rapid and any disorders controlled. If Communists move install pro-Communist regime, civil war and widespread disorders likely. Intervention from Jordan or UAR would probably be opposed by most of army and masses of population unless invited by an anti-Communist regime which had already achieved some degree of control.

2. While Qassim's policies have been so erratic that seems unlikely he could rally widespread popular support behind him in near future, continuation trend limit Communist influence would minimize opposition and bring more stability regime. He would still, however, have to solve Iraq's dilemma of having economic resources but not capability marshalling them to enable rate economic development essential survival his regime.

3. We continue believe in basic soundness current United States policies toward Iraq and believe these beginning pay off in terms improved United States-Iraqi relations. Embassy recommends United States continue efforts restrain attempts by external forces intervene in Iraqi affairs and remain ready consider sympathetically any GOI request assistance.

4. Embassy believes situation has progressed to point where efforts make "American presence" felt appropriate. These would include gradually increased contacts by Americans with official, cultural, and business circles, continuation present accelerated trade promotion program, encouragement American contractors compete for projects in Iraq, propose offer resume training Iraqi military officers in United States military schools, and resumption informational activities in discreet manner following completion current cultural agreement negotiations.

5. In event successful non-Communist coup, United States should stand ready grant prompt recognition and discourage outside intervention. While present situation does not warrant active contingency planning with regional allies, we should maintain inventory resources which we could use attempt counter pro-Communist take-over in event coup.

6. While my staff and I do not believe assistance program similar pre-revolution USOM program in Iraq would be acceptable or appropriate in future, consideration should be given immediate measures that could be taken assist new anti-Communist regime or meet requests for advice or assistance from Qassim's Government. Discreet advice on how move ahead on stalled development program or on basic developmental planning could be major factor determining orientation GOI in future.

7. We remain convinced Iraq faces continuing political instability and prolonged economic difficulty.

Service Attachés [*less than 1 line of source text not declassified*] concur.

Jernegan

216. Memorandum From Evan M. Wilson of the Policy Planning Staff to the Director (Smith)

Washington, March 18, 1960.

SUBJECT

Iraq

At today's meeting of the Iraqi Action Group,[1] Lewis Jones gave a summary of the present situation in Iraq and of present policy which I think worth reporting to you.

Jones said that among relatively favorable developments recently had been (1) the licensing of political parties and the split in the Communist Party; (2) the development of relative internal stability including certain changes in government personnel; (3) favorable economic developments including better treatment of US contractors and evidence that the Soviet economic offensive is not going well; (4) favorable developments in the cultural field including the Iraqi request for American professors, the granting of access to our USIS premises and Iraqi interest in negotiating a cultural agreement with us; and (5) continuing good relations with Turkey together with an improvement in relations with Iran.

Among unfavorable factors, Jones listed (1) the possibility that there could be a coup at any time; (2) the fact that Qassim is becoming more of an enigma and more withdrawn; (3) the continued activities of Colonel Mahdawi and his Peoples' Court; (4) the presence of Communists in several government departments and the continued political activity of the Communists; and (5) the fact that Iraq is isolated from its Middle Eastern neighbors with the exception of Iran and Turkey.

Jones said that he was convinced our present policy, which he described as being "friendship and non-involvement," has been sound. He thought that we should continue to be receptive to any Iraqi requests for aid, resume a modest USIS program and a cultural program, train Iraqi military officers in this country if requested, look into the possibilities of trade promotion, encourage American contractors to remain in Iraq, and give aid under PL 480[2] if famine conditions should occur as is possible. He pointed out that programs along the foregoing lines were not aimed specifically at Qassim, but would probably be welcomed by any likely successor regime.

Source: Department of State, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action No. 2068. Secret.

[1] Committee of the Interagency Group on Iraq.

[2] 68 Stat. 454.

The representatives of other agencies present, including CIA, Defense and USIA, indicated their general agreement with the analysis offered by Lewis Jones. It was agreed that a report would be submitted by the Secretary to the NSC, along the lines of the attached draft, with the changes noted. It was the consensus of the Group that this report simply be circulated to the members of the NSC for their information and should not be formally presented to the NSC.

I am inclined to agree with Jones that our present policy toward Iraq is sound.

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217. Memorandum of Discussion at the 438th Meeting of the National Security Council

Washington, March 24, 1960.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–5.]

6. *The Situation in Iraq* (NSC Actions Nos. 2068, 2160 and 2180)[1]

Mr. Gray said the next item was a report on the situation in Iraq by the Interdepartmental Group on Iraq established by NSC Action No. 2068, approved April 22, 1959. The last report by the Group was made on January 14.[2] Secretary Herter said the Interdepartmental Group had met on March 18 and prepared a report which he would read. (A copy of the report read by Mr. Herter is attached.)[3] The President asked whether the Interdepartmental Group had considered relations between Iraq and Iran. Secretary Herter believed the situation between these two countries had improved considerably with the withdrawal of Iranian troops from the border. The President said that when the Iranian Ambassador had presented his credentials the other day, he (the President) had observed that the situation between Iraq and Iran was much improved. However, the Iranian Ambassador did not agree. Perhaps the

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Boggs on March 24.

[1] See footnotes 1 and 4, Document 213.

[2] See Document 213.

[3] See attachment.

Secretary of State might talk to the Iranian Ambassador about this situation. The Ambassador is a son-in-law of the Shah and should be able to reflect the Shah's thinking. Mr. Dulles said that the Ambassador was a very able man and was also the son of the man who had led the coup against Mossedegh.

Mr. Dulles said he had been about to report as an item of late intelligence that Khrushchev had recommended revival of the Franco-Russian alliance. However, he had just had a flash which cancelled that information.

The National Security Council:[4]

Noted and discussed the subject in the light of an oral presentation of a report by the Interdepartmental Group on Iraq established by NSC Action No. 2068.

Marion W. Boggs

[Attachment][5]

Report by the President's Special Assistant for National Security Affairs (Gray)

Washington, March 18, 1960.

DRAFT REPORT BY SECRETARY TO NSC
ON IRAQI SITUATION

The Inter-Agency Group on Iraq met on March 18 to review developments since the first of the year. It found the situation has not fundamentally altered from that described by it earlier. However, two parallel trends were noted which, at least, in the short-run, are encouraging from the U.S. viewpoint. The first is the series of measures taken in recent weeks by Kassem to limit the power and political effectiveness of the Iraqi Communists. A concomitant development is an improvement in the attitudes of Iraqi officials towards the U.S. This has been evident in the economic and commercial field and apparently stems to a considerable degree from a growing appreciation of Iraq's dependence

[4] The following sentence constitutes NSC Action No. 2202, approved by the President on March 31. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[5] Secret. Drafted by Lakeland, cleared by Furnas, and submitted by Jones to Herter on March 22. (*Ibid.*, S/P–NSC Files: Lot 62 D 1, Iraq, The Situation, NSC Action No. 2068)

on foreign technical assistance and managerial advice and the realization that results of the Soviet economic assistance agreement have not lived up to earlier expectations. It has also been evident in the cultural field.

The Group concurred in the substance of Ambassador Jernegan's recent assessment of the situation in Iraq and agreed that, although the situation continues to bear close watching, our current policies are basically sound. It was further agreed that we be prepared to consider favorably Iraqi requests for our assistance. Specific steps which are either underway or contemplated for the near future include the negotiation of a cultural agreement, the forthcoming visit to the U.S. by the Iraqi Minister of Education, an earnest attempt to recruit American professors for Baghdad University, increased commercial representation and expanded contacts with Iraqis on the part of our officials in Baghdad, proposed offer of military training slots to Iraqi officers, consider on a case by case basis Iraqi requests for purchase of reasonable amounts of military supplies and spare parts.

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218. Editorial Note

On April 7, at the 440th Meeting of the National Security Council, the Deputy Director of the Central Intelligence Agency, General Charles P. Cabell, included in his briefing on "Significant World Developments Affecting U.S. Security" the following on Iraq:

"Turning to Iraq, General Cabell reported that the army, with the support of Kassem, was spearheading a tougher policy toward communism. Kassem had made a number of moves against communism and was resisting communist demands. He had commuted some death sentences desired by the communists and had postponed some executions. Kassem had rejected a communist bid for the licensing of the Communist Party, had forcibly suppressed certain communist strikes, and had refused the communists permission to demonstrate. The army has increased its security precautions and its discipline had improved. General Cabell felt that the army was now the mainstay of the regime in Iraq, with Kassem's dependence on the army steadily increasing. Recently Iraq has been showing some improvement in its attitude toward the West, with Iraqi officials becoming more friendly toward Western diplomats, and Iraq seeking bids by Western firms on its development program. The Soviet effort to counter this trend favorable to the West consists of Mikoyan's visit to Baghdad, beginning tomorrow, in connection with a trade fair. Mikoyan will be the highest Soviet official ever to visit the Arab world. He is reported to be bringing with him an offer of assistance to Iraq." (Memorandum of discussion by Boggs, April 7; Eisenhower Library, Whitman File, NSC Records)

219. Memorandum of Discussion at a Meeting of the Operations Coordinating Board

Washington, August 10, 1960.

[Here follows discussion of unrelated matters.]

1. *Briefing on Iraq*

Ambassador Jernegan briefed the OCB on current developments in Iraq. In response to a question from Mr. Dulles (CIA), the Ambassador said Iraqi oil production was higher than before the revolution, although there were discussions relating to a cutback in production. Ambassador Jernegan said that he was bringing no great problems to the OCB, but he wished all agencies to remain alert to take advantage of any opportunities that may present themselves in Iraq. He noted that although the attitude toward the US has improved greatly the current climate was not conducive to large US programs; but, if a favorable opportunity should arise, we must be prepared to move quickly.

The internal Iraqi political situation has deteriorated. He noted the decline in the influence of the Iraqi Communists as well as in the position of Prime Minister Qasim, who is now distrusted by nearly all elements but who has not lost control of the government and has no apparent rivals for power. The Ambassador noted the situation in Iraq could change very quickly.

Mr. Gray raised the subject of Soviet shortcomings in the field of foreign assistance. Ambassador Jernegan spoke of a number of reports indicating that the Soviets were not as effective as some have credited them with being. Mr. Merchant noted recent estimates that the number of Soviet technicians abroad, i.e. 6,800, approximated the number of US technicians although Soviet efforts were more concentrated. Ambassador Jernegan observed that in many ways the Soviets had overplayed their hand in Iraq.

There followed brief discussions of the Iraqi foreign exchange position, the ICA program, the position of the British in Iraq and the availability of MIG 19s to the Iraqis.

[Here follows discussion of unrelated matters.]

Source: Department of State, OCB Files: Lot 62 D 430, OCB Luncheon Notes. Confidential.

220. Memorandum of Conversation

SecDel/MC/88 New York, October 3, 1960.

SECRETARY'S DELEGATION TO THE FIFTEENTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

New York, September 19–October 8, 1960

PARTICIPANTS

U.S.
G. Lewis Jones

Iraq
Hashim Jawad, Foreign Minister of Iraq

SUBJECT

Iraqi Foreign Minister's Views regarding Relations with the United States

I entertained Foreign Minister Jawad alone at lunch today. He seemed to appreciate this attention, making himself available at very short notice, and to be more self-assured than when I had seen him a year ago. The following emerged:

King Hussein

Jawad said that King Hussein had "very few friends" among the Arab delegations since he had made his "unfortunate" speech.[1] When I asked why the speech was "unfortunate" he replied that the King was most ill-advised to have publicized his dispute with Nasser in the United Nations. Jawad said the United Nations was not the forum for disputes of this kind. Had Iraq wished to do so, it could have done the same thing last year and the year before. What the King had done and what upset the Arabs was the fact that he had broken ranks with the other Arabs and had "washed his dirty linen in public."

Note: The King's crime—i.e. a lapse from solidarity is widely commented upon among the Arab delegations. Jawad said that even the Jordanian delegation was divided on this subject. Surprisingly, the Afghan Ambassador told me that his delegation had found the speech a "bad one" since the King had elected to expose his unfortunate dispute.

Source: Department of State, Conference Files: Lot 64 D 559, CF 1767. Confidential. Drafted by Jones. The meeting was held in the U.N. delegates dining room.

[1] King Hussein gave the speech before the General Assembly on October 3 that attacked communism and to a lesser extent Nasser.

Iraq–Jordan Relations

Jawad confirmed the statement of the King of Jordan regarding a rapprochement between the two countries.[2] He said the umbrage was all on the Jordan side: relations could have been resumed at any time. However, the King and he have been able to reach an agreement and he thought diplomatic relations between the countries might be resumed in the fairly near future.

U.S.-Iraqi Relations

In response to my question Jawad said he thought U.S.-Iraqi relations were moving in the right direction but because of the bombardment by the Communist radio he could only move so far, so fast in improving these relations. For example, one of the latest charges used to prove that the United States is a reactionary imperialist power is the U.S. stand on Algeria. Iraqi public opinion is persuaded in Algeria if the United States would only take a strong line with France. He said it was incredible to the Iraqis that so many countries south of the Sahara should be ready for independence and Algeria not ready. He hoped that the United States could take a more forthcoming attitude regarding Algeria this year: the stand in the past really hurt the United States in the Arab world. As best I could I explained the difficulties confronting us in connection with the Algerian problem and got him to admit that General de Gaulle, and *only* General de Gaulle, is capable of solving it. I also mentioned the necessity for European solidarity at a time when the Berlin problem seems likely to be resurgent. Jawad opined that France was probably closer to a revolution or a coup d'état than most people thought: he cited the demonstrations in Paris yesterday as evidence of this.

Iraqi Jews

I asked Jawad how many Jews remained in Baghdad. He replied that he thought there were about 6,000—mostly members of the wealthier families. He said that they were subjected to no persecution or other difficulties and that the new government had repealed the anti-Jewish laws initiated by Nuri Said. Jawad spoke regretfully of the persecution of the Iraqi Jews, saying that this had been instituted artificially by Nuri as a political measure and that some unscrupulous Iraqis had attempted to benefit from the exodus of the Jews—taking away their money, etc.

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[2] On October 2 after a meeting between King Hussein and Iraqi Foreign Minister Jawad in New York, Jordan recognized the "form of government" in Iraq while Jawad denounced the assassination of the late King Faisal. (Telegrams 553 and 561 from Amman, October 2 and 3; Department of State, Central Files, 787.02/10–260 and 787.02/10–360)

A–B–C Case[3]

I thanked Jawad for having settled this matter.

Iraqi Development

I got Jawad to talk about the economic development programs in Iraq which according to him were moving ahead much as they had under the old regime. "We are still paying our bills", he said.

Five Power Resolution[4]

Jawad brought up this subject and readily agreed when I pointed out the futility of a two man meeting which could not settle anything. I referred to Mr. Khrushchev's position with regard to the President published in the papers today and suggested that in the circumstances the best plan would be for the five sponsors to let the resolution drop, i.e. say no more about it. Jawad agreed with this analysis and I got the impression that he would counsel along these lines. He did not mention the Australian resolution.[5]

Seeing the Secretary

Jawad said that he would like to pay a "courtesy call" on the Secretary if the Secretary could find time to receive him. I said that I thought this could be arranged.[6]

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[3] Apparent reference to Iraq's payment of compensation to the families of Americans Robert Alcock, Eugene Burns, and George Colley, Jr., who were killed during the Iraqi coup of July 1958; see footnote 1, Document 201.

[4] The Five-Power Resolution was enclosed in letters to Eisenhower and Khrushchev from Nkrumah of Ghana, Nehru of India, Sukarno of Indonesia, Nasser of the UAR, and Tito of Yugoslavia. It requested a resumption of face-to-face meetings between Eisenhower and Khrushchev to promote world peace.

[5] U.N. Document A/L.316.

[6] See Document 221.

221. Memorandum of Conversation

SecDel MC/113 New York, October 7, 1960, 9:30 a.m.

SECRETARY'S DELEGATION TO THE FIFTEENTH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY

New York, October 3–7, 1960

PARTICIPANTS

U.S.
The Secretary
G. Lewis Jones, Assistant Secretary for NEA
A. Guy Hope, Adviser, U.S. Delegation to UNGA

Iraq
His Excellency Hashim Jawad, Minister for Foreign Affairs of Iraq

SUBJECT

US-Iraq Relations; Algeria

The Foreign Minister stated that he was calling to pay his respects. The Secretary expressed pleasure, saying he had been unable to get around among his colleagues at the UNGA as much as he wished and especially appreciated Mr. Jawad's gesture.

Minister Jawad stated that he thought relations between Iraq and the United States were showing improvement, and that Iraqi public opinion now had somewhat more favorable view of the United States. The Secretary agreed that there is always some hesitation when a new Government comes to power about its motivations and reactions. He hoped our relations would continue to improve.

The Foreign Minister said that the one remaining difficulty, about which public opinion in Iraq was very strong, related to "an Arab matter", the problem of Algeria. Mr. Jones commented that Mr. Jawad had spoken to him very emphatically about this point at a recent luncheon meeting.[1] Mr. Jawad inquired whether the Secretary thought there was any prospect of progress on the Algerian problem in the present session of the General Assembly. The Secretary replied that the problem is a very difficult one. We did not know whether General De Gaulle would take any further steps along the lines of his conciliatory statement of mid-September, and there seemed some doubt that the Algerian "provisional Government" group would respond favorably even if he did. The

Source: Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199. Confidential. Approved by S on October 12. The meeting was held in the Secretary's suite at the Waldorf Towers.

[1] See Document 220.

Secretary explained that from our own history and experience, the American people were happier not being drawn into problems of this kind. The French were extremely sensitive about the issue and we seemed to be caught in the middle no matter how things went on the Algerian question.

Mr. Jawad, speaking of Mid-East problems in general said that while Iraq was fortunate in having some material resources, some of its neighbors were very poor and needed many things desperately. He was well aware that "the Russians are not helping those countries for innocent purposes". Iraq understood the Soviets, he said, and knew how to deal with them. He hoped things would be better in the area eventually.

The Secretary expressed his gratitude to Mr. Jawad for his personal help in getting the indemnities for the families in the ABC case. The Foreign Minister apologized for the delay in settling the matter, and expressed his hope that the families were satisfied with the indemnification. The Secretary said one of the cases had specially tragic overtones because of the large family involved.

The Secretary expressed the full confidence of the United States Government in Ambassador Jernegan and urged the Foreign Minister to call on him and the Secretary in any problem where we can help. Mr. Jawad expressed appreciation and thanked the Secretary for his courtesy in receiving him.

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222. National Intelligence Estimate

NIE 36.2–60 Washington, November 1, 1960.

THE OUTLOOK FOR IRAQ

The Problem

To estimate the outlook for Iraq over the next year or so.

Conclusions

1. On balance, we believe that the Qassim regime's lack of political dynamism, Qassim's intermittent reliance on the Communists, and his

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Source: Department of State, INR–NIE Files. Secret. A note on the cover sheet indicates that this estimate, submitted by the CIA, was prepared by CIA, INR, the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the USIB concurred in this estimate except the representatives of the AEC and FBI who abstained on the grounds that the subject was outside their jurisdiction.

failure to make a convincing show of social and economic progress will sooner or later lead to his removal, most likely by nationalist-minded army officers. A coup attempt could occur at any time. However, given the ineffectiveness of the opposition so far, we consider that the chances are about even that Qassim will succeed in retaining power over about the next year. The ability of the Iraqi Communist Party to seize power has diminished over the past year and will probably remain low for the next year. (Paras. 10, 13, 25)

2. Iraqi economic conditions have deteriorated seriously in the past two years, and the one promising development program has virtually come to a halt. We do not believe, however, that economic stresses will of themselves precipitate political upheaval. Oil revenues will probably be sufficient to operate the government, pay for needed grain imports, and provide for some development projects. (Paras. 14–17)

3. Iraq continues to rely heavily on the Bloc for military and economic assistance. The Soviets will probably strive to maneuver Qassim into increasing dependence on them—without seeking an early Communist takeover. The UAR will give support to anti-Qassim groups, but is not likely to commit itself to an all-out effort to overthrow the regime. The Qassim government's attitude towards the Western powers, once hostile, has gradually improved. This trend is subject to sudden reversals, and while it may continue, it is not likely to be carried very far. (Paras. 18–19, 21)

Discussion

4. Since coming to power in 1958, the Qassim regime has survived three major coup attempts (one involving rebellion by portions of the army), a near-successful assassination of the Prime Minister, and a number of serious breakdowns of public order involving street rule and local massacre in major cities. Nasser has actively supported some of the conspiracies, while Jordan's Hussein, backed at times by Iran, has had occasional hopes of a Hashemite restoration. The capitals of the UAR, Jordan, and Lebanon are littered with committees of Iraqi exiles, supported by one or another foreign government, plotting ways and means of returning to power. The formerly promising economic development program has virtually come to a halt, sizable wheat shortages have arisen, the once-thriving Iraqi economy is stagnant, and the government is relying increasingly on oil revenues to meet current expenses.

5. Qassim remains Prime Minister and "sole leader" of Iraq chiefly by default. Despite considerable discontent, no person or group has been able to marshal the forces of dissatisfaction into a cohesive opposition. Movements aimed at seizing power by direct action have been demonstrably unsuccessful and their failures have given pause to the regime's opponents. The pillars of the old regime are either in jail or

abroad seeking help from their erstwhile friends; the military have been chastened by the execution of the Mosul rebels; the Communists overreached themselves in the Kirkuk massacres; the Baathists lost substantially by their bungled attempt on Qassim's life; and the civilian nationalists[1] do not appear to have sufficient cohesiveness to be effective. This is not to suggest that Qassim is in full control of the field, but rather that his opposition is disorganized, mutually suspicious, or intimidated. Plotting against him has been more or less continuous and still goes on.

6. Qassim has displayed little constructive political talent. He has, however, been skillful in keeping the political forces of the country balanced off. For example, in the licensing of political parties, he has permitted some to operate openly, but not the best organized ones or those most hostile to his regime.[2] He checked the Communists by refusing to license the orthodox Communist Party of Iraq and encouraging the splinter faction of Da'ud Sayigh. He similarly encouraged separation of the National Democratic Party into two legal parties. Licenses were denied the militant right-wing groups and the Baath. Out of this superficially haphazard approach has developed a situation in which (a) some moderate elements have official standing; (b) considerable latitude is given to both licensed and unlicensed groups to express their views in the press, though excesses are curbed from time to time; and (c) no serious action is taken to break up the organization of nonlicensed parties. The latter may not function publicly but are not prevented from carrying on their activities discretely.

7. The Qassim regime has taken no steps in recent months to turn back the government to civilian control. Little has been heard lately about drafting a new constitution or electing a national assembly, though Qassim promised both by the summer of 1960. There has been

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[1] In this memorandum, we use the term "nationalist" to describe a varied array of Iraqi elements whose chief common quality is that they are not Communist or pro-Communist. They range from the left-of-center National Democratic Party and the socialist Baath to more conservative groups and from proponents of Pan-Arabism to advocates of a more narrow Iraqi nationalism. [Footnote in the source text.]

[2] The following parties have been licensed: United Democratic Party of Kurdistan—leftist-led Kurdish nationalist group dating at least from the mid-forties; National Democratic Party (NDP)—long-time socialist party headed by Kamil Chadirji; National Progressive Party—an offshoot of the NDP headed by Muhammad Hadid; Communist Party of Iraq—Da'ud Sayigh's splinter group, founded in 1960; Islamic Party—recently founded group standing for traditional Moslem society.

Unlicensed parties are: Ittihad al-Sha'b—the orthodox Communist Party, in existence since the mid-thirties; Istiqlal Party—relatively conservative, nationalist group long in opposition to Nuri; Tahrir Party—right-wing Islamic Party; Baath Party of Iraq—Pan-Arab socialist party associated with the parent organization in Syria; Qawmiyyin al-Arab—Arab nationalist group; Arab Socialist Party; Republican Party—Communist front. [Footnote in the source text.]

no lessening of military control, which includes martial law in the entire country. Military officers occupy half the cabinet posts, numerous provincial governorships, and many important administrative jobs, e.g., Directors General of Ports, Railways, Police, and Security.

8. Qassim's continuance in office rests on several factors. The principal one is the army. While the armed forces are not enthusiastic for Qassim, no military elements have attempted a move against him since the Mosul revolt of February 1959. Many dissident officers have been removed from the forces. The armed forces have received some $170 million worth of Bloc weapons and equipment, though dissatisfaction concerning their quality is being expressed at high levels. Pay raises and improved housing have helped morale, especially of enlisted grades, which tend to be more favorable toward Qassim than are the officers. The armed forces in general will probably continue to support Qassim as long as they reap benefits from association with him. The removal of ranking officers at the time of the July 1958 coup and in subsequent purges has raised many of the survivors to positions of importance which they might not have attained for another 10 to 15 years under the old regime. Senior officers feel that in most important respects they are running the country, a belief which helps account for their acceptance of Qassim. The bulk of upper-level officer sentiment is Iraqi nationalist and anti-Communist; the latter sentiment is reflected in steady repression of the Communists by military commanders in the provinces.

9. Qassim is also helped by the support which he enjoys among younger politically conscious elements which feel they are now actively participating in the affairs of Iraq, and among minorities that he has cultivated. While this support has markedly waned with the regime's failure to make appreciable progress in solving Iraq's problems, conditions are not bad enough to stimulate a drastic reaction. Unrest in the farming areas and in the tribal countryside will persist, but it is unlikely to be widespread enough to pose a serious threat to the regime.

10. In a curious way, the Communists also shore up the Qassim regime. In the first year after the revolution, the Communists were able, thanks to efficient organization, to make heavy inroads in many sectors of the country, and at one time appeared to be on the verge of assuming control. Following the Kirkuk massacres of July 1959, public opinion turned against them, they were severely checked by Qassim, and the nationalists began to assume greater importance. The Communists now probably believe that they would be worse off under any foreseeable successor to Qassim, and ride along with him as their best bet in the circumstances. On the other hand, the various rival nationalist groups are restrained from action against Qassim by their fear that his overthrow

could be exploited by the more disciplined and better organized Communists.[3]

11. Qassim does not appear committed to any particular political system or philosophy and has failed to provide vigorous leadership or to dramatize a program in the way that Nasser has done in Egypt. One of Qassim's chief characteristics is an ability to keep his own counsel (an ability which was a principal factor in the success of the July 1958 revolution), and to operate on his own without benefit of consultation with his ministers or the government bureaucracy. His propensity for ignoring advisers has alienated much of the civilian talent he so badly needs. His view of Iraq's affairs tends to come almost completely through a small coterie of military associates, no better versed in government than himself. He shows a poor grasp of the complexities of government and scant appreciation of economic factors.

12. Thus the chance of the regime's developing a forward momentum that would allay discontent seems slight. Qassim is primarily concerned with trying to ensure that no political grouping, whether of right or left, develops sufficient strength on its own to oust him from the position of "sole leader." He will persist in his balancing efforts, probably with considerable skill. However, the growing resentment of the various nationalist factions at Qassim's intermittent use of the Communists is reducing his room for maneuver.

13. While Qassim has so far managed to keep both nationalists and Communists within bounds, he runs the continual risk of miscalculation. There is a possibility that one or another group may build its strength to the point where he cannot cope with it, though at the moment no group seems to have leaders resolute enough to risk a coup. To overthrow Qassim and consolidate a new regime, any civilian movement would need to have military backing, particularly among units around Baghdad. The Communists are not likely to gain such support. The civilian nationalists, although divided into a number of factions, have a substantially better chance of getting it. On the whole, however, we believe that the initiative for any successful coup is most likely to come from the military. In these circumstances, Qassim will probably continue both to cultivate the army and to keep it under close scrutiny.

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[3] On November 14, John S.D. Eisenhower included in his list of intelligence items reported to the President the following on Iraq: "The Qasim regime has dealt the Iraqi Communist party another blow by arresting the prominent Communists, including at least one central committee member. This move, following the harsh suppression of Communist-inspired riots from 5 to 7 November, is likely to induce other key members to go underground. If Qasim endorses this action, this may placate dissatisfied anti-Communist elements who have felt that his recent policies have been too favorable to the Communists." (Eisenhower Library, Whitman File, Eisenhower Diaries)

Economy

14. The economy of Iraq has undergone severe strains in the past two years. The coup leaders were inexperienced in the ways of government and deprived (by their own action) of the cadre of experienced senior civil servants. The development program lost momentum and focus as the neutralist regime terminated many Western-backed development projects of the Nuri government and accepted Bloc offers of assistance. The USSR has extended a $137 million line of credit for 27 development projects, very little of which has been used as yet. Most recently, the USSR has advanced an additional $45 million to rehabilitate and convert the Baghdad–Basra railroad to standard gauge. The Iraqis have also signed an agreement with Czechoslovakia for some $33 million in economic and technical aid. Qassim has announced a $1.12 billion four year development program, but neither plans nor sufficient funds for it are available. Publicizing of this program was largely a political gesture, and it impressed few.

15. Iraq derived $242 million from oil revenues in 1959. Even though oil production facilities have grown, annual oil revenues will probably stand near this level for the next year or two. This prospect results from a combination of lowered posted prices and of reduced production in the southern fields, the latter owing to Iraq's imposition of exorbitant port dues. Revenues could decline still further unless present disagreements with the Iraq Petroleum Company are resolved. More than half of Iraq's oil income goes for government operating expenses. While the remainder could not pay for Qassim's grandiose schemes, it is adequate for a modest development program. In any case, the principal problem hampering development is not lack of funds, but lack of planning and administrators. Consequently, the development program is not likely to get back on track in the next year or two.

16. The slowdown of the development program has increased unemployment, lessened the purchasing power of the populace and, coupled with the civil disorders of 1959, caused a virtual stagnation of the economy. Land reforms and drought have caused serious declines in wheat production for two consecutive years. Iraq, normally a net exporter of wheat, has had to import 400,000 tons a year for domestic consumption and is likely to have to continue imports on this scale for the coming year or two. The communications network, never good, is deteriorating even further due to poor management and upkeep. Serious transportation difficulties will continue to plague the country for at least the next two to three years. Depressed conditions in the countryside have accelerated population drift to urban centers, compounding problems of unemployment and housing.

17. Nevertheless, economic conditions in Iraq are not likely of themselves to precipitate political upheaval. So long as oil revenues

remain at approximately their present levels, the government will be able to supplement food deficiencies by foreign purchase and to pay the armed forces and civil service. Accordingly, economic hardships are not likely to approach the point where they could cause widespread disorder. The development program will probably manage somehow to keep enough projects going to make some show of progress, particularly in such fields as urban housing.

Foreign Affairs

18. The revolutionary reaction against British and American influence in Iraqi affairs appears to have largely spent itself. The US and UK are no longer repeatedly accused by the government of fomenting plots against Iraq, and harassment of US personnel and facilities has about ended. Relationships with other Western countries are generally correct, though diplomatic relations with France have not been resumed since the Suez crisis. Western goods are reappearing on the Iraqi market in substantial quantities. However, Qassim has made virtually no effort to regain Western military and technical aid, and his regime continues to rely heavily on the Bloc for military and economic assistance. Iraq has diplomatic relations with all Bloc countries. It has signed trade agreements with most of them, though these agreements have not thus far resulted in a significant volume of trade, nor are they likely to do so so long as oil accounts for the great bulk of Iraqi exports.

19. Despite some setbacks, the USSR has established a fairly strong position of influence in Iraq. The Soviets will probably push for further penetration of Iraq through economic and military aid and strive to maneuver Qassim into increasing dependence on them; they will probably not seek to establish an openly Communist regime. The Iraqi Communist Party appears to follow the strategy of Moscow more closely than that of Peiping. In the case of an Arab-sponsored attempt to overthrow Qassim, the Soviets would probably not undertake armed intervention, since such a move would involve serious adverse reactions in the Arab World and the Afro-Asian areas as a whole. Soviet policy will face difficulty in supporting Qassim without alienating Nasser, since conflict between the two Arab leaders is almost certain to persist.

20. Iraqi's relations with its non-Arab neighbors are now quiet. The new government of Turkey will probably continue to show minimal interest in Iraq, unless Iraq should veer strongly toward the Communist camp. Relations between Iraq and Iran will be troubled by the continuing dispute over the Shatt-al-Arab boundaries, but the hostility of Qassim and the Shah toward Nasser will contribute to keeping the two countries on speaking terms. Moreover, the Shah has become less fearful of Communist influence in Iraq.

21. Tensions between the UAR and Iraq will continue, albeit with variations in intensity. Traditional Egyptian-Iraqi rivalry will cause Nasser to desire the downfall of any independent Iraqi regime even when he is not actively pressing for it. However, Nasser has been burned in sponsoring earlier coup attempts against Qassim, and probably will not directly commit the UAR to an all-out effort to unseat him. The UAR will continue to support Iraqi exile groups and to channel aid to anti-Qassim elements, notably the Baath and pro-Nasser nationalists within Iraq.

22. The ill-feeling between Iraq and the UAR is likely to project itself—as it often has in the past—upon Syria. Anxious to break out of a Nasser-imposed isolation, to assert area leadership, and to provide a diversion at home, Qassim will seek to exploit discontent in the Syrian region. Conversely, Nasser's pressures on Iraq will vary in intensity with his concern over his northern province.

23. Although King Hussein and Qassim share a common hostility toward Nasser, which has recently led them to agree to resume diplomatic relations, Jordan will continue to provide a haven for Iraqi exiles and will be tempted to aid groups that promise a more congenial regime in Iraq. Hussein and Nasser are at cross purposes in this regard, since each wishes to eliminate the other's influence in that country. However, Hussein is likely to remain under greater pressure from Nasser than from Qassim, and at least as long as this is so, Hussein is not likely to take active measures to overthrow Qassim.

24. We believe that the various Iraqi exile groups in the Arab capitals are rapidly losing vitality. The chances of their playing a significant role in the future are small and will continue to decline.

25. On balance, we believe that the Qassim regime's lack of political dynamism, Qassim's intermittent reliance on the Communists, and his failure to make a convincing show of social and economic progress will sooner or later lead to his removal, most likely by nationalist-minded army officers. Moreover, assassination is an ever-present possibility. It is impossible to predict when a coup attempt might be made, and it could come at any time. However, given the ineffectiveness of the opposition so far, we consider that the chances are about even that Qassim will succeed in retaining power over about the next year.

26. In the event of Qassim's removal, the successor regime would probably be nationalist and would probably continue a broad policy of neutralism as between East and West. It might seek better relations with the UAR than has Qassim, but would remain loyal to Iraqi nationalism rather than turn to a Pan-Arabism dominated by Nasser.

223. Paper Prepared by the Operations Coordinating Board

Washington, December 14, 1960.

OPERATIONS PLAN FOR IRAQ

I. Objectives

1. Following are the objectives of U.S. policy in the Near Eastern area:

a. As of paramount importance, continued denial of the area to Soviet domination.

b. Continued availability of sufficient Near Eastern oil to meet vital Western European requirements on reasonable terms.

c. Peaceful resolution as early as possible, in whole or in part, of the Arab-Israeli dispute.

d. Continued availability to the United States and its allies of rights of peaceful passage through and intercourse with the area in accordance with international law and custom and existing international agreements.

e. Political evolution and economic and social development in the area to promote stable governments, popularly supported and resistant to Communist influence and subversion.

f. Continued availability to the United States and its allies of important strategic positions, including military overflight, staging and base rights in the area.

g. The expansion of U.S. and, where appropriate, Free World influence in the area, and the countering and reduction of Communist influence.

2. The need for achieving all the foregoing objectives has been taken into consideration in determination of U.S. courses of action for Iraq although paragraphs (d) and (f) are of relatively less significance than the other objectives.

II. Operational Guidance

U.S-Iraq Relations

3. Notwithstanding the extended period of outward political calm, we continue to be confronted in Iraq with a basically unstable political situation in which violent changes are an ever present possibility. The principal recent developments and current factors which have

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Source: Department of State, OCB Files: Lot 62 D 430, Iraq. Secret. According to a covering memorandum by Bromley Smith, the OCB revised and concurred in this paper at its meeting on December 7. In addition, the Board noted that the Departments of State and Defense "would take the steps necessary to assure that their respective principal representatives in the field would receive guidance in connection with contingent policies applicable to Iraq which are not set forth in the Operations Plan." Also attached was a statement of the "Purpose and Use of the Operations Plan," which was applicable to all operations plans.

significant bearing on U.S. policy objectives in the area are: the pronounced polarization of the country into a well-organized and highly vocal Communist minority and a strongly anti-Communist but faction-ridden majority; the widespread loss of respect and popular support for Qassim; public and official disenchantment with Soviet Bloc economic and technical assistance activities, which has been at least partially offset by new Soviet initiatives and corrective efforts; some improvement in Iraq-UAR relations, partial resumption of relations between Iraq and Jordan, and the return of Iraq to Arab League councils; continued harmonious relations with Turkey and more tranquil relations with Iran, despite the lack of basic progress on the Shatt-al-Arab dispute; continued sluggishness in Iraq's economy and the absence of any real progress in economic development. Iraq continues to depend on the predominantly British Iraq Petroleum Company for development and exploitation of petroleum resources but has taken greater initiative in petroleum matters in the face of recent price cuts and is currently pressing for revisions in the existing concession agreement.

4. While the scope of U.S. initiatives to improve U.S.-Iraq relations or strengthen the Western position with Iraq remains limited, there has been a quiet but nonetheless significant improvement in U.S.-Iraq relations during the current year. While we continue to labor under the disabilities resulting from our position on the Arab-Israeli and Algerian issues, Qasim himself has stated we are "no longer hated" in Iraq. Despite continuing efforts by the pro-Communist minority to keep alive Iraq mistrust of U.S. "imperialism", suspicion regarding our motives in Iraq has abated in the absence of any action on our part to which our enemies could convincingly point as evidence of hostile U.S. intentions. Despite continued security surveillance of the Embassy compound (and, on occasion, of Embassy officers) there is no unusual interference in normal operations of the Mission, and the USIS is now permitted to conduct a modest cultural and informational program. The ICA participant training program, under which substantial numbers of Iraqi government officials and employees are being sent to the United States and third countries for specialized training, is functioning with growing effectiveness and public acceptance.

Guidance

5. The U.S. should continue efforts to develop firm but friendly relations with the Iraq Government. We should conduct our relations with Iraq in a normal and friendly way, ceremoniously as well as substantively.

6. As Iraqi suspicions continue to diminish, we should make every effort to develop contacts, both official and unofficial, with personalities of the regime and other individuals of potential political importance.

7. If Iraq requests U.S. cooperation in constructive programs, U.S. agencies should be prepared to give prompt and friendly consideration in the light of the then existing situation and outlook in Iraq.

8. Our information program should emphasize those activities most conducive to restoring the confidence of the Iraqi Government and people in the U.S. USIS should concentrate on personal contacts and cultural activities, particularly English-teaching and exchange of persons programs. The USIS effort should be discreet and unostentatious. Upon signature of the recently negotiated Cultural Agreement (or sooner, if signature is long delayed[1]) USIS should activate its Baghdad library, and expand appropriate informational activities.

9. Should shifts in the internal power structure in Iraq take place bringing into existence a regime seeking closer relations with the Free World, the U.S. should be prepared promptly to support it and to take advantage of this opportunity to strengthen its position in the area.

Iraq-Soviet Relations

10. Soviet Bloc efforts in the propaganda field are assisted by the existence of a number of Communist and pro-Communist newspapers and by Communist infiltration in the Ministry of Guidance and Broadcasting and the Ministry of Education. On the other hand, there has been a growing chorus of criticism of Soviet Bloc policies and of international Communism in the nationalist press. Despite growing Iraqi doubts about the disinterestedness of Soviet Bloc military and economic assistance, Qasim recently decided to accept supplemental Soviet assistance for the rehabilitation of the Basra-Baghdad railway, and there are reports that Iraq will also receive additional Soviet military equipment, including MIG 19 aircraft. Iraq has also concluded an aid agreement with Czechoslovakia. The well-organized (but still unlicensed) hardcore Communist Party has made effective use of the relative freedom of action which has been permitted to it, and in terms of leadership, organization and capacity for street action in Baghdad is unrivaled by any nationalist group with the possible exception of the (also unlicensed) Baath Party. Despite some changes in personnel of the Ministry of Guidance and Broadcasting, Baghdad Radio and TV still tend to favor the Communist point of view. The Communists still control most of the "popular" organizations and many of the professional associations. Although the Iraqi Federation of Labor belongs to the Communist-controlled World Federation of Trade Unions, the Communists have lost control of a large number of Iraqi trade unions in recent elections

[1] Signed at Baghdad on January 23, 1961, and entered into force August 13, 1963; 14 UST 1168.

conducted under the watchful (and distinctly anti-Communist) eye of the Iraqi administrative and security establishments.

Guidance

11. We should use every appropriate opportunity to bring home to Iraqi leaders and people the threat posed by international Communism to the goals of independence, neutrality, and national dignity which the Iraqi regime has set for itself.

12. As much information as possible should be obtained on the details of the Soviet economic thrust in Iraq. Whenever possible, such information should be turned to the advantage of the U.S. and other free world states, and to Soviet Bloc disadvantage.

13. To counterbalance the effects of Iraqi labor's affiliation with the WFTU, the U.S. should develop friendly relations with the Iraqi Ministry of Social Affairs and Labor. The UN's International Labor Organization should be encouraged to revive its labor mission in Baghdad.

Iraq's Relations with States in the Area

14. While Qasim remains highly suspicious and jealous of Nasser and extremely sensitive to UAR propaganda attacks and support of Iraqi political émigrés tensions between Iraq and the UAR have diminished. This appears to have been furthered by the Arab League Foreign Ministers conference held in Lebanon in August 1960. The subsequent discontinuing of the "Voice of Free Iraq" clandestine broadcasts from the Syrian region removed an important source of irritation to Qasim. Qasim for his part has desisted from his earlier public invitations to the Syrians to dissolve their union with Egypt and associate themselves with Iraq. Qasim nevertheless remains apprehensive of Nasser's longer range pan-Arab ambitions and envious of Nasser's popularity and prestige.

15. Common dislike of Nasser by Qasim and Bourguiba continues to be the basis of cordial relations between Iraq and Tunisia. Iraq is also wooing Morocco in various ways and taking every opportunity to cement its relations with Lebanon in the interest of offsetting UAR influence there.

16. King Hussein's and Qasim's common suspicion and fear of Nasser have contributed to an improvement of relations between Iraq and Jordan. Recent negotiations between representatives of the two governments led in September to a Jordanian Government announcement of recognition of the current regime in Iraq. Resumption of diplomatic relations is expected in the near future. Iraq's relations with Kuwait and Saudi Arabia have improved somewhat with diminution of the prospect of a Communist-controlled regime in Iraq.

17. Iraq's harmonious relations with Turkey have continued undisturbed by the change of regime in the latter. Qasim was prompt in expressing his good wishes to the new Turkish Government and reiterating his policy of non-interference in Turkish affairs. Cultural exchanges under a pre-revolution agreement have been continued and a trade agreement is under consideration.

18. Iraq-Iran relations, though recently more harmonious, are subject to periodic disturbances by possible developments in several issues of significance to both countries: control of navigation on the Shatt-al-Arab, division of water from rivers flowing into Iraq from Iran, curtailment by Iran of pilgrim travel to Shi'a shrines in Iraq, sporadic border incidents, and mutual suspicion of intrigues among the Kurds.

Guidance

19. We should counsel Iraq's neighbors, particularly the Iranians, against interference in Iraq's affairs and other provocative measures which tend to push Iraq into closer relations with the Soviets.

20. We should, without involving ourselves in the substance of disputes, encourage Iraq and Iran (or any other friendly state with which Iraq may develop a dispute) to seek a mutually acceptable solution through direct negotiations, or other peaceful means.

21. We should continue, as circumstances warrant, efforts to use other area states, including friendly Arab states, as channels for the exercise of constructive influence of Qasim. We should, as appropriate opportunities arise in official contacts with Iraqis, make clear our satisfaction at improvements in Iraq's relations with its neighbors.

Iraq's Relations with the UK

22. Although the British economic position in Iraq, which was paramount before the revolution, is being steadily whittled away it remains substantial. The UK has the largest financial interest in the IPC and retains its traditional control of management. Iraq's political and cultural relations with the UK remain satisfactory though not particularly close. A UK-Iraq Cultural Relations Agreement has been signed.

Guidance

23. We should seek the continuing exchange of information and views on Iraq with the UK.

24. Although we should leave the initiative on petroleum matters to the UK, we should follow developments closely and consult with the UK regularly.

Economic

25. Iraq's efforts to restart and reshape its development program following the revolution have largely failed because of the centralization of authority in the hands of the Prime Minister and the latter's fail-

ure to define objectives in terms of realizable economic programs. Iraq's economic development difficulties are compounded by general stagnation in the public and private investment sector, drastic reductions in grain production due to drought and the disruptive effects of the Agrarian Reform Law, and a near-breakdown of planning and managerial functions of the government. The economy of Iraq can, however, be maintained, albeit at a reduced level of activity, as long as oil revenues continue to accrue at approximately the present rate. Moreover, the country had substantial foreign exchange reserves upon which it can draw.

Guidance

26. The possibilities of failure in the Iraqi development effort or of Iraqi disillusionment with Soviet Bloc aid should be continuously appraised as a guide to U.S. action.

27. Although requests from the Iraqi Government for direct U.S. economic or technical assistance seem unlikely under present circumstances, the U.S. should be prepared to respond promptly to requests for technical assistance which may be made. The U.S. attitude towards any requests for economic aid should be one of prompt and openminded consideration in the light of then existing situation and over-all U.S. interests. However, official Iraqi sensitivity to foreign investment and to U.S. assistance requires that initiative in these fields be left entirely to the Iraq Government. The increasing Iraqi tendency to seek educational assistance and technical data from U.S. agencies, both public and private, should be encouraged, as should be the interest of Iraqi officials in travel to the U.S. UN agencies should also be encouraged to offer technical advice and assistance to Iraq as an alternative to increased dependence on the Soviet Bloc.

28. Every effort should be made to have U.S. products and firms given impartial and competitive consideration in Iraqi trade and developmental undertakings, official or private. American firms now on the scene should be encouraged to remain, and both old and prospective new firms should be given every possible assistance in extending their operations and avoiding or minimizing disputes or causes for dispute with the Government of Iraq. Embassy efforts to facilitate U.S. private economic activity, however, should be discreet, and should take into account the suspicion with which Americans and those with whom they freely associate are widely regarded.

Military

29. The termination of the Mutual Security Agreement of 1954,[2] which was taken at the initiative of Iraq in May 1959, removed the exist-

[2] 5 UST 2496.

ing basis for U.S. grant aid military assistance. Subsequently, approval was given for sale of U.S. military equipment (chiefly, spare parts) on a case-by-case basis. Since the revolution, negotiations for the purchase by Iraq of British military aircraft, armored vehicles, and artillery bogged down over the issue of price and appear to be dormant. Iraq has recently expressed interest in the purchase of British jet trainer aircraft, however. Provision has been made in the FY 1961 military assistance training program to train a small number of Iraqi military personnel in the U.S.

Guidance

30. Requests by Iraq for commercial or military sales of U.S. military equipment, including spare parts and replacement items, should in each instance be considered on their merits in the light of U.S. interests. In the event that Iraq requests or exhibits serious interest in expanded training of Iraqi military personnel in the U.S., we should respond affirmatively if possible.

U.S. Personnel Overseas

31. The acceptance of the presence of official U.S. personnel on foreign soil directly affects our capability to achieve our national security objectives. To this end, programs should be developed and improved to encourage and strengthen the natural inclination of the individual American to be a good representative of his country and to promote conduct and attitudes conducive to good will and mutual understanding.

32. The OCB has prepared a comprehensive document which serves as a guidance for senior U.S. representatives overseas:

"Report on U.S. Personnel Overseas" (July 1959), including a Statement of National Policy and a Presidential Letter as well as a reprint of the Conclusions and Recommendations of a 1958 report.

Guidance

33. Hold the number of U.S. official personnel in Iraq to a strict minimum consistent with sound implementation of our programs.

Note: See: NIE 36.2–60, Outlook for Iraq, November 1, 1960. NIE 30–59, Main Currents in the Arab World, August 25, 1959.[3]

[Here follow Annexes A "Arrangements or Agreements with the U.S." B "Statements of Agency Programs in Iraq," and C "Sino-Soviet Bloc Activity in Iraq," and a Financial Annex and Pipeline Analysis–MSP.]

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[3] Documents 222 and 71.

IRAN

1958: U.S. HIGH-LEVEL VISITS; IRANIAN REACTION TO THE IRAQI COUP; INCREASED U.S. MILITARY ASSISTANCE; U.S. INTEREST IN POLITICAL AND SOCIAL REFORM; THE SOVIET MILITARY THREAT

224. Memorandum of Conversation Between President Eisenhower and Secretary of State Dulles

Washington, January 22, 1958, 10:30 a.m.

[Here follows brief discussion of unrelated matters.]

I spoke of the visit to Tehran[1] and of the disgruntlement of the Shah with reference to the military situation. The President seemed to think that we might perhaps give more in the way of M47s and perhaps a more modern air squadron. At this point, General Twining joined us and the President expressed his views to Twining, who said he would try to get a positive reaction to me at Tehran by Friday. The President said he thought that we should make it clear to the Shah that if Iran was to have a larger military establishment it must conduct its fiscal affairs better so the cost of maintenance would not be shifted to us.

I then spoke of the Baghdad Pact Meeting and gave the President the memorandum requesting approval of ten million dollars to complete the telecommunications project.[2] The President gave such approval and initialed the memorandum as evidence thereof.

I then showed the President the departure statement which I planned to make. The President suggested the omission of the first part of the third paragraph dealing with the "threat". At that point we sent for Jim Hagerty, who reported that the statement had already been

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Source: Eisenhower Library, Dulles Papers, Meetings with the President. Originally classified Top Secret, but that classification was crossed out and "Personal and Private" was substituted. Drafted by Dulles. The meeting was held at the White House.

[1] Prior to attending the Baghdad Pact meeting at Ankara, Turkey, January 27–30, Dulles visited Morocco on January 23 and Iran from the evening of January 24 to the morning of January 26.

[2] For documentation on the Baghdad Pact meeting and U.S. support of pact members' telecommunications, see Documents 53 ff.

mimeographed and given to the press. In view of this fact, it was agreed that I should make the statement as it had been mimeographed.[3]

JFD

Addendum re Iran[4]

I said to the President that it might well be important to be able to give the Shah rather explicit assurance as to the readiness of the United States, on request, to use armed forces to assist Iran if it should be attacked by the Soviet Union. We re-read, at this point, the relevant portion of the Middle East Resolution.[5] Any such assurance should, I said, be predicated upon the continuance of the present close relations of Iran with the United States and with other members of the free world, particularly of the Baghdad Pact. The President said he saw no objection to giving such assurance under such conditions.

JFD[6]

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[3] The draft statement was not attached to the source text, but it is printed as a White House press release, January 22, in the Department of State *Bulletin*, February 10, 1958, p. 210. In the statement Dulles reiterated U.S. support for the Baghdad Pact and in the third paragraph stated: "The United States is fully conscious of the threat to the area which comes from the north. Formerly it was the threat of Czarist imperialism. Now it is the threat of Communist imperialism, again expressed only yesterday by the Soviet Union." The Soviet Union charged on January 21 that the purpose of Dulles' trip was to compel the Baghdad Pact countries to accept U.S. missile bases, which the Soviet Union described as "sacrilege."

[4] This addendum was prepared as a separate document but is filed with the source text.

[5] For text of the Middle East Resolution ("Eisenhower" or "the American Doctrine"), March 9, 1957, see *American Foreign Policy: Current Documents, 1957*, pp. 829–831.

[6] Initialed for Dulles by Joseph Greene.

225. Telegram From Secretary of State Dulles to the Department of State

Tehran, January 25, 1958, 6 p.m.

Dulte 7. Eyes only Acting Secretary for President from Secretary.

Dear Mr. President:

I have now been here for twenty-four hours, and it has been quite a hectic day. The situation was even more explosive than I had appreciated before I left Washington with mounting discontent, due not to any single cause but to the interplay of a number of factors. The Shah, who considers himself a military genius, is determined to build up the military forces of Iran and perhaps in this way to gain a dominant position in the Baghdad Pact. He professes to feel that strategic retaliatory power is not sufficient to assure his country's defense or at any rate that his people will not believe this and that he must have much greater visible power equipped with modern weapons. He is determined to increase the number of divisions and wants from us much more and much better equipment. This of course will throw an increased economic burden upon the country and further unbalance an already unbalanced budget. This threatens both her development program to which most of the oil revenues are dedicated and also threatens inflation.[1]

The governmental ministers are mostly concerned with the economic problems of the country but are unable to cope with these in the face of the Shah's military obsessions. Sentiment here has been aggravated by reports of our prospective economic assistance to India and knowledge of our greater military assistance to Turkey and Pakistan. All of this has been building up to quite a climax with hints that unless I gave explicit assurances of far greater military and economic aid the Shah might announce withdrawal of Iran from the Baghdad Pact with a neutralist policy to follow involving cooperation with both the Soviet Union and the Free World in accordance with the Egyptian and Indian pattern.

Last night the Foreign Minister gave a tremendous dinner for me of 160 people including all of the Diplomatic Corps (including the Soviet Ambassador). The Foreign Minister, in his remarks preceding his toast to you, referred to me as a man constantly seeking peace. That gave me

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Source: Department of State, Central Files, 788.5–MSP/1–2558. Secret; Eyes Only.

[1] Dulles, accompanied by Chapin, Rountree, Irwin, and Reinhardt, met with the Shah who was accompanied by Eqbal, Ardalan, and Ala at 12:15 p.m. on January 25. Dulles is apparently basing this assessment at least in part on that meeting. (Memorandum of conversation by Chapin, January 25; *ibid.*, NEA/GTI Files: Lot 60 D 533, Iran, Secretary's Visit to Iran, 1958)

in my reply a chance to emphasize the peace theme. I thought this useful in view of the Diplomatic Corps from the Soviet Bloc and neutralist countries.

Today, I met successively with the Foreign Minister, the Prime Minister, Ala (the Minister of Court), and then for a four-hour luncheon conference with the Shah and the three above-mentioned; the Shah concentrated almost wholly on military problems, strategic and tactical, and was very insistent although aside from indicating that neutralism seemed to be profitable, there was nothing in the nature of a threat and withdrawal from the Baghdad Pact was not explicitly mentioned. Irwin of the Defense Department was also present, and we discussed the world-wide problems created by new weapons and also I tried to give some appreciation of the manifold responsibilities devolving upon the United States. More detailed memoranda of conversations[2] will be going forward to the State Department, but I think it boils down to this: I indicated that we would be prepared to provide some more modern weapons and also to provide more training for their use. On the economic side I indicated that provided the projects were worthy—and there are plenty of worthy projects here—the Development Loans Fund would I thought sympathetically consider development loans over the next few years, assuming of course the fund was given adequate funds by the Congress. If this were done, it would be practical for the government to divert some of the oil revenues now dedicated to development purposes to meeting budgetary requirements.

The Shah and his wife are planning to go to Japan in May and then to Honolulu and the United States in a private capacity. I suggested that if he did come to the United States it would be helpful if he came to Washington and talked with you and some of the top Pentagon people about the military problems which so engross him. I am sorry to have gotten you in for this, but since the visit would be entirely unofficial it should not involve much entertainment and it was, I think, of very great value in holding the situation stable to flatter the Shah with the prospect of an exchange of views with you on modern military problems.

Tonight the Ambassador gives a dinner for me[3] and then tomorrow morning we leave for Ankara and the Baghdad Pact Conference.

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[2] Accounts of Dulles' meetings with Ardalan, Eqbal, and Ala, all January 25, are *ibid.* On January 25, from 7:50 to 8:20 p.m., Dulles also met with Iran's Managing Director, Plan Organization, Ebtehaj with whom the Secretary discussed Iran's economic development. (*Ibid.*)

[3] After refusing to commit the United States to an actual dollar amount of Development Loan Fund and/or Exim Bank funding for Iran during the course of his discussions on January 25, Dulles told Eqbal during dinner that $40 million would be the "general order of magnitude" for U.S. loans for Iranian development projects. (Secto 15 from Tehran, January 26; *ibid.*, Conference Files: Lot 63 D 123, CF 969)

Incidentally, Noon, the Prime Minister and Foreign Minister of Pakistan, stopped here en route to Ankara and spent all last evening with the Shah. I saw Noon briefly this morning. He is greatly worried about the possibility of Iran quitting the Baghdad Pact which would of course be a grievous political blow. It is, however, my judgment after the events above recorded that we need not anticipate any such drastic action provided we take the military and economic measures which I believe to be reasonable and well within our capability.[4]

Faithfully Yours,

Foster

[4] In Tedul 20 to Ankara, January 27, President Eisenhower informed Dulles that he was willing to talk with the Shah during his unofficial visit to the United States. (*Ibid.*, Central Files, 396.1–AN/1–2758)

226. Memorandum of Conversation

Tehran, February 2, 1958.

PARTICIPANTS

H.I.M. the Shahinshah

Ambassador Henry Cabot Lodge[1]

In a private audience before lunch, the Shah began by commenting about the extent of United States assistance to Iran, which he felt could be construed to mean that the United States was taking Iran for granted, while at the same time making large amounts available to neutralist countries like India which are also getting aid from the Soviet Union.

Source: Department of State, Central Files, 310.311/2–558. Confidential. Drafted on February 3 by Lodge and Franklin L. Mewshaw, a political officer at USUN, who accompanied Lodge on his trip. This memorandum of conversation was sent to the Department of State as an enclosure to Despatch No. 701, February 5.

[1] Lodge visited Iran January 31–February 4 as part of a tour of four nations—Iran, Afghanistan, Pakistan, and India. The Department of State was concerned that the Shah would use the visit by Lodge "to by pass" the Embassy whose relations with the Shah were strained because of the Embassy's opposition to the Shah's "extreme military and financial demands." This fear was triggered when the Shah's Minister of Court instructed that the Shah would meet with Lodge alone. (Telegram 1472 from Tehran, January 28, and unnumbered telegram Dulles to Lodge, January 31; *ibid.*, 310.311/1–2858 and 110.11–DU/1–3158)

Mr. Lodge said that he knew President Eisenhower's views and that he could assure the Shah with great emphasis that the United States did not take its allies for granted. In particular this is true of our alliance with Iran. He pointed out that it would be just as bad for Iran as for the United States if India were to go communist, and that, while a loyal ally merited our warmest feelings, the irritating neutral was better from both our points of view than the enemy who desired our destruction. His Majesty appeared to be impressed by these observations.

The Shah commented that Russia had historically striven for control of a warm-water port, and had historically been interested in the Persian Gulf for this reason, as well as for the oil in the area. His Majesty said that the Soviet Union could, from a military point of view, thus best achieve a breakthrough into the Middle East through the lowlands west of the Caspian Sea, i.e., through Iranian territory.

Mr. Lodge said that if this happened, it would be an issue of worldwide concern, and would be met by the United States as such. His Majesty agreed, but said that his chief concern was what kind of reaction we would be prepared to make. Suppose, he said, we should decide it would not be in our overall interest to use strategic nuclear weapons, but rather to attempt to conduct limited warfare. What, His Majesty asked, would we be in a position to do? How could our power be made effective locally? It would take, His Majesty felt, a long time for United States power to come to bear effectively in this area. On the other hand, the Iranian Army would be immediately available, could be kept in readiness at a twentieth of the cost of equivalent United States divisions. For these reasons, His Majesty felt that the Iranian Army should be strengthened, and he hoped that his view and the reasons for it would be conveyed to President Eisenhower.

Discussing the problem of Iran's need for economic development loans, His Majesty said that he was planning to apply soon for a loan for this purpose. He seemed to accept completely the proposition that direct grant aid from the United States for economic development in Iran was not in the cards.

Comment: After the private audience between Mr. Lodge and the Shah, Mrs. Lodge and Empress Soraya joined the group for lunch, which went on from 1:00 p.m. to 4:00 p.m. The Shah appeared to relax and speak with great frankness on a wide range of subjects, both political and personal. He left no doubt of his strong dislike and distrust of Russia and the Russians, and displayed a similar attitude toward the neutralist countries. His Majesty appeared to be intellectually, as well as politically, anti-communist and to be highly reflective about Iran's position in the world. He appeared to be, on the other hand, extremely proud as far as his own personal position was concerned, and capable in

his pride of taking rash actions if his ideas about what is essential in Iran's interests are not taken seriously by his allies.[2]

[2] Lodge's interview with the Shah pleased the Embassy. Briefing the Country Team, Chapin reported that "Lodge went over the matters on which he had been briefed by the Embassy and it appears that no other subjects were raised. There was no hint of criticism of the Embassy in the Shah's remarks." (Minutes of Country Team Meeting, February 4; *ibid.*, NEA/GTI Files: Lot 60 D 533, Country Team Meetings)

227. Despatch From the Embassy in Iran to the Department of State

No. 721 Tehran, February 10, 1958.

REF

Athens' Telegram to Dept No. 215 [*2136*], February 3, 1958[1]

SUBJECT

New Developments in the Activities of General Qarani

During the past few weeks, there have been new developments in the activities of Gen. Valiollah Qarani and his associates. The first development is covered by the enclosed copy of a memorandum relating to a meeting which took place on January 22, 1958. Officers of the American Embassy met with Gen. Qarani and Mr. Esfandiar Bozorgmehr at the request of these two Iranians, who said they had further views to set forth regarding developments in Iran. The immediate motivation for the meeting probably can be found in the anticipated arrival of the Secretary

Source: Department of State, Central Files, 788.00/2–1058. Top Secret.

[1] In telegram 2136 Rountree reported on his discussion in Athens with Bozorgmehr on the situation in Iran. Bozorgmehr informed Rountree that there was "considerably less freedom in Iran than under Mossadeq; that present government was completely without power and some ministers remain only because directed by Shah to do so; businessmen under impossible handicap unless they have financial participation of Shah or corrupt group surrounding Shah; public opinion has swung heavily away from pro-Shah, pro-US position of two years ago; Shah and government have softened considerably toward Soviet Union, with constant danger Iran will accept large-scale Soviet aid." Rountree reported that Bozorgmehr had no special request but wanted to ensure that the United States knew the true situation in Iran. (*Ibid.*, 788.00/2–258)

and Assistant Secretary Rountree, who were scheduled to visit Tehran on their way to the Baghdad Pact Meeting in Ankara.

The second development occurred some days after the Secretary's departure for Iran. Mr. Bozorgmehr flew to Athens to talk directly with Assistant Secretary Rountree, having read in the Iranian press that Mr. Rountree was then visiting several Middle Eastern countries. It seems that Mr. Bozorgmehr had been planning to visit Washington for this purpose, but seized the opportunity afforded by Mr. Rountree's presence in Athens to approach him there. Mr. Rountree's conversation with Mr. Bozorgmehr is covered in Embtel 215 of February 3 from Athens to the Department.

The third development took place within the past few days. [*3-1/2 lines of source text not declassified*] Gen. Qarani and his colleagues had emphasized, [*less than 1 line of source text not declassified*] that one or all following steps should be taken in the relatively near future:

1. An approach by the American and British Ambassadors to the Shah suggesting, in effect, that the Shah should reign and not rule.
2. The Iranian Majlis should adopt necessary reforms required for Iran and take steps to see that they are implemented.

[*1 paragraph (3 lines of source text) not declassified*]

Further developments will continue to be reported. Representatives of the American Embassy plan to maintain their present friendly relations with representatives of Gen. Qarani, and will talk with them as occasions arise. It seems highly desirable to keep abreast of their plans and activities. At the same time, every precaution will be taken to avoid involvement in them.

There has been some speculation as to reasons for the recent spurt in activities of Gen. Qarani and his colleagues. One reason might be an effort to make known their views to the Secretary and Assistant Secretary Rountree. Another reason might lie in current rumors that the Shah was on the verge of authorizing a reorganization of the Iranian military establishment. It has long been common knowledge that there was intense competition among the various intelligence branches of the Iranian armed forces. If reorganization took place, Gen. Qarani, as Vice Chief of Staff of the Iranian Army and de facto G–2, might find himself in a subordinate position to Gen. Haji Ali Kia in his role as J–2 of the Supreme Commander's staff.

For the Ambassador:
Fraser Wilkins
Minister Counselor

[Enclosure][2]

Memorandum for the Record

Tehran, February 6, 1958.

1. At the request of Major General Valiollah Gharani, Vice Chief of Staff, IIA, a meeting was held at the home of Mr. Bozorgmehr, at 1600 hours on 22 Jan 58. Present at the meeting were General Gharani, Mr. Bozorgmehr, Mr. Wilkins, Col Baska and Lt Col Braun. In general both Gharani and Bozorgmehr covered and repeated the same information included in our Air Attaché Report, IR–46–58,[3] (a copy of which was given to you in the Ambassador's office on 16 Jan 58) with the following additional points added or emphasized:

a. The present government has no popular support and is despised by the mass of Iranian people and particularly by the professional and intellectual groups. The Soviets are quite openly engaged in penetrating and wooing the Iranian people and may soon be in a position to influence the overthrow of the present government and the selection of a new government completely sympathetic to Russia. Therefore, Gharani stated that it is urgent that a change in governments be brought about now by a pro-western group rather than waiting until the Soviets take advantage of the present unrest and discontent of the people.

b. Bozorgmehr stated for Gharani that they have an intellectual group of 2000 Iranians, 1200 of whom were educated in the U.S. and the balance attended the American University of Tehran. This group is American oriented and ready to form from its membership the nucleus of government officials in the formation of a new government.

c. The approach to the Shah, that he should reign and not rule, should be made by someone outside of Iran with the inference that Secretary Dulles should make such a demand to the Shah.

2. The meeting was concluded without General Gharani specifically requesting any action to be taken by Mr. Wilkins or Mr. Dulles. In parting General Gharani stated in private that this meeting was enough for the present, and that additional contacts will be requested at a later date.

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[2] Secret; Sensitive; Special Handling Required; Not Releasable to Foreign Nations. Prepared by Colonel John W. Baska, Air Attaché, for Deputy Chief of Mission Wilkins.

[3] Not found.

228. Editorial Note

On February 20 Henry Cabot Lodge reported to President Eisenhower on his visits to Iran, Pakistan, and Afghanistan. His report on Iran follows:

"The King of Iran sent you many warm regards. When he is calm, he thinks clearly, but I would judge that he is not beyond having an emotional impulse which could lead him to do something dangerous. At the moment he insistently demands an army much larger than the one he has. He needs to be persuaded of the need for making his present army into a quality army—which it definitely is not. Tactful handling can go a long way with the King.

"Both the Foreign Minister, Mr. Ardalan, and the Minister of Court, Mr. Ala, said that they wanted us to get more credit for our economic projects, which, they say, place too much emphasis on administration and are too much under the influence of technical considerations. The President of Tehran University wants 'an American building,' which would be known as such by the public.

"I recommend that we do more of this kind of thing. Earmarking a very small percentage for such projects pays very big dividends.

"I was advised by U.S. sources in Tehran that NSC policy today prevents such projects and that NSC policy requires that everything we do must be done in such a way that the Iranian Government gets the credit. Yet here are the Iranian officials themselves who want us to get some credit." (Eisenhower Library, Whitman File, Administrative Series, Henry L. Cabot, Jr., 1957–1958 (1))

An account of Lodge's conversation with Foreign Minister Ardalan on February 3 is an enclosure to Despatch No. 465 from Kabul, February 6. (Department of State, Central Files, 788.5/2–658) A memorandum of Lodge's discussion with Minister of Court Ala, February 2, is *ibid.*, NEA/GTI Files: Lot 60 D 533, Iran, U.S. Relations, 1958.

229. Telegram From the Department of State to the Embassy in Iran

Washington, February 28, 1958, 7:11 p.m.

1726. Re Embtels 1637[1] and 1647.[2] While we are pleased that GOI apparently endeavoring play down somewhat publicity re "plot"[3] nevertheless Embtel 1637, [*1 line of source text not declassified*] cause Department serious concern that nature of contacts with opposition elements which have come to attention of Shah, and manner of confirmation by Ambassador, may have raised serious doubts in minds Shah and GOI re intentions of US toward present government.

We note first para Embtel 1637 reports Ambassador confirmed to Ardalan that US officials had listened to "plotters" to inform themselves as to what was going on and that they felt "plot" was fuzzy and amounted to little. It would appear that effect of statement might be (a) to confirm that plot actually had been undertaken (this confirmation presumably might be used in trial of so-called "plotters") and (b) to confirm that US reps were privy to "plot" against Shah and GOI, implying non-constitutional measures, without informing them as they might have reason to expect in light nature of existing relationship. In this connection, while Department has been aware in past that Embassy has, as has been case for many years, maintained contact with broad elements public opinion in Iran including opposition, we had not been aware that contacts with opposition had exposed officials to hearing of non-constitutional means of opposition. In fact so far as reports available here indicate, even Gharani group has confined its discussions to constitutional opposition.

It unfortunate in our judgment that Ambassador Amini had been brought into matter by Shah. To our knowledge and belief Amini has conducted himself in exemplary manner and has loyally and faithfully served Shah as Ambassador to US. We have had no reports of any

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Source: Department of State, Central Files, 788.00/2–2858. Top Secret; Priority. Drafted by Rountree and cleared by Henderson in draft.

[1] In telegram 1637, February 27, Chapin reported that the Shah had informed U.S. officials in Tehran "with a great show of indignation" that U.S. Embassy personnel had encouraged the Qarani plot by talking to the plotters. (*Ibid.*, 788.00/2–2758)

[2] Dated February 28; see footnote 5 below. (Department of State, Central Files, 788.00/2–2858)

[3] On February 27, the Iranian Government announced that 39 Iranians, including General Qarani, had been arrested for attempting to overthrow the government and that an unnamed foreign power was involved. The next day, the government modified its statement, ostensibly to quell public speculation, by stating that only five Iranians tried to seek help from foreigners to bring about a new government pledged to safeguard foreign interests. The declaration stated that the foreigners "ignored the pleas" of the plotters. (Telegram 1647)

conversations by Amini with US reps not wholly consistent with his responsibilities to Shah and Government which he represents. We realize that it might be counterproductive for US officials to volunteer defense of Amini to Shah. However foregoing might be used as appropriate if opportunity is presented for US reps to comment on statements by Shah or GOI.

We also concerned that Shah has raised question of Bozorgmehr contact with Rountree in Athens [*1 line of source text not declassified*] Shah should understand nature of contact in Athens. Rountree had no previous knowledge that Bozorgmehr was in Athens when he received telephone call asking for few minutes meeting. This lasted about 20 minutes in course of which Bozorgmehr mentioned no plans or organization, and requested nothing. He merely discussed in general terms situation in Iran. Rountree had no knowledge of Bozorgmehr's present activities or associations and was under impression Bozorgmehr was still official of GOI.

We are considering what measures should be taken now to remedy damage which might have been done to our relations with Shah and GOI. We are considering for example possibility high level message to Shah endeavoring put matter in proper context. We will await further reports and recommendations from Embassy before making decision this regard but are inclined believe that at minimum Ambassador should seek meeting with Shah [*less than 1 line of source text not declassified*] to allay his suspicion in so important a matter.[4] This connection, re last para Embtel 1647,[5] Department did not anticipate that insistence upon Embassy's right to maintain broad contacts would be primary or even substantial purpose of meeting but would be used only to explain as appropriate nature of contact.

Dulles

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[4] In telegram 1663 from Tehran, March 2, Chapin reported that the situation in Tehran was more relaxed and, in light of conversations already undertaken with Iranian officials, Chapin thought that it would be a mistake to seek a special audience with the Shah to explain the Qarani affair as this would only "rewaken his suspicion of U.S. involvement." (*Ibid.*, 788.00/3–258)

[5] The last paragraph of telegram 1647 from Tehran reads as follows:

"Embassy is in fact in no way involved although no doubt arrested persons may attempt to fix blame on others in effort disculpate themselves. In circumstances I believe we should sit tight, particularly after my talk with Ardalan [*less than 1 line of source text not declassified*] (mytel 1637), and not attempt at this time again to justify Embassy's right maintain broad level contacts with all classes Iranians. To do so would in my considered opinion only lead Shah to believe we were worried and some way involved. I naturally, however, will continue as occasion offers to set record straight when I see Shah or high officials."

230. Memorandum From the President of the Export-Import Bank (Waugh) to the Deputy Under Secretary of State for Economic Affairs (Dillon)

Washington, April 4, 1958.

For your information, we call your attention to the problem that exists in financing in Iran.

The Director of the Plan Organization, Ebtehaj, has consistently "insisted that he could not provide specific projects for financing by DLF and/or Eximbank, but would need to have latitude to use loan funds for general categories of projects which had been carefully prepared and engineered by outstanding international technicians."

These technicians, of course, would be of his own choosing. This quotation is from Secretary Dulles' cable, Secto 15, January 26, 1958.[1]

We at the Eximbank feel that the U.S. Government should take a firm position with reference to dealing with Mr. Ebtehaj and the Plan Organization, and that position, very frankly, should be that the practices that have been used successfully with more than sixty countries for over two decades should be followed in connection with any financing done by the Eximbank.

In other words, we do not think that the U.S. Government should allow any one individual borrower to dictate terms and conditions under which we lend money that has been collected from our taxpayers.

Over the years, Mr. Ebtehaj has spoken publicly, not once but several times, to the effect that he would not and could not do business with the Export-Import Bank because of the Bank's regulations. This attitude will create a problem with reference to any financing contemplated for the Bank with the Plan Organization under the proposals made by Mr. Dulles, who, I am sure, was not familiar with the background that has existed for many years.

The only encouraging information we have ever received in this connection was in Ambassador Chapin's cable 1432 of January 29,[2] where he reports that since Secretary Dulles' visit, Ebtehaj had shown much less obstinacy regarding project loans and oil revenue diversions. We hope the Ambassador's report that Ebtehaj is a chastened man will extend to his operations with the Eximbank.

You understand we have had over $20 million available for development projects as a result of a $53 million line committed in November

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Source: Department of State, Central Files, 888.10/4–458. Confidential. Sent also to James H. Smith, Jr., Director, ICA.

[1] See footnote 3, Document 225.

[2] Not printed. (Department of State, Central Files, 788.5–MSP/1–2958)

of 1954. This commitment was to the Finance Minister and there remains approximately $20 million unused for now some three and one-half years.

We are ready and willing to do business with Iran, as confirmed in my last conversation with Secretary Dulles upon his return, but for obvious reasons must insist that the established policies of the Bank be followed in this instance.

SCW

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231. Memorandum From the Deputy Director for Plans, Central Intelligence Agency (Wisner) to the Director of Intelligence and Research (Cumming)

Washington, April 9, 1958.

[Source: Department of State, Central Files, 788.11/4–958. Secret. 1-1/2 pages of source text not declassified.]

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232. Letter From the Acting Assistant Secretary of Defense for International Security Affairs (Irwin) to the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree)

Washington, April 16, 1958.

DEAR MR. ROUNTREE: We are all concerned over the inordinate demands for additional military assistance from the Shah of Iran. Undoubtedly he will renew these demands at all levels during his forthcoming visit to Washington in June.

Source: Department of State, Central Files, 788.11/4–1658. Secret.

As you know, it will be difficult at best to persuade the Shah to adopt a more reasonable attitude toward military aid. The Deputy Chief of Naval Operations has called Mr. Sprague's attention to the fact that this difficulty will be increased after the Shah has observed the extensive U.S. military program in Taiwan and Japan immediately prior to his visit to Washington. The Shah will undoubtedly contrast our aid in that area with the assistance we have furnished to Iran and will seek to buttress his demands by such comparison. Further, during this trip he will undoubtedly talk with many political and military leaders of the U.S. and of other friendly countries. An inadvertent remark by any of the foregoing officials could provoke an even more stubborn attitude on the part of the Shah.

In an effort to avoid or minimize the difficulties which may come from his tour through Taiwan and Japan, I suggest the following joint State–Defense action. I think it would be wise if we dispatched a joint State–Defense message to all U.S. civilian and military officials with whom the Shah might come in contact during his visit in the Pacific area, fully apprising them of our position regarding additional aid to Iran. I would further suggest that in Japan our people take every opportunity to emphasize to the Shah the extensive Japanese industrial base in support of her military forces. I also suggest that in Taiwan our officials be advised to emphasize to the Shah the extreme tensions in the immediate area which call for unusual military assistance. In both countries I think our officials should be urged to take all possible discreet action to prevent a glamorous display of U.S. military aid to the Shah.

If you concur in the above proposals, I will have members of this office work directly with your office in the preparation and dispatch of appropriate cables.[1]

Sincerely,

John N. Irwin, II

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[1] Rountree responded on April 22 agreeing to a joint State–Defense message regarding possible "exorbitant demands" by the Shah for military assistance. Rountree also felt it "would be useful if we could find means of demonstrating to him the potential U.S. strength in the Pacific area and what it means to the protection of the Free World" while avoiding "any ostentatious display of U.S. military aid in the countries through which the Shah will pass en route to the United States." (*Ibid.*)

233. Telegram From the Embassy in Iran to the Department of State

Tehran, May 6, 1958, 4 p.m.

2055. In an hour farewell audience with Shah we discussed Washington visit. Shah said primary topic he intended to raise was question of future of Iran and assistance both military and economic which US might be prepared to extend. Iran was in a period of transition but badly needed assistance at this time. He convinced however that in five or six years Iran would be prosperous and wealthy country on basis its oil revenues alone without considering other development projects. He hoped very much US Government could also assist in interesting further American private capital to come into Iran now that door had been opened by new oil agreement.[1]

As usual he was insistent that US must supply more military hardware. He asked specifically when he might expect word as to action Joint Chiefs of Staff had taken with respect to recommendations of BP military committee. It was essential Iran should have a navy and he hoped very much arrangements could be made to receive a certain number of young Iranians at US Naval Academy as well as personnel at other naval schools. He also expressed hope that training of Iranian jet pilots could be greatly stepped up and said he was convinced if a call for volunteers was put at beginning of a school year instead of as recently during middle of school year response would be so great there would be no difficulty in choosing any number of suitably qualified candidates.

With regard to political future Iran he felt possibility of a unification with Pakistan should not be entered into lightly but only after full and searching study of possibilities and problems both as respects the two countries but also with respect to whole area. He felt advantages of such union were largely on Pakistan side since Iran had greater economic and social stability and prospects for great prosperity in near future. He en-

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Source: Department of State, Central Files, 788.11/5–658. Confidential. Repeated to Ankara and Karachi. A brief summary of this telegram was included in the supplement to Staff Notes for the President, No. 367, May 14, which was seen and initialed by the President. (Eisenhower Library, Whitman File, Eisenhower Diaries)

[1] On June 1 the Shah approved an agreement between Iran and Standard Oil of Indiana for exploration of offshore oil in the Persian Gulf. Under the terms of the agreement Iran received 75 percent of the net profits and Standard of Indiana received 25 percent. Standard Oil of Indiana also paid Iran a $25 million cash bonus for signing the agreement and made other less significant concessions to Iran that made the agreement the most advantageous to a producing country signed to that date. President Eisenhower was told that the agreement "had been greeted with incredulous delight by the people of Iran and hated by their government as a global precedent for the underdeveloped nations." (White House Staff Notes No. 365; *ibid.*)

visaged that eventually Iran could out of its oil and other revenues assist in development of Pakistan with its poorer resources and greater population pressure. He was of course going to examine this proposed undertaking with President Mirza in Karachi and was going there with this purpose specifically in mind. He was looking forward very much to a general discussion with the President and with the Secretary on the whole problem of the Middle East. He felt that Nasser's visit to Russia was taking an even more dangerous turn than he the Shah had anticipated and that Nasser by his speeches seemed to be lining himself up more solidly with the Soviet bloc. The Shah was very pessimistic about Iraq even though he said Nouri said had situation under control temporarily. He observed that there seemed to be even more popular support for Nasser in Iraq than there was in Syria or in parts of the Egyptian population.

Chapin

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234. Report by the Operations Coordinating Board

Washington, May 8, 1958.

OCB REPORT ON IRAN (NSC 5703/1)[1]

This report covers the period August 21, 1957 through April 2, 1958. Although little progress toward our objectives can be reported during this period, no policy review is deemed necessary.

The two most notable developments emerging from this report center around the Shah, and may be summarized as follows:

1. His own internal political position has weakened; and
2. He has become increasingly difficult to deal with.

With respect to the former, the Shah has increasingly become the target of mounting domestic political opposition as he has assumed a greater degree of personal direction of the government and as progress toward internal reforms has been minimal. This opposition has been accentuated by indiscriminate arrests (which, incidentally, were coupled

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Source: Eisenhower Library, Whitman File, NSC Records. Secret. Harr used this report to brief the NSC at its 365th Meeting on May 8. The memorandum of that discussion, prepared by Gleason on May 9, noted this report and Harr's briefing as NSC Action No. 1906, approved by the President on May 9. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[1] Dated April 2. (*Ibid.*, S/S–NSC Files: Lot 63 D 351, NSC 5703/1)

with hints of U.S. implication in conspiracies against the Shah, although these have recently been played down). The Shah also was apparently severely shaken by the discovery of an alleged plot to overthrow him, involving a trusted and high-ranking army officer.

With respect to the increasing difficulty of dealing with the Shah, this period has seen the development of an apparent doubt on his part that the U.S. can prevent the growth of Soviet influence in the Middle East, coupled with a growing tendency to be bemused on occasion by soft Soviet diplomacy.

Paralleling the development of these attitudes on the part of the Shah during this period have been increasing criticism of the level of U.S. aid to neutralist countries and other Baghdad Pact countries as compared to that given to Iran; marked reluctance to accept U.S. advice; exorbitant demands for U.S. military assistance (often based on contradictory theories as to his strategic problems); and the manifestation of his conviction that the dependence of the West on Iranian oil is such as to afford him greater bargaining strength.

The Shah will visit the U.S. at the end of June. He has made it known that he expects to meet with greater success in Washington in terms of support for additional Iranian forces than he receives from our Ambassador and our Military Mission Chief in Iran—and also has made it known that unless this is so his forthcoming visit will have proven fruitless. He is also continuing to press for U.S. budgetary support ($50 million for next year) for what he terms the next three "crucial years" of Iran's economy.

Notwithstanding this decline in the stability of the Shah's regime and of his utility in the achievement of our objectives, certain important facets of the over-all Iranian picture have continued to progress favorably. The Plan Organization has achieved unquestioned accomplishments in such fields as transportation, telecommunications, river development, and municipal development. The Iranian army has demonstrated an improved level of operational capability.

In January 1958, in connection with the Secretary of State's visit to Tehran immediately prior to the Ankara meeting, Prime Minister Eqbal, without receiving any commitments, was told that it might not be unreasonable to expect Ex-Im Bank or DLF loans on the order of $40 million. At that time, also, additional military aid was offered in support of the Iranian army ($13.9 million), and the U.S. has recently informed the Shah that it would provide $6.5 million to construct minimum airfield facilities at Qom.

K.G.H.[2]

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[2] Printed from a copy that bears these typed initials.

235. Telegram From the Embassy in Iran to the Department of State

Tehran, May 29, 1958, 5 p.m.

2200. Paris pass CINCEUR. (Dept may wish rpt additional posts.) On eve my departure from this post believe Dept will wish to have my personal assessment of Iranian situation and my [?] for forthcoming talks in Washington with Shah.

1. Central factor in domestic political situation is development of personal rule by Shah. Shah has increasingly taken over decision making on all important and many minor questions. Shah himself believes, as he has told me, that after twelve years of post-war effort he has finally achieved position of commanding power. In spite of fact Shah's assumption of direct rule has made him personal target for increasing criticism his assessment of his position may well be correct. Shah has recovered from whatever political worries he may have believed were potentially involved in Qarani affair.[1] If any psychological difficulties were involved in recent divorce they seem to have left no scars and there are some prominent Iranians close to Court who profess believe that Shah is relieved to be rid of Queen and that his first despondency was more feigned than real. Recent oil agreement with Standard of Indiana[2] appears to Shah and is accepted by many Iranians as triumphant vindication of Shah's policies on exploitation of Iranian oil resources. Although future hazards for regime may exist in restlessness of intellectual elite, including rapidly increasing numbers of jobless graduates of university and secondary schools dissatisfaction of urban middle class, and failure to inspire emotional loyalty of city proletariat, Shah is now in firm control.

2. On economic side Shah places great faith in benefits Iran will derive from increasing oil revenues which he estimates will reach one half billion dollars annually in five years' time and one billion dollars in ten years' time. Again Shah may not be far wrong. Over long term Iran's oil revenues should increase perhaps even to estimated figure, and should allow for latitude of trial and error in field of economic development which is possessed by very few underdeveloped countries. There is to my mind some real danger that intoxicated by the unusually generous terms of the Indiana oil contracts, future contracts in petroleum and other economic fields will be increasingly difficult to negotiate (at least

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Source: Department of State, Central Files, 788.11/5–2958. Secret. Transmitted in two sections and pouched to London, Ankara, Karachi, Baghdad, Cairo, Beirut, and Paris.

[1] See footnote 3, Document 229.

[2] See footnote 1, Document 234.

for the next year or so). We have already seen this in the case of the Chase Manhattan–Lazard Freres proposal for an industrial bank[3] when P.M. compared offer with some contempt to Indiana bid. Moreover it is already apparent that some pressure is beginning to build up for revision of oil consortium agreement. Short term economic problems are real. There is danger that combination of heavy military expenditures, continued high level of investment in economic development, necessary social expenditures and slow rate of short term increase in government revenues will lead to inflationary situation. Prudent management should be capable of forestalling this danger but there is obviously no guarantee that a prudent course will be followed.

3. Shah's military ambitions, and his preoccupation with large modern military establishment pose a major problem for not only economic but also political health of country. They are also a major irritant to our relations with Iran. Shah admits present forces are more than ample for internal security. Major increases in the current military force objectives and costs this would entail might heighten domestic political and economic tensions and increase possibilities of disorder. Yet Shah's personal interest in enlarging and modernizing armed forces lead him constantly to make demands upon us for increased military assistance. The problem of how to handle these frequently unreasonable demands is, as I can testify from sad experience, the one most difficult problem in our relations with Iran.

4. In field of foreign affairs I am certain Shah recognizes dangers to his regime inherent in Russian ambitions and policies and value of Iran's association with West in Baghdad Pact. Soviet soft line, intensively pursued in Iran with increased propaganda effort, has not deceived Shah although it has complicated his problems of maintaining popular alertness to communist threat. But Shah undoubtedly has inflated idea of his cleverness and skill in handling Soviets and may from time to time make unwise arrangements with them. There is also always some risk of headstrong action by Shah with relation to Baghdad Pact arising from some moment of personal pique and frustration. But on balance believe Shah's general international posture will remain satisfactory. He does have increasing concern with developments in Arab world and particularly potential threat of influence by Nasser in other countries of Near East. Shah may believe such influence would not only threaten Iran, particularly southwest provinces with considerable Arab population, but would also conflict with his aspirations to succeed

[3] In a memorandum of conversation, May 26, between Eugene Black, President of the IBRD, and Dillon, Black explained the background of the Iranian rejection of the Chase Manhattan Bank/Lazard Freres proposal to organize and manage an Iranian industrial development bank. (Department of State, Central Files, 888.14/5–2658)

British, who in his eyes are on their way out of this area within the next decade or so, in a position commanding the Western littoral of the Persian Gulf. It is in part because of this threat, and of his lack of confidence in long term independence Iraq or its continued adherence to BP, as well as his personal drive for prestige, that he has recently been promoting idea of federation of some sort with Pakistan and possibly Afghanistan, as well as continuing to insist on strengthening his armed forces.

5. I believe Shah's Washington visit is major opportunity for making it crystal clear that while US will carry out promptly obligations it has already undertaken to assist Iran economically, and will continue its present programs to improve the quality and modernization of current force objectives, it will not provide assistance for any significant enlargement of the Shah's military forces and it will not at this time undertake further major commitments for economic assistance. Shah will obviously not be happy to hear such statements, and there is some risk that his reaction might be to weaken connections with BP. But I believe risks to US relations with Iran of firmly and authoritatively telling Shah facts of life at highest level are less than risks involved in making any statements which Shah might misinterpret as implied promises of increased assistance and later feel that we have again let him down as he has alleged in the past. Shah is past master at reading promises of help into generalized statements of friendly intentions. Washington talks should be completely frank and objective and should leave him no such opening.

6. On the military side it is particularly important that Shah be disabused of idea that US has any obligation or for that matter intention of providing for Iranian forces at levels that may from time to time be discussed in BP Mil Planning Committees. I have consistently attempted to refute Shah's notion that staff level discussions in Baghdad somehow commit US to support for specific levels of Iranian forces. But his own advisors tell him differently and he always has the feeling that there is a higher court of appeal in Washington. It would be helpful to US position, and particularly to my successor, if this point could be clarified for Shah by the highest US political and military authorities.

7. On economic side it is likely that Shah will request further economic aid probably in form of development loans beyond $40 million commitment. I believe we should certainly press rapidly ahead with action the $40 million programs. It would in fact be highly desirable that negotiations with Ebtehaj be successfully concluded or at least be well along by the time of Shah's Washington visit. But I believe it important to maintain firmly the $40 million ceiling on all new US loans to GovIran this year except for BP regional projects. I also believe we should not at this time make any commitments for loans in succeeding years, although we ourselves should not exclude such a possibility if it proved

desirable. $40 million commitment has already enabled plan organization to compensate for part of its loss of oil revenues. There is danger Shah will believe US willing to underwrite increasing part of PlanOrg's program and will feel free to use Iranian foreign exchange earnings for other purposes. Every means should be taken to avoid fostering of psychology of permanent Iranian dependence on US economic assistance. Embassy will later make detailed recommendations on specific items such as Intercontinental Hotel project, additional technical assistance for crown lands distribution, and the Lazard Freres–Chase industrial bank proposal. But in general I feel it of great importance that Shah be given clear statement that US will not go beyond its present commitments for economic assistance. Over long term, and given even reasonably wise economic direction and development, agricultural, mineral and industrial, and reasonably wise social and tax programs, Iran could become solidly prosperous country.

8. On the positive side it will I think be highly important that officials in Washington, and particularly Secretary and the President for whom Shah has greatest personal respect, stress the deterrent power of US armed forces, the meaning of the Eisenhower Doctrine, continuing US friendship for Iran, and the intention of the US Government to cooperate with Shah and to support him personally in his efforts to improve and modernize his armed forces and to achieve political and economic progress in Iran. The point should be made repeatedly that domestic political and economic health are of highest value to the defense of Iran, whether against communism or against rabid Arab nationalism, and that any significant increase in Iran's military establishment could undermine Iran's security by contribution to economic difficulties and political instability.

Chapin

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236. Letter From the Ambassador to Iran (Chapin) to Secretary of State Dulles

Tehran, June 2, 1958.

MY DEAR MR. SECRETARY: I have already sent Telegram No. 2200 of May 29[1] with some suggestions which I hope may be helpful to the

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Source: Department of State, Conference Files: Lot 63 D 123, CF 1028. Secret. A note on the source text indicates that the Secretary saw this letter.

[1] Document 235.

President and to you in your discussions with the Shah at the end of June. I venture to reiterate the point which I made to you when you were here last January, that the Shah is a past master in making the most favorable interpretation of any statement with respect to aid which may be given him. I can only express the hope that it will be possible to leave no doubt in the Shah's mind during the Washington discussions as to the extent of our assistance, both military and economic. I have spelled out my recommendations in a valedictory despatch which I enclose.[2]

There is another point which I think will be of interest to you. Recent events in Latin America, an area which I personally know so well, have focused attention on the difficulties of our diplomatic missions of keeping in touch with the "outs" and other dissident elements who may eventually succeed to power. A parallel situation exists here in Iran, as you are probably aware; and any effort on the part of the American Ambassador or his staff to maintain relationships with these elements of the population—unfortunately the majority—who are not 100% pro-government, is viewed with suspicion and even fear. In fact on several occasions high officials close to the Court as well as in the government—the Minister of Court, the Prime Minister, the Minister of Foreign Affairs, and even the Shah himself—have suggested that the American Embassy should avoid any contacts with dissident or even opposition elements of the Majlis who were originally appointed with the entire endorsement of the Shah.

I believe strongly, and I hope I have interpreted your own feelings in this regard, that it is the duty of the American Ambassador to maintain such contacts in the interests of the United States, although naturally with as much discretion as possible. This is necessary in my considered opinion, even though at the cost of some royal displeasure.

I have described this situation in my despatch. I do not wish to burden you with reading the entire despatch, but desire to call your attention to the summary and pages 4 and 5 of the enclosure.

With many thanks for your continued confidence in me, and looking forward to seeing you upon my return to Washington in July.

Sincerely yours,

Selden

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[2] Chapin is referring to Despatch 1056 from Tehran, June 2, in which he confirmed and amplified his recommendations in telegram 2200. The despatch consisted of a 3-page summary by Chapin and a 13-page analysis of the economic and political situation in Iran prepared by the Embassy staff. (Department of State, Central Files, 611.88/6–258)

237. Memorandum From the Joint Chiefs of Staff to Secretary of Defense McElroy

Washington, June 9, 1958.

SUBJECT

Briefing Paper for Presidential Use in Discussions with the Shah of Iran (U)

1. Reference is made to a memorandum by the Assistant Secretary of Defense (ISA), dated 19 May 1958,[1] subject as above.

2. The Joint Chiefs of Staff consider the following military positions appropriate for Presidential use in his discussions with the Shah of Iran:

a. Strategic Role of Iran in Middle East Defense

(1) Unilateral U.S. Military Objectives for the defense of the Middle East in general war are: to hold the Erzerum line in East Turkey, the approaches to the Cario–Suez–Aden area and the Persian Gulf, and to ensure to the maximum extent practicable the continued availability of Middle East bases, oil, and other resources; or, if this is not possible, to deny them to the enemy.

(2) Iran is of strategic importance by reason of its geographical location between the USSR and the Persian Gulf, the extensive natural defense barriers in Iran, its natural resources, and the fact that it is the keystone to the defense of the Baghdad Pact (BP) area against aggression from the north. The United States is committed under the American Doctrine to come to the assistance of Iran should that country be attacked overtly by a nation or nations under the control of international Communism and should Iran request such U.S. assistance.

(3) U.S. Military Objectives in Iran are in general:

(a) To develop military forces which can maintain internal security and thereby insure the continuation in power of a government which is friendly to the West.

(b) To develop military forces capable of resisting external aggression by defensive delaying actions, and contributing to the defense of the BP area.

b. US Relations with the BP

(1) Although not a member of the BP, the United States was largely responsible for its formation and has consistently given it moral and material support. In April 1956, the United States agreed to participate in the BP Economic and Counter-Subversion Committees. Following the

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Source: Eisenhower Library, Whitman File, International File, Iran. Top Secret.

[1] Not found.

passage of the Joint Congressional Resolution on the Middle East in March 1957, the United States accepted an invitation to participate in the work of the BP's Military Committee and currently provides a Major General as the Deputy Director of the Combined Military Planning Staff. The United States has furthered the development of plans for the defense of the BP area through the provision of three staff officers of Colonel/Captain rank for duty with the Combined Military Planning Staff and through the provision of detailed U.S. comments and recommendations on BP plans and military studies.

(2) The U.S. concept for the defense of the area in a general war is generally the same as the BP concept. It envisages the reduction of Soviet over-all capabilities by U.S. strategic air operations against the USSR, and the defense of the line of mountains in Eastern Turkey, Azerbaijan, the Elburz, and the northwestern frontier of Pakistan, with secondary positions in the mountain passes of the Zagros. Maximum use will be made of indigenous forces and resources to prevent Soviet penetration of this line. The defense will be supported by such U.S. atomic capable ground and tactical air forces as may be deployed in the area.

(3) Iran places considerable importance on the defense of the northeastern corner of Iran. The U.S. concept differs from Iran's concept on the defense of east Iran. United States would defend Azerbaijan and the Elburz north of Tehran at the expense of eastern Iran. There are no major strategic objectives in eastern Iran and a Soviet offensive there would not have any major impact on the success of the defense of the BP area. The Soviets would have to traverse over 500 miles of difficult country to Tehran and approximately 1000 miles to the Persian Gulf. The great distances to strategically important areas, the long difficult lines of communications, and the vulnerability of these communications to air attack, make a strong defense of eastern Iran near the Soviet frontier militarily infeasible, as it is also logistically unsupportable.

(4) In the BP force requirements, which will be considered at the Military Deputies meeting in June and at the Military Committee meeting in July, the U.S. position calls for 1 token division in furthest east Iran. The Iranian position would require at least 5 additional divisions, and the Pakistanis are asking for at least 3 additional divisions, based on the Iranian concept. This Iranian position would also require a sizeable increase in ground support aircraft. The Shah can be expected to solicit Presidential support for the Iranian view.

(5) For President's information only—and not to be disclosed to the Shah—the Joint Chiefs of Staff have not allocated specific D-day forces for the defense of the Middle East in general war. For U.S. unilateral planning purposes, however, it has been assumed that U.S. forces would be available in the Middle East prior to D-day as follows:

(a) *Army Forces*

i. 6 Nuclear Demolition Teams
ii. 18 Teams for firing nuclear munitions in the artillery of Iran, Iraq, and Pakistan
iii. 8 Special Forces Teams (FA)

(b) *Naval Forces*

i. 1 Command Ship
ii. 4 Destroyers

(c) *Air Force Forces.* One Air Division to include:

i. 3 Fighter Bomber Squadrons
ii. 1 Fighter Refueling Squadron
iii. 2 Fighter Interceptor Squadrons
iv. 1 Reconnaissance Squadron
v. 1 Troop Carrier Squadron
vi. 1 Aircraft Control and Warning Group

(6) Since the character and duration of operations in the Middle East after D-day cannot be predicated with any assurance of accuracy, forces required for these subsequent operations must be determined and deployed in the light of the then existing situation.

(7) *Limited War Operations.* The foregoing discussion pertains essentially to U.S. military efforts with respect to Iran concerning general war in the Middle East. It should be noted that the Joint Chiefs of Staff have developed detailed contingency plans for the employment of U.S. forces, readily available in CONUS, the European-Mediterranean Sea area and in the Western Pacific, in the event of an emergency situation in the Middle East. These plans are adaptable to the movement of U.S. forces to Iran.

c. Additional Measures Required. The initial planning studies of the BP are virtually completed. The next logical steps would be to perfect plans for making the best use of forces currently available, to continue the qualitative improvement of forces, and to train for the implementation of agreed defense concepts. The United States will continue its current efforts to assist in the improvement and training of the Iranian Armed Forces. In this regard, the United States currently provides an Army major general and the following U.S. MAAG–Mission personnel in Iran who could be utilized for employment in close coordination with the Iranian Armed Forces: Army 375, Naval 4, Air Force 13, and civilian 11.

d. Military Aid Program (MAP) for Iran

(1) In consideration of the foregoing military objectives the United States has evolved the following MAP force objectives for Iran:

Army	
Infantry Divisions (12,700)	6
Infantry Divisions (reduced strength 3,700)	6
Infantry Brigades (3,600)	5
Navy	
Patrol Vessels/Craft (PF/SC/PGM)	2
Patrol Craft (CGPB)	4
Minesweepers (MSO/MSC)	4
Air Force	
Tactical Reconnaissance Squadron (UE 12 a/c)	1
Fighter Squadron (IDF and/or FB) (UE 12 a/c)	4
Transport Squadron (UE 12 a/c)	1

(2) From a U.S. military point of view there has been little need for Iran to have military forces beyond those provided by the present MAP program for Iran. This view is based in part on U.S. global strategy, and also on U.S. recognition that it is not feasible to build up Iranian forces so that they can resist successfully large scale Soviet aggression. While incursions from nations other than the USSR are either improbable or possible only on a small scale, the United States should, on the other hand, seek to improve the quality of Iranian forces so that these forces can continue to maintain internal security even against Communist supported and sponsored internal disturbances. The development of additional Iranian forces is limited by a lack of technical ability to absorb equipment and by Iran's limited economic capacity to support additional forces. Accordingly, the Joint Chiefs of Staff consider that the MAP force objectives for Iran are adequate for the present.

(3) The MAP program for Iran must be considered in the light of world-wide deterrence of the Sino-Soviet Bloc, world-wide aid requirements, and the amount of money made available by Congress. In this respect, the following facts concerning the amount of assistance Iran has received under the Mutual Security Program are pertinent:

Currently, authority and funds for the FY 1959 Mutual Security Program (MSP) are being requested from Congress. The following figures represent the value of the Iranian program for FY 1957–FY 1959:

	Military Assistance	*Economic Assistance*	*Total Mutual Security Program*
FY 1957	$ 42,870,000	51,556,000	94,426,000
FY 1958	57,530,000	26,590,000	84,120,000
FY 1959	56,965,000	29,000,000	85,965,000

Since the request was transmitted, additional FY 1958 Military Assistance Programs in the amount of $47,578,000, including a $15,000,000 transfer from Economic Assistance, have been approved, bringing the total FY 1958 MAP to $105,108,000 and the total FY 1950–58 MAP to $340,479,000. When combined with Economic Assistance of $329,859,000, total U.S. assistance to Iran under the MSP through FY 1958 is valued at $670,338,000. (This latter figure excludes $33,116,000, which represents the acquisition cost of excess military stocks programmed for Iran for which no charge to the appropriation is made, except for repair and delivery charges.)

(4) The MAP for Iran has provided the major portion of equipment for 12 infantry divisions (6 full strength of 12,700 each and 6 reduced strength of 3,700 each) and 5 independent brigades, 4 air squadrons, and 6 naval vessels. The program includes an ammunition war reserve for approximately 30 days for Army units, and maintenance support in the form of spare parts, miscellaneous equipment, and services, including training ammunition. Funds have been provided to complete the construction of one air base at Dizful and the improvement of another at Mehrabad near Tehran to make both capable of accommodating jet aircraft. In addition, funds have been provided for the first two increments of an army construction program, mostly barracks, to support the reorganization and redeployment of the Iranian Army, to its main battle positions, along the line of the Elburz mountains.

(5) It is estimated that the following major categories of equipment will be delivered to Iran in accordance with the following schedule:

Major Items	*Cumulative 30 June 58*	*FY '59 and later*
F 84 G Aircraft	60	-
C 47 Aircraft	8	-
T 33A Aircraft	11	-
Trainer and Liaison Aircraft (T13, T6, LT6G, L4)	68	-
Coast Guard Patrol Boats	2	1
Coastal Minesweepers	–	2
Landing Ship, Infantry, Large	2	-
Tanks (M4, M26, M46, M47 & M48)	115	17
Carriage, Motor 90 mm Gun	99	-
Carriage, Motor 76 mm Gun, M18	55	-
Trucks (1/4T, 3/4T, 21/2T, 4–5–6T)	7,047	972
Howitzer, 8 in.	–	16
Tractor, Full Tracked, High Speed 18T, M–4	–	16
Howitzer, 155 mm	74	6
Howitzer, 105 mm	72	8
Rifle, 106 mm	85	29
Rifle, 57 mm	682	-

Major Items—cont.	*Cumulative 30 June 58*	*FY '59 and later*
Carbine Cal. 30	–	10,000
Rifles Cal. 30 Ml	–	133,000
Radios SCR 508, SCR 608	635	-

3. Although equipment planned for Iran within the framework of existing MAP Force Objectives has been scheduled for delivery based on comprehensive appraisal of the ability of Iran to absorb and utilize the equipment, it may be politically desirable to offer the Shah certain military equipment for morale effect. With this contingency in view, the Joint Chiefs of Staff recommend that selected items of military equipment, as listed in the attached Appendix, which are within the framework of existing MAP Force Objectives, could be offered at this time. Any or all of these items can be offered, provided it is made clear to the Shah that delivery will be made only after the Chief, ARMISH–MAAG has verified the capability of Iran to receive them.

For the Joint Chiefs of Staff:
N. F. Twining
Chairman

Appendix

LIST OF SELECTED EQUIPMENT FOR PRESIDENTIAL USE IN DISCUSSIONS WITH THE SHAH OF IRAN

Cost in Millions of Dollars

Army

272 M47 Tanks $11.8

These tanks have recently been approved by DOD within the FY 1958 MAP. Delivery of these 272 tanks, together with an additional 17 M47 tanks offered to Iran during the visit of the Secretary of State in January 1958, will completely equip the Iranian armored units. Iran has not yet been notified of the programming action concerning the 272 tanks, and deliveries would be in accordance with an ARMISH–MAAG recommended time-phased delivery schedule.

Navy

4 Coastal Minesweepers $10.0

A minesweeping capability for the Iranian Navy could be established by providing four coastal minesweepers. Two of these are included in current programs. The U.S. can furnish two more coastal minesweepers in future programs, completing deliveries by mid-1963. Iran has not yet been notified of the U.S. plan to furnish the two vessels in addition to those in the current programs.

Air Force

14 RT–33 aircraft ..... $ 3.1

These aircraft have been included in the FY 1959 MAP. It is planned to furnish the aircraft to Iran during CY 1959–1960 to replace LT–6G's presently on hand in the Iranian Tactical Reconnaissance Squadron.

52 F–86F aircraft $18.5

These aircraft can be delivered by FY 1961 to replace the LT–6G's and F–84G's presently on hand in the four Iranian fighter bomber squadrons. These aircraft have not been included in the FY 1959 MAP.

Iran has not yet been informed of these plans.

Recapitulation:

272	M47 Tanks	$11.8	million
4	Coastal Minesweepers	10.0	"
14	RT–33 Aircraft	3.1	"
52	F–86F Aircraft	18.5	"
Total		$43.4	million

238. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Under Secretary of State (Herter)

Washington, June 9, 1958.

SUBJECT

OCB Reports on Iran-Pakistan Union[1]

You will find attached recent studies on the Iran-Pakistan Union by the Working Groups on Iran and South Asia and by the Office of Intelligence Research and Analysis.

At its meeting on April 23, 1958, the OCB briefly discussed recent indications and talk of a possible union between Iran and Pakistan. At that time the Board requested a study by the Working Groups and it asked that the study be prepared prior to the Shah's visit (June 30–July 2), to allow time for the adoption of a position, should the subject arise during the Shah's visit.

As you will note, the reports indicate that the concept of the proposed union is still somewhat nebulous. At this point it does not appear to be in our favor to support such a union. If the question, therefore, is raised in conversation with the Shah, we should not give any impression of encouragement, but rather use the occasion to seek information of the Shah's views and any definite ideas that may have emerged from his recent talks with President Mirza in Karachi.

Source: Department of State, OCB Files: Lot 62 D 430, Near East. Secret.

[1] The first of these two reports was prepared by the OCB Working Group on Iran and South Asia and consisted of 5 pages. The second was prepared by INR and consisted of 12 pages. They were approved by the OCB at its meeting of June 11 as guidelines for the forthcoming visit of the Shah and were distributed by the OCB on June 18. (*Ibid.*)

239. Memorandum From Secretary of State Dulles to President Eisenhower

Washington, June 28, 1958.

SUBJECT

Your Talks with the Shah of Iran

The Shah of Iran, who arrives in Washington on June 30, 1958, for a three-day visit, is scheduled to have substantive talks with you at the White House on the afternoons of June 30 and July 1.

Of primary importance to him at the present time is the state of his country's defenses as a member of the Baghdad Pact and as a country sharing a long common border with the Soviet Union. He believes that Iran should have considerably larger indigenous forces with which to fulfill its commitments under the Pact and to defend itself against possible Soviet aggression. In my talks with him in late January, I made an effort to convince him that the deterrent strength of the United States constituted the primary obstacle to Soviet aggression in the area. He remained convinced that if he had an opportunity to discuss military strategy with you, additional United States military assistance would be provided.

While military matters are his main preoccupation at present, he may also mention his desire for United States economic assistance over the next five years, after which time he expects Iran to have sufficient resources from oil to meet all its needs.

I am enclosing some background information on these subjects in the form of a brief memorandum. There is also enclosed a briefing paper prepared by the Joint Chiefs of Staff[1] which we were asked to sent to you.

JFD

Source: Eisenhower Library, Whitman File, International File, Iran. Top Secret.

[1] See Document 237.

[Enclosure][2]

BACKGROUND INFORMATION ON THE VISIT OF THE SHAH OF IRAN

(June 30–July 2, 1958)

The Role of the Shah

The Shah of Iran will be in Washington June 30 to July 2 on his third visit to this country. He was last here in early 1955. The Shah is a loyal friend of the United States and is a firm supporter of the Free World, but he is much occupied these days with problems of defense and we hope that his stay in Washington will serve to give him assurance and new confidence in the extent of the measures we have taken and can take in his interest.

The Shah is very intelligent and sincere. He has greatly matured in recent years and is deeply mindful of the important role that he plays in Iran, where virtually all authority is concentrated in his hands. He has voluntarily aligned his country with the East through membership in the Baghdad Pact and his support for Free World policies, especially in the United Nations. He is now pushing ahead with a vast economic development program and other reforms designed to bring lasting political stability and social progress to his country. The Shah's primary weakness stems perhaps from his fears, real and imaginary, for the security of his own position and the security of his country.

Origin of Visit

During the Secretary's visit to Tehran in January, 1958, he found the Shah greatly concerned with his military problems. He was convinced that Iran's membership in the Baghdad Pact—unless much larger Pact forces were created—did not provide adequate guarantees for his country's defenses. He strongly favored full United States membership in the Baghdad Pact and insisted that Iran must have stronger forces both to carry out its obligations under the Treaty and to provide for its own protection. The Secretary made an effort to convince him that the deterrent strength of the United States constituted the primary obstacle to Soviet aggression in the area, and that, while Iran should certainly maintain national military forces as a contribution to mutual defense, it might be a mistake to build up these forces at the expense of the country's economic development and social progress. He reiterated his desire for extensive

[2] Secret.

aid from us in order to build up his military strength and remained convinced that, if he had an opportunity to discuss problems of strategy with the President, additional United States assistance would be provided. It was under these circumstances that the President authorized the Secretary to invite the Shah to Washington, where he might have an opportunity to discuss matters of military strategy with the President.

Objective of Visit

Our objective during his visit should be to persuade the Shah:

(a) that the support and assurances of further support we have given the Baghdad Pact will greatly enhance the security of his country;

(b) that the greatest obstacle to Soviet aggression against Iran is the deterrent power of the United States; and

(c) that to overemphasize the buildup of separate powers around the Soviet Bloc may be such a costly undertaking that it will jeopardize the strength of the Free World and end with security nowhere and bankruptcy everywhere.

At the same time we should sympathize with the Shah's very earnest desire for some additional military help and should indicate to him what new equipment and training we can provide.

Iran and the Baghdad Pact

To achieve our objective of bolstering the Shah's morale and his confidence in our friendship, we should refer to the record of our firm support of Iran, especially during the dangerous period of the Azerbaijan crisis in 1945–46 and should reiterate to him that "if Iran should again be the victim of Soviet aggression, the United States will not stand idly by." We should add what we said in January 1958 at the Ankara meeting of the Baghdad Pact to the effect that United States forces which came to the support of our friends in the Pact would be equipped with the most modern weapons.

While for many reasons we have not considered it wise to accept formal membership in the Baghdad Pact, we have taken other measures which provide such a degree of support for the Pact and its members that our relations to the Pact may be worth as much to it as our actual membership. There are, among other things, the Joint Resolution on the Middle East,[3] our statement of November 29, 1956,[4] in which we said we would view with utmost gravity any threat to the independence of the members of the Pact and our active membership in the military, economic and counter-subversion committees of the Pact.

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[3] Also known as the "Eisenhower" or the "American Doctrine." For text, see *American Foreign Policy: Current Documents, 1957*, pp. 829–831.

[4] For text, see *ibid., 1956*, pp. 699–700.

The Shah's contention that his obligations under the Pact require a great enlargement of his forces is based mainly on his interpretation of a recommendation by the Combined Military Planning Staff of the Pact that 16 full strength divisions are needed to defend adequately Iranian territory. The Shah thinks that these must be Iranian divisions. Our Joint Chiefs of Staff have determined that 10 divisions would be sufficient for Iran since the retaliatory power of United States forces constitutes the main deterrent to Soviet aggression and since additional Iranian forces would be a serious drain on available manpower and resources. The most effective counter-argument that we can use to persuade the Shah that we are not neglecting his requirement is that the United States has already undertaken to modernize existing Iranian forces as rapidly as Iran can absorb new equipment. In this connection, the Joint Chiefs of Staff have suggested that we inform the Shah that, as part of the modernization program, the United States is prepared to provide 272 M–47 tanks, 14 new reconnaissance aircraft, two additional mine sweepers and 52 F–86 jet aircraft to replace by 1961 existing LT–6G and F–84G aircraft.

Economic Aid

The Shah will raise with us also his desire for further economic assistance. He has great confidence that there will be a sharp increase in Iran's revenues from oil during the next few years. He wishes, therefore, to press ahead with his development program and at the same time take other domestic measures—military and civil—that require an increase in his budget.

He believes that within 5 years his country will receive approximately $500 million annually from oil revenues and by 1968 as much as $1 billion. While the Shah's hopes may be exaggerated, Iran now has $210 million in annual oil revenues and prospects are for a steady increase. The Shah has hailed enthusiastically the recent conclusion of an oil agreement with Standard of Indiana. He has asked us to provide as much as $250 million in loans over the next five years until Iran can support its military, economic and social programs from its own resources. We have informed the Shah that the Development Loan Fund might be able to provide $40 million in loans in the current year if justifiable development projects are submitted. Current negotiations between an Iranian delegation and representatives of the Fund indicate that it will be possible to lend Iran a substantial portion of this amount in the current year and to have a credit available for the remainder. We have pointed out frequently to the Shah and to other Iranian leaders that Congress appropriates funds on an annual basis and that the United States Government cannot make commitments for future years.

240. Memorandum of Conference With President Eisenhower

Washington, June 30, 1958, 2:45–4:25 p.m.

OTHERS PRESENT

His Majesty, The Shah of Iran
Captain Aurand

The President commenced the conversation by asking if the Iranian Army did not consist of ten divisions. The Shah replied: "Yes, ten divisions, plus some brigades."

The Shah then proceeded to outline his concept of the Middle East situation and Iran's strategic importance to the West in the light of USSR moves. He stressed the following points:

(1) Four years ago Iran put aside a 150-year old policy of neutrality and threw its lot with the West.

(2) He emphasized the importance of the strategic location of Iran as a gateway through which any invasion of the Middle East or moves towards southern Asia must come. "If you control Iran, you control the Middle East."

(3) He stressed the unlikelihood of all-out war in view of the mutual deterrence imposed by the H-bomb.

(4) He stated that, two years ago, Russia had no plans for the Middle East, but, since Suez, they definitely have a plan to penetrate and control it. Their objectives are the West's lines of communications to the Far East, Middle East oil, and after Lebanon, Iraq, or Jordan.

(5) Through broadcasts from Radio Cairo, the Communists are now stirring up the Kurds to fight for a free Kurdistan. Such an arrangement would involve territory now held by Iran, Turkey, Iraq, and the USSR. He pointed out that immediately after seizing Azerbaijan, the Russians had divided it into Turkish and Kurdish Provinces. They had established a Kurdish Government, complete with all trappings, including a national anthem. Radio Cairo is now playing this same anthem in their propaganda campaign.

(6) The hesitation of the free world to become involved in limited wars benefits the USSR who can engage and disengage at will without any inhibitions as to what their own people think. The three countries in this area that stand solid with the free world are Turkey, Iran and

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Source: Eisenhower Library, Whitman File, International File, Iran. Top Secret. Prepared by Aurand. The meeting was held at the White House. The concluding time of the meeting is from Eisenhower's Appointment Book. (*Ibid.*, President's Daily Appointments)

Pakistan. If these countries are strengthened to cope with any new development in the region, U.S. problems are reduced regardless of the slowness of UN action and U.S. reservations about intervention. If the armies of these three countries are strengthened, the USSR will change their plans to take over the Middle East.

(7) In response to a query by the President about the inclusion of Iraq, the Shah indicated that although they would be delighted to have Iraq participate, he wondered if Iraq can be trusted as a firm ally since Nasser is more popular with the Iraqi people than the Iraqi government.

(8) The Shah stated that in Baghdad Pact meetings all parties were agreed on the concept that the center of defense of the area was Iran, and that all agreed on the forces required.

(9) He expressed worry as to whether, if World War III were started, the U.S. could destroy Russia before Russia was well into Iran. He asked whether the U.S. would bomb Iran to get at Russian forces in this case.

The President replied that destruction of Russia will defeat any such invasion, and that if any major Russian forces ever invaded Iran that it would be considered a major attack on the free world. The President also pointed out that maintenance of too much force for limited war could be self-defeating economically. The President further stated that it was essential that nations such as Turkey, Iran, and Pakistan had to have a clear concept of what to do, to be ready to make sacrifices, and to have a national will to resist in a combined fashion. He said that it was important that they should have an Allied Commander who would command forces in the interest of the coalition and not of any individual nation.

The Shah then set forth in some detail his estimate that in the next ten years he expected great economic progress and prosperity for Iran. He pointed out that he was having some success with selling to his own people what he called "Positive Nationalism" which envisioned the elimination of colonialism and imperialism, but emphasized cooperation as friends for the mutual benefit of the free world and his own country. He pointed out that Nasser had achieved nothing of the material benefit of his people by his ultranationalistic policy. He pointed out the very favorable oil agreements that his country had concluded with the Italians and with the Standard Oil Company of Indiana.

The President stated that he agreed with this policy of positive nationalism and stated that the problem was to explain to the people of the various countries the benefits that they could achieve with cooperation with the West and, if successful, that this would be as good as tanks, planes, etc. He further stated that we had not succeeded very well in the Middle East in getting this message to the people. The Shah said that he

felt that in Iran they had been able to convince the little man, at least to the degree that his government was able to adopt their Western-oriented policy with the support of the people.

The President asked him about radio stations. The Shah indicated that they were starting on them, that they were trying to educate the people with them, and that they had ordered two more 100 KW stations that would cover all of Arabia and the Moslem area of Russia. He further stated that they broadcast in Turkish and Kurdish as well as Persian. The President stated that he would like to see a station covering the same area as Radio Cairo point out the crimes of aggression that were being committed in the Middle East, and particularly reach the people of Saudi Arabia so as to induce King Saud to show a little more concern for his people. He stated, and the Shah concurred, that King Saud had a great propaganda advantage in the Moslem world as the keeper of the holy places.

The President told the Shah that he hoped that he would really brief the Defense people on the same subjects that they had been talking about and that he would show them on the map his concepts.

The Shah stated that he felt of all of the nations in the area, Iran was the one country that had the economic resources to keep a large army. The Turks, although good soldiers, are having economic troubles, but the Iranians are their brothers, and Iran can serve her own interests and those of the free world by supporting an army of appreciable size.

The President and the Shah discussed affairs in Pakistan. The Shah stated his admiration for the Pakistani people and added that they had proposed to him a federation of his country and theirs with perhaps including Afghanistan. The Shah felt that this would be to their mutual advantage and that perhaps in the process, East Pakistan could be traded to India for Kashmir. The boundaries of this federation were pointed out to the President on the globe.

The President emphasized the importance of mechanical and technical education if any nation were to be able to maintain complex equipment required by modern military forces. The Shah listed in some detail all of the various efforts that they were making in this direction. He stated that he would like very much to see an American university in Tehran such as now exists in Cairo and Beirut. The Shah further stated that he felt the trained U.S. teams in his country were impressed with Iranian mechanics.

The Shah stated that he was concerned about the beefing up of Syrian-Egyptian forces with Russian military equipment. He said that it was far above what they could use and felt that this was possibly a prepositioned arsenal for Syrian "Kurdish volunteers". He stated that Iran and the other Western-oriented countries needed arms to be able to

immediately cope with such a threat. The President stated that another problem was to have the political agreements ready so that immediate action could be taken and, further, that this had to be backed with the morale and will to resist. The President said that one of the problems all nations in the West share was to balance their growing economies and their armed strength. Armed strength produces nothing except an assurance of the continued existence of the country.

The President then explained, at some length, some of his problems in getting the mutual aid program through.

The Shah asked to come back to the point of military command in the Baghdad Pact area. He suggested an American be the Commander, and that they would welcome an American Commander for the area and be willing to accept him. The President pointed out that such a Commander must have full authority. The President mentioned General Van Fleet. The Shah agreed that he would be a good man. The Shah then took his leave.

G.

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241. Memorandum of Telephone Conversation Between President Eisenhower and Secretary of State Dulles

Washington, June 30, 1958, 4:24 p.m.

After the Shah of Iran had been with the President, in his office, at least an hour and 3/4, he left and the President immediately called the Secretary of State.

The President said that he thought the Shah was "fairly convincing." In his talks with the Defense Department, the President suggested he get right up in front of the map and show them what he is going to do. The President said what he liked was his clear comprehension of the relationship between economy and military strength and that military strength must be gauged by economy. He pointed out the complete need for cooperation of the people of Iran with Arab neighbors and friends, and with the people of the West.

The Shah said that the people of Iran did not realize yet what the people of our country had done for them and so it was difficult to under-

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Source: Eisenhower Library, Whitman File, Eisenhower Diaries. The time of this call is taken from another account of this telephone conversation prepared in Dulles' office. (*Ibid.*, Dulles Papers, White House Telephone Conversations)

stand the advantage to his people of aligning with the free world. The Shah feels he, and we, can do much to tell them.

Dulles asked if he talked about number of divisions; the President said he gave him every opportunity to bring it up but he did not. The President emphasized we needed highly trained and effective units more than we needed numbers. There was some talk of major war, and the President said if 50 divisions went into Iran that would be a major war.

Captain Aurand will prepare notes—he will also give verbatim account to Defense before meeting tomorrow.[1]

The President told the Shah that the State Department psychological and political people would want to talk to him.[2] He seemed to be very pleased. He presented a picture far from a fellow that was importuning.

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[1] See Document 240. The verbatim account has not been found.

[2] See footnote 2, Document 242.

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242. Memorandum of Conversation

Washington, July 1, 1958, 3–3:46 p.m.

SUBJECT

Lebanon and the Middle East

PARTICIPANTS

The President
The Secretary
NEA—William M. Rountree
His Imperial Majesty the Shah in Shah of Iran
Dr. Ali Ardalan, Ambassador of Iran

Replying to the President's initial question, the Shah said that he had had a good meeting at the Pentagon.[1] He felt that his discussions

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Source: Department of State, Central Files, 783A.00/7–158. Secret. Drafted by Rountree on July 3. The meeting was held at the White House. The concluding time of the meeting is from Eisenhower's Appointment Book. (Eisenhower Library, President's Daily Appointments)

[1] No record of this meeting has been found.

with the military authorities had been useful. The Shah and the President talked briefly about United States atomic submarines, one of which the Shah had visited.

The Secretary said he hoped to talk with the Shah later at the State Department at greater length about the political situation in the Middle East.[2] The principal question of concern to us was the possibility of the need for military intervention in Lebanon. He said that we would like to have the Shah's views on the impact in the area of the dispatch of United States military forces under certain conditions, if they were asked for by Lebanon. We had gained the impression from a number of leaders in the Middle East that Western military intervention might pose serious problems for pro-Western governments throughout the Arab world. The President commented that the Shah had stated during their previous conversations that if such intervention had taken place during the first days of the Lebanese crisis, the problem would have been quite simple; however, now that so much time had passed, intervention would become a "political football", with the difficulties measurably increased. The Shah confirmed the President's statement, and continued to say that if intervention were necessary to save Lebanon from falling into the hands of the communists or Nasser, it might be worth while to accept the dangers of this extreme measure, because if Lebanon should fall, other states in the area would do likewise.

The President noted that the problem was to determine whether the Lebanese problem was primarily one of communism, or one of a rebellion of peasants and tribes. To the extent that it was merely an internal uprising against the regime, the sending in of foreign troops would be extremely unpopular not only in Lebanon but also in other countries since it would be considered a fight to keep Chamoun in power rather than to save Lebanese independence. The Shah considered that the present situation arose from exploitation by the UAR of a purely internal Lebanese problem, but he felt that even in the absence of this pretext, Nasser would have found some other basis for bringing about upheaval in Lebanon. Communism, he said, must find means constantly of expanding. Like an octopus, if one tentacle were severed, others become even more active. Communism and Nasserism were constantly probing for weak spots. If Lebanon should fall, Iraq and Jordan would be in

[2] The Shah of Iran and Secretary Dulles met at the Department of State from 3:57 to 5:15 p.m. Their conversation was recorded as seven separate memoranda of conversation dealing with the following topics: the proposed summit; U.S. radio transmitter in Middle East; the situation in Lebanon; Baghdad Pact London Meeting; U.S. economic assistance to Iran; Sheik of Bahrein's visit to London; and U.S. aid to neutralist countries. (Department of State, Secretary's Memoranda of Conversation: Lot 64 D 199)

grave danger. The current problem, now being aggravated by the Syrians and Egyptians, was a worry to all of us.

The President commented that he and the Secretary considered that even though intervention would involve great problems, that course would be a better one to follow than to do nothing and permit Lebanon to fall. This was, he said, the lesser of two evils. We were particularly concerned over the possible reaction in other Arab countries. The Shah responded that we should not care too much about Arab reaction. The United States had saved Egypt when it was attacked. Nasser did not thank us, but on the contrary engaged in violent propaganda against the United States and the West in general. The Arabs would continue their present policies and "politics" as long as Moscow was fomenting trouble in the area and so long as Israel existed as a basis for Arab propaganda attacks against those who supported that country. The Shah considered the Israeli question not one of whether Israel should have been created, but whether it should continue to exist. He thought it should, and that its existence in fact had an advantage in controlling somewhat Arab expansionism. Continuing, the Shah observed that many states had been created since the last war, and a large number of them created great problems because they were not viable, nor were they "natural". Israel was one of these. However, now that it existed, Iran had established certain relations with it. Notwithstanding the fact that the United States had been unselfish and helpful in its relations with the Arab States, the latter would continue to attack the West and the United States so long as Israel existed and Moscow gave support to their reckless policies.

The President recalled that the Shah had previously told him he had given King Saud advice similar to that which the President had given during King Saud's visit to Washington,[3] namely, that the King's prestige should be built up as Keeper of the Holy Places and as a leader of the Arab people to counter Nasser. The Secretary observed that King Saud had been making some progress in this direction but had virtually collapsed following the abortive plot with Serraj.[4] He now had no great influence in the Arab world and even his position in Saudi Arabia had deteriorated.

The President said that people had commented to him from time to time, as a visitor in his office had remarked earlier that morning, that Nasser was not lost to the West and could be "recaptured". This visitor

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[3] King Saud of Saudi Arabia made a State visit to Washington January 30–February 8, 1957. For documentation on the visit, see *Foreign Relations*, 1955–1957, vol. XIII, pp. 413 ff.

[4] See Documents 307 and 311.

had expressed the view that we could get Nasser "back into the fold". The President wondered what the Shah thought of this.

The Shah assumed that getting him "back into the fold" would mean that he would be neutralist and no longer a tool of the communists. At what price, he asked, should Nasser be accepted as a "new Prophet of the Arab world"? Egypt represented nothing but a few million unhappy and impoverished beggars. Nasser's ambition was to gain control of large areas in the Middle East. What would be his price for cooperating with the West? If he could be brought back with some small sacrifice, that would be all right, but not at a high price.

The Secretary recalled Nasser's book, *The Philosophy of the Revolution*.[5] It set forth what clearly were Nasser's ambitions—to control Arab oil and other resources, in order that the Arab world, under Nasser, could gain control over Western Europe's economy. He had said that the Arab world was waiting for a hero and he regarded himself to be the hero. He thus had a complex that was a powerful handicap in any efforts to do business with him. Nasser was, we knew, a menace, and when we had moved in the United Nations against the United Kingdom, France and Israel, our purpose was to save the United Nations, not Nasser. (With this the Shah readily agreed.) The Secretary recalled the great political courage which the President showed in insisting, with the threat of economic sanctions against Israel, that Israeli forces withdraw from Egypt. The President commented to the effect that he had regarded the issues involved to have been far more important than the domestic political risks which his position entailed. The Shah expressed admiration for the position which had been taken by the President and commented that perhaps in the final analysis the President had been helped in the election since the American people must have respected his courageous decision.

The Secretary compared Nasser and his pan-Arabism with Hitler's pan-Germanism. Nasser saw an opportunity for advancing the grandeur of Egypt and of setting himself up as the Arab "hero" with the West in his clutches.

The Shah commented that Nasser had indeed written his *Mein Kampf*, and was trying to follow in the footstep of Hitler. Nasser was essentially a conspirator and was motivated by "wrong doing". He wanted a united Arab world under him. We should consider what would happen if Nasser should succeed. He observed that the so-called Arab peoples did not have much in common; that the Egyptians them-

[5] Published in Arabic in Cairo in 1952. Printed in many English translations of which *Egypt's Liberation: The Philosophy of Revolution* (Washington: Public Affairs Press, 1955) is one.

selves were not true Arabs. Among the Arab states the populations had different backgrounds and different cultures. Nasser's primary interest was obviously to control oil. In this, his objectives were precisely the same as the USSR's. If he should get control of Saudi Arabia, his policies would deprive the West of that oil. The Soviet Union was playing Nasser's game for him in emphasizing to all Middle East states that they should nationalize their oil resources and control them directly. They promised that the Soviet Union would willingly help, and would want nothing in return for their assurance that the oil would be extracted and sold.

The President wondered if the Arabs generally could not understand that the Soviet Union, itself with a surplus of oil, could not help them in this manner. The Shah said that the Arabs did not understand it. In fact, Iran itself had to go through the entire Mosadeq era to find out that the Iranians could not operate the oil industry at a profit without the cooperation of the Western oil companies. Nasser obviously wanted to use the oil for blackmail. Even if, in the process of seizing oil in other Arab countries he found that he could not in fact export it, he would be losing nothing since Egypt itself now had no exportable oil resources.

The President said that he was very much impressed with the Shah's views on the Middle East situation, and hoped that the Shah would meet with the Secretary and his staff in order to give them the benefit of his opinions. The Shah replied that he would be glad to do so. He felt very strongly that we should concert our efforts to offer the people of the Middle East the philosophy of "constructive nationalism" to counter Nasserism, communism, or "positive neutrality". The President thought that an effective counter to communism was nationalism. The problem was, of course, to make certain that the nationalism was not of a narrow type, and it was therefore important to add the term "constructive". In the United States, for example, it was not sufficient to advocate the doctrine of nationalism; in fact, we based our foreign aid programs upon a much broader concept, always making it clear that the "international approach" was in our own national interest. It was essential to find a way to identify nationalism with freedom and other free world ideals. It was necessary to understand that nationalism of the local variety must comprehend support for similar nationalism in other countries, with cooperation among the free nations to promote and defend that kind of nationalism.

The Shah said he had been pursuing a policy of constructive nationalism and in so doing had stood firmly against the Soviet Union. Iran had rejected Soviet proposals and ignored Soviet threats. He had made it clear that Iran was completely with the West. At the same time he had found it possible to work out, to Iran's advantage, border disputes with the Soviet Union.

It was essential that other countries be convinced by proof that Iran's policies were the correct policies for them to follow. If they achieved good for Iran, they would be compared favorably with the disruptive nature of communism and Nasserism in the Middle East, and would demonstrate that what had happened in Syria was a poor substitute for what can happen to nations pursuing a policy of constructive nationalism, associated with other free world countries.

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243. Telegram From the Department of State to the Embassy in Iran

Washington, July 19, 1958, 7:07 p.m.

204. Verbatim text. Please deliver following message from the President to the Shah.

"I know that Your Majesty, like ourselves, is concerned about the recent developments in Iraq and the effect that those developments may have on certain aspects of the collective security planning we have undertaken through the mechanism of the Baghdad Pact.[1] Although we believe it would be premature at this time to make final decisions as to how the coup d'état in Iraq may modify our collective security planning, we wish Your Majesty to be assured that the United States Government is fully aware of and actively following the possible implications. Moreover, I recall that Your Majesty in our recent talks indicated your belief that there should at this time be additional strengthening of the Iranian armed forces beyond that already contemplated."

Source: Department of State, Central Files, 788.5–MSP/7–1958. Secret; Priority; Presidential Handling. Drafted by Rountree and Jones, cleared in draft with Defense and ICA, cleared by Eisenhower, and approved by Dulles.

[1] In telegram 185 from Tehran, July 15, Chargé Hall reported that the Shah told him that in view of the Iraqi coup, "arms are life or death to Iran now." The Shah stated that his request for 16 divisions had only been premised on the event of a Soviet attack. Now he had Iraq at his back "which means Nasser and we consider him worse than the communists." The Shah noted that Baghdad Pact defense planning had been shared with Iraq and now it would be available to Nasser and the Soviets. The Shah feared the end of the pact and isolation for Iran. Hall reported that the Shah was confident that the United States, would act, but feared that delays in doing so would allow more Middle East countries to fall into "enemy hands." Hall quoted the Shah as saying: "I know US has allies, Congress, public opinion, bureaucratic processes to contend with, but I have to think of my people and country which are in imminent peril. To cope with peril US must be able to act on 24-hour or less notice." (*Ibid.*, 788.56/7–1558)

"With the foregoing in mind, we believe it is important to begin now to reconsider our collective security planning. It is also our belief that your armed forces as now supported should be brought up to agreed operational strength and to a high level of operational efficiency. I have, therefore, already directed that the delivery of a wide range of equipment for your present forces be further accelerated and I am prepared to provide your armed forces with additional training assistance on a selected but intensified basis. As you with our assistance are able to provide adequately trained manpower, my government is prepared to consider with you the desirability of activating additional units as well as the possibility of our assisting in the equipping of such units.

"We fully recognize that the strengthening of Iran's military power and its efforts to achieve economic development will result in strains on the Iranian economy. You may depend on the sympathetic and prompt consideration by the United States, within our available means, of Iran's needs for economic assistance as they may develop.

"I have every confidence that through our combined efforts with our other friends, the recent events will not be permitted to undermine joint security arrangements. It is our purpose to help assure the political independence and integrity of your country as an integral part of those security arrangements.

"Dwight D. Eisenhower."

[*1 paragraph (2 lines of source text) not declassified*]

Observe Presidential Handling.

Dulles

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244. Telegram From the Embassy in Iran to the Department of State

Tehran, July 20, 1958, 5 p.m.

198. After usual ceremony presentation credentials[1] I talked informally with the Shah for about 45 minutes in presence of FonMin. The conversation was opened by my presenting to Shah note containing text of President's message quoted in Department's priority 204 July 19,

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Source: Department of State, Central Files, 711.11–EI/7–2058. Secret; Priority; Presidential Handling.

[1] Edward T. Wailes was appointed Ambassador to Iran on June 18, 1958.

7 p.m.[2] Shah read and reread it with increasing interest. After careful study he said he was highly pleased with careful and sympathetic consideration which had been given by Washington to his problems. Parenthetically I personally am most grateful for having had this important message to deliver at time of my first call as I feel it went far toward opening a new phase of relationships. During our brief discussion of telegram Shah indicated he would wish to restudy with US the whole question military aid in light of conditions markedly changed since his Washington visit.

Shah then brought up for discussion following points:

(1) He and President of Pakistan, who is still a guest here, felt strongly that Turkey should not at present time invade Iraq (no mention was made of Syria). I indicated that I thought that while Washington position on this had not been completely firmed up they were in agreement at this stage. He then went on to suggest that his solution, if one were possible, of the Iraqi situation lay in less precipitous approach in which Iran, with our guidance, could (a) work with local tribes in Iraq, including the Kurds, to try to win them over to our side; (b) at same time Jordan and Turkey should simultaneously be carrying out similar psychological offensive in other parts Iraq; and (c) if and when situation was "ripe", Jordan, having been built up militarily in interim, should make military attack without Western participation.

(3) Shah next expanded at some length on talk he had yesterday with Soviet Ambassador, in which he said he reiterated and reaffirmed his statements from Ankara in even more positive terms of stressing particularly why he felt it was to interests of this whole area for US and British troops to land in Lebanon and Jordan. In this connection he said that while emphasizing various reasons he purposely did not raise the point that these countries had asked for help because he felt that this might give the Iraqis excuse at some later time to ask for Soviet help. After these preliminaries with the Soviet Ambassador latter extended to Shah an invitation to meet Khrushchev near the Soviet-Iranian border, where they could both enjoy "hunting trip". Shah smiled in recounting this statement and said there was no hunting in that area and added that he had told Soviet Ambassador that he would consider invitation in light of Iran's interests. He then most seriously said to me that he would like to have Washington's advice as to whether he should hold such meeting with Khrushchev. Personally he doubted that much would come of it but if US felt that such talks would serve any useful purpose he would appreciate our views on how and why. (Ala separately stated that Shah had told Soviet Ambassador that instead of meeting between

[2] Document 243.

Khrushchev and Shah, that Khrushchev could better exert his influence upon Nasser, who was principal cause of difficulties in area. In my conversation with Shah he did not mention this point.)

(4) Shah said that he had heard that Khrushchev suggested heads of state meeting next Thursday.[3] In discussing this point he indicated his feeling that such meeting might only result in further opportunities for propaganda on part of Soviets. At same time he said firm invitation would be difficult to decline unless US were fully prepared to go through with meeting. If we declined he hoped we would use evasive tactics to get out of this "Soviet box".

(5) In response my oral comments based on Department's telegram with respect to further support for internal security program, Shah said he would welcome any advice and assistance we could give and that he would talk with our representatives interested this matter in due course. He added that while he felt that certain headway had been made in this field there was still a long way to go.[4]

I was personally very pleased with whole tone of conversation and repeated indications Shah gave that he would be happy to talk with me informally at any time I wished to call.

General Hedayat, who will learn of President's message from Shah, has asked, for meeting at 5 p.m. today with General Hoy. During meeting here in Embassy it was agreed that as first step we should direct program toward building up to strength units they have with material they have. In this connection General Hoy will prepare before 5 o'clock meeting statistical tables indicating (a) requirements for bringing existing units up to authorized strength, (b) requirements for insuring most effective use of existing equipment and (c) requirements to bring general standards of efficiency to optimum operational level.

I expect to see FonMin Hekmat, who was present today although ill, as soon as possible, and in accordance with his request confirm substance of my conversation with Shah.

Observe Presidential Handling.

Wailes

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[3] July 24.

[4] In telegram 277 to Tehran, July 23, the Department instructed Wailes to meet with the Shah and provide the following answers to his specific questions. On recognition of the new Iraqi Government, the Department suggested before a decision is made, careful study, consultation with other allies, and a discussion at the forthcoming Baghdad Pact meeting in London. The Department shared the Shah's concern over military intervention in Iraq. As for nonmilitary action, the Department agreed that it "might be worthy of study as means of influencing developments," but action should await an assessment of the attitude of the Qassim government in Iraq. Regarding a possible meeting with Khrushchev, the Shah would not want to give the impression that he was going under unfavorable conditions in response to summons. (Department of State, Central Files, 787.00/7–2358)

245. Memorandum From the Special Assistant for Mutual Security Coordination (Barnes) to the Deputy Under Secretary of State for Economic Affairs (Dillon)

Washington, July 24, 1958.

SUBJECT

Further Assistance to Iran and Turkey

In connection with the President's concern[1] as to whether the United States was doing all it could, under present circumstances, to assist Iran and Turkey, the Secretary has asked you to review the conclusions of an ad hoc group of the interested agencies established on Tuesday[2] to probe thoroughly the question of whether we were extending the optimum amount of assistance which might be desirable from a military, political or economic point of view; and if not, what further assistance might be recommended in any field.

I have been in touch with representatives of the Department of Defense, the Joint Staff, the Central Intelligence Agency, the International Cooperation Administration and the Bureau of Near Eastern Affairs. We have met twice to consider the above assignment, have recommended and prepared several additional background papers for the Baghdad Pact Meeting, and herewith wish to submit conclusions as of this date. In addition to the particular questions raised with respect to Iran and Turkey, we have also considered briefly the possible related consequences which might flow from additional assistance to those countries, and these points are noted as well in this report.

I. Findings

1. Iran

a. *Military Assistance.* In addition to programs of military assistance which have been approved through FY 1958, we have now agreed to assist in a program to be initiated in FY 1959 designed to (a) bring all authorized units to full strength, requiring the addition of about 37,000 men; (b) expand our training facilities to accomplish this end objective; (c) expedite deliveries of military equipment to accomplish this build-

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Source: Department of State, Central Files, 788.5–MSP/7–2458. Secret. Barnes sent copies of this memorandum to Reinhardt and Rountree and received concurrences from DOD/ISA, the Joint Staff, NEA/GTI, NEA/SOA, and ICA.

[1] According to a memorandum of a telephone call to Dulles, July 16, "The President then said that he felt strongly that we should assign first priority to increased military and economic aid for Turkey and Iran. They should have all the assistance they can absorb. The Secretary said we had had trouble with Defense about going further than the 10 divisions for Iran, and the President answered that we should get those 10 divisions fixed up fine." (Eisenhower Library, Whitman File, Eisenhower Diaries)

[2] July 22.

up; and (d) consider further build-up when the process described above is completed.

Discussions looking toward early implementation of this program are already in progress between the respective planning officers of the MAAG and the Iranian Supreme Commanders Staff. The Shah, when informed of our new approach, was reported to be in general accord with both the material on hand and the present proposal to concentrate on training new recruits. While pleased with the new offer of tanks, he expressed some regret over the fact that new planes were not F–100's instead of F–86's and that the anti-aircraft defense was still not adequate.

The ad hoc group is firmly of the opinion that the presently planned program represents the maximum that Iran has the capability of effectively absorbing and utilizing at this time. We feel that the most important objective, from the military, political and economic points of view, is to accomplish effectively this proposed build-up. In this connection we have noted the conclusion of the Ambassador and the MAAG Chief that "if we continue to take the initiative and push the Iranian military to do their utmost with what they have been furnished and what is now in the pipeline, we may be able to postpone any major requests for additional material (with the possible exception of fighter aircraft) for a year to eighteen months during which time the situation may have materially changed."

b. *Economic Assistance.* During the past year the United States extended $26.6 million in economic assistance and a program of $29 million was proposed for FY 59 largely in military construction and technical cooperation. No PL 480 assistance was extended and none is needed during the coming year. The Development Loan Fund has issued a letter of advice covering loans for planning organization projects, to be determined, in an amount of $40 million.

There is no immediate economic problem or need for further United States assistance. However, the proposed expansion of the military forces will lead to increased costs in the defense budget and there have recently been increases in military and civilian pay. While the Iranian Government has the resources to meet these additional costs, it could not do so without some reduction in its current development program.

The United States would have to consider therefore at the beginning of the next Iranian fiscal year, but within the present U.S. fiscal year, whether further economic assistance (defense support) should be extended. The Iranians will undoubtedly also expect a further loan of $40 million or more from the Development Loan Fund during their next fiscal year.

c. *Internal Security.* [*2 lines of source text not declassified*] the country team has recommended a program to strengthen the general police administration in order that the military may be relieved to the extent practicable from internal security functions. There is serious question among the agencies in Washington as to whether such a program would have sufficient utility and priority to justify the use of limited resources at this time. A somewhat similar program to strengthen the border patrol has also been considered.

The ad hoc group is of the opinion that a firm decision on these internal security programs must be reached in the near future but consider favorable decisions now would not particularly satisfy the Shah and that it is preferable not to attempt to reach a final decision while negotiations for the expansion of the military forces are in progress.

[Here follow sections on Turkey, Greece, and Pakistan.]

II. Conclusions[3]

1. No additional military assistance for Turkey and Iran beyond the measures detailed in sections 1(a) and 2(a) above appears necessary or advisable at the present time. Emphasis should be placed on moving forward as rapidly as possible to implement present programs.

2. Top priority must be given to the successful conclusion of the proposed Turkish economic program under consideration in the OEEC next week.

3. There is no immediate need for additional economic assistance in Iran but this question should be kept under continuing study with a view to determining what new requirements there may be in the next Iranian fiscal year beginning in March.

4. The agencies concerned should attempt to submit recommendations to W on the Iranian internal security program by August 15.

5. Recommendations should be developed with respect to Greece and Pakistan for consideration during the reprogramming of FY 1959 Mutual Security funds. In addition, Pakistan should be offered immediately, at U.S. initiative, an acceleration in deliveries of equipment programmed through FY 1958.

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[3] Dillon passed this memorandum to Dulles on July 25 and noted that he agreed with the conclusions. He also added two additional observations on Iran: (1) The speed up in the military program for Iran will require an additional $20 to $50 million and (2) anything that "effectively promoted internal security in Iran should have a relatively high priority." (Department of State, NEA/GTI Economic Files: Lot 60 D 4, Assistance to Iran and Turkey)

246. Telegram From the Embassy in Iran to the Department of State

Tehran, August 1, 1958, 4 p.m.

304. During general conversation with Shah (Embtel 303)[1] he said he hoped, as result of Iraq, our Embassy was being vigilant and keeping track of what was going on in Iran. This gave me opening I had been looking for since my arrival, and I told him that on specific instructions from Washington resulting from his comments to Secretary and Mr. Henderson on Qarani case, I had told Embassy staff on my arrival they should avoid all contacts with dissident and doubtful characters.[2] Shah said this was going further than he intended (perhaps second thought after coup in Iraq). What he had in mind was that he did not want our military discussing intelligence and political matters with his military, because frankly if his military talked with us what would stop them from talking to Russians and British? I said in respect to American military individual whom he had mentioned specifically in Washington, he was under strict orders to avoid any possible conversation of this sort and that as he was due for transfer in about six months I thought in meantime I could keep him well under control. Shah expressed satisfaction and said that through [*less than 1 line of source text not declassified*] some of our more experienced political officers he hoped we would find out everything we could. [*4 lines of source text not declassified*]

In view of Shah's present thinking re military intelligence, it seems to me American officials in State, Defense and [*less than 1 line of source text not declassified*] will want to give consideration to ways and means of meeting their requirements through State [*less than 1 line of source text not declassified*] until such time as Shah willing to reestablish free relationship between all grades American and Iranian officers. Meanwhile, discreet and careful conduct on part of all will hasten this day.

Source: Department of State, Central Files, 788.00/8–158. Top Secret; Limit Distribution.

[1] Telegram 303, August 1, reported on a conversation Wailes had with the Shah that morning in which the Shah reiterated the main points of his long discussion with the Soviet Ambassador on July 31. The Soviet Ambassador claimed war was imminent because of Turkish plans to invade Iraq and charged that the United States was abetting the Turks. He also complained about Iranian troop build-up on the Iraqi border, urged the Shah to protest alleged U.S. overflights of Iran, and observed that there were too many U.S. tourists in Iran. The Shah implied to Wailes that he was firm, bordering on the disagreeable, with the Soviet Ambassador. (*Ibid.*, 682.87/8–158)

[2] According to the minutes of the Country Team meeting of July 25, Ambassador Wailes informed members of the team that prior to leaving Washington he had been instructed by the Secretary that contacts with dissident elements in Iran were "not to be continued." He asked that if any contact of the sort was to be made that it be cleared with him or Mr. Wilkins. (*Ibid.*, NEA/GTI Files: Lot 60 D 533, Iran, Country Team Minutes, 1958)

Re military buildup he said he was very pleased with General Hoy and cooperation his military were receiving, and added "Oh, if I only had a first class army." When General Hedayat returns in day or so Shah will probably order review of his present defense strategy, as present plans are now constructed upon Northern Tier which includes a doubtful Iraq.

Wailes

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247. Telegram From the Embassy in Iran to the Department of State

Tehran, August 14, 1958, 3 p.m.

395. One month after Iraq coup, Iran is on surface calm and stable but with underlying tension and anxiety. Govt officials take public attitude that Baghdad coup had no direct effect on Iran, but admit deep concern and uncertainty in private.

All elements expect some sort of trouble eventually in Kurdistan and Khuzistan. Officials who have written off importance of minorities these border areas now suddenly solicitous their welfare, considering plans for revision administration there, for speeding up economic development, for improving and extending hitherto neglected propaganda efforts in local languages. There is some hope, but little expectation, that new Iraq regime may remain independent Cairo and Moscow and not allow itself to be used as base for subversive attacks against Iranian regime.

Mosadeq-type individuals and small opposition groups in Tehran are markedly more confident and ubiquitous than before coup. It is not uncommon to hear casual mention possible assassination Shah among otherwise sober middle-class civilians. Conservatives also freely criticize Shah's methods of rule. There can be no doubt that criticism of regime and preliminary discussions of ways and means of action against it are spreading among officer corps, both those sympathetic to Mosadeqist movement and those arch-conservatives who attained

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Source: Department of State, Central Files, 788.00/8–1458. Secret. Repeated to London, Baghdad, Karachi, Isfahan, Khorramshahr, Meshed, and Tabriz.

reputations as leaders of 1953 anti-Mosadeq coup. These developments mainly due to psychological effect of witnessing successful military coup in neighboring country against regime believed to have been much more effective than Shah's government in key fields of internal security and economic development.

Shah was apparently depressed and even somewhat frightened on his return to Tehran few days after Baghdad coup. Afterwards his spirits appeared to improve, but he recently is again reported to be nervous and disconcerted. Royal family and court circles are obviously jumpy and concerned. Palace Guard has been strengthened by transfer of tanks, which now in evidence in palace grounds. Records of senior officers and occupants other key military positions being carefully checked over to weed out possible disloyal elements. Shah talks of new measures increase public confidence in regime. Recent arrests among officer corps (see Embtel 384)[1] and wild rumors resulting from current squabbling between principal security chiefs will continue to keep him on edge.

Censorship of press has been tightening, with particular emphasis on items linking events in Iraq with Iran, even indirectly. (For example, big newspaper recently censored for referring to success of Baghdad regime in bringing down price of bread—price of bread is important sore point among Tehran populace.) Shah was reliably reported to be "furious" over wire service story from Germany alleging that Menderes had warned Adenauer that Shah was in shaky position.

In general there is at least temporary widespread feeling uneasiness and anxiety over situation in Iran although nobody is predicting with confidence course of future events.

Wailes

[1] Telegram 384, August 14, reported that between 4 and 18 Iranian Army and Gendarmérie officers, most of field grade, were arrested during the past 2 days for alleged anti-regime political activity. The Embassy did not see any serious danger to the Shah's government, and raised the possibility that the arrests might be the result of infighting among Iran's security and intelligence agencies. (*Ibid.*)

248. Editorial Note

At the 376th Meeting of the National Security Council, August 15, Director of Central Intelligence Allen Dulles included the following information on Iran in his intelligence briefing on "Significant World Developments Affecting U.S. Security":

"Turning to Iran, Mr. Dulles stated that the intelligence community feared that Iran was moving into a situation in which there might be a coup similar to that which recently occurred in Iraq. While he, Mr. Dulles, was not predicting such an eventuality in the near future, the Shah certainly feared this possibility. Some six months ago there had been a plot of Generals to reform the Iranian Government. Accordingly, we should face the possibility that unless the Shah puts into effect some dramatic internal reforms, his days will be numbered. Iran was, after all, still run for the most part by a corrupt group of rich landowners, some of whom were very close to the Shah. There was also a certain amount of disloyalty among the younger officers of the Army. It might be well if this Government considered whether we could not exert some pressure on the Shah to carry out some of the most needed reforms, especially in land tenure and taxation. In the same context, Mr. Dulles pointed out that the new Deputy Prime Minister of Iraq had in a speech in Baghdad urged the people of Iran to revolt. This portion of his speech had been deleted from the public texts." (Eisenhower Library, Whitman File, NSC Records)

At the 377th National Security Council Meeting on August 21, Dulles updated the situation in Iran as part of his intelligence briefing as follows:

"Reports from Iran continued to come in, and supported the view Mr. Dulles had expressed at last week's Council meeting regarding the shaky position of the Shah of Iran. We still take a gloomy view of the Shah's future unless he can be persuaded to undertake some dramatic reforms. The problem is very much like that earlier in Iraq, and we should try to persuade the Shah to undertake reforms while there was yet time." (*Ibid.*)

249. Special National Intelligence Estimate

SNIE 34–58 Washington, August 26, 1958.

STABILITY OF THE PRESENT REGIME IN IRAN

The Problem

To assess the prospects for stability of the present regime in Iran.

Summary

1. The swift and brutal overthrow of the monarchy in Iraq shocked and frightened the Shah of Iran and almost certainly caused him to reappraise the future of his personal position and his program in Iran. There is basic and widespread dissatisfaction with his regime, both in the army and in the urban population generally. If he were to take dramatic and effective steps to reform the corrupt social, political, and economic system, he might be able to maintain his position for some time to come. We believe, however, that his character and situation are such that he is unlikely to take such drastic actions.

2. We believe that the present political situation in Iran is unlikely to last very long. The most probable development is an attempt by certain military elements, possibly in collaboration with civilian elements desiring liberal reforms, to force the Shah back into the role of a constitutional monarch. In its initial stages at least, such a movement would almost certainly not aim at the overthrow of the monarchy, nor would it be ultra-nationalist in character. Although this movement would probably effect significant political reforms, it is doubtful whether it would be much more effective than the Shah in satisfying the expectations of the people for broader economic and social reforms. Its leaders would probably contemplate no basic changes in Iranian foreign policy. It might cause the Shah to flee the country, even though it was not intended to have that effect.

3. The possibility of a coup to overthrow the monarchy cannot be disregarded. On the whole, we think such a coup unlikely in the immediate future, because we believe that the army does not now desire it. But if in the reasonably near future there are no substantial reforms of the Iranian political, economic, and social structure, we think that the overthrow of the monarchy is likely.

Source: Department of State, INR–NIE Files. Secret. A note on the cover sheet indicates that it was prepared by the CIA, the intelligence organizations of the Department of State, the Army, the Navy, the Air Force, and the Joint Staff. All members of the IAC concurred in this estimate on August 26 except representatives of the FBI and AEC, who abstained on the grounds that the subject was outside their jurisdiction.

[Here follow the "Discussion" and "Outlook" portions of the estimate (paragraphs 4–15).]

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250. Memorandum From the Department of State Representative on the National Security Council Planning Board (Smith) to the President's Special Assistant for National Security Affairs (Gray)

Washington, September 5, 1958.

SUBJECT

The Internal Political Situation in Iran

The Under Secretary has asked that I reply to your memorandum of August 29, 1958.[1] The Secretary has read this memorandum and approves of its contents.

We share Mr. Allen Dulles' concern over the situation in Iran. Most of the ingredients which contribute to this concern have been with us for a long time. The one new element involves the inspiration the Iraqi coup may provide to certain elements within the Iranian military and others who believe that a forcible change of government in Iran will resolve the many problems which face the country. We are inclined to doubt that the deeply rooted social problems of Iran can be resolved in this fashion, and we continue to believe that the Shah of Iran represents the best hope for evolutionary and peaceful change.

Whether the Shah will be successful in bringing about needed reforms with sufficient speed to avert a coup or attempted coup is a moot

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Source: Eisenhower Library, White House Office Files, Project Clean Up, Iran. Top Secret; Limit Distribution. The Department of State copy of this memorandum indicates that Mouser was the drafter. (Department of State, Central Files, 788.00/8–2958)

[1] Gray's memorandum recalled estimates at two recent NSC meetings by CIA Director Dulles of the political situation in Iran and expressed concern that the Department of State give "adequate and appropriate attention to the problem." (*Ibid.*, S/P–NSC Files: Lot 62 D 1, Iran, US Policy Toward—NSC 5703/1)

In an August 30 memorandum to Rountree, Herter explained Gray's concern as resulting from a conversation Herter had with Gray regarding two briefings Allen Dulles gave to the NSC. Herter asked Rountree to pass to Gray a copy of a State memorandum on this subject as soon as it was completed "so that if this matter is raised a third time by Allen Dulles, the question will not be raised as to 'what the State Department is doing about this?'" (*Ibid.*)

point. We believe, however, that he has given us an opening through which we might be able to help him gauge better the cross currents within his country, and stimulate him to some constructive action. We have authorized our Ambassador in Tehran to raise the associated questions of growing dissatisfaction and desirable reforms at his next audience with the Shah.[2] If the Shah is amenable to this type of approach, some good may come out of these efforts. There is, of course, no assurance that even if he is responsive to our suggestions, this will enable him to ride out the rising tide of discontent. Indeed, the same could be said of any other Iranian government called to grapple with inevitable economic, political, and social dislocations in an underdeveloped country whose peoples have such new and unsatisfied wants.

Gerard C. Smith

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[2] In telegram 667 to Tehran, September 2, the Department suggested that Wailes should discuss the questions of opposition to the Shah and the need for reform measures "in broad terms which would protect informants, while at the same time preserving Shah's confidence in us." The Department added that "it might be a mistake to mention too many reform measures at the outset." (*Ibid.*, Central Files, 788.00/9–158)

In telegram 551 from Tehran, September 8, Wailes reported that he informed the Shah of the Embassy's examination of and views on underground movements and unrest in Iran without mentioning sources. The Shah was impressed with U.S. intelligence work and receptive to suggestions for preventative measures, such as an anti-corruption campaign and "fireside chats" to his people. Wailes warned, however, that it would be difficult to predict if any concrete results would result from the discussion. (*Ibid.*, 788.00/9–858)

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251. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to Secretary of State Dulles

Washington, September 9, 1958.

SUBJECT

NSC Discussion of our Policy Towards Iran

The National Security Council has scheduled for September 11 a discussion of our policy towards Iran in light of Special National Intelligence Estimate,[1] which reports that the present political regime in

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Source: Department of State, S/P–NSC Files: Lot 62 D 1, Iran, US Policy Toward—NSC 5703/1. Secret. Drafted by Williams and Ashford.

[1] Document 249.

that country is not likely to last very long. Based on a discussion paper (Tab A)[2] tabled at the NSC Planning Board meeting on September 9, 1958, by Mr. Gordon Gray, we understand that three main questions will be raised:

1) Did the revolution in Iraq result in any changes in the military missions to be assigned to Iranian armed forces in the Baghdad Pact?

Comment:

It is the view of the Department of Defense, as concurred in by the Joint Chiefs of Staff and the Department of State, that the mission of Iranian armed forces in terms of the objectives of the Baghdad Pact has not changed as a result of the recent Iraqi coup. This is to defend the Pact area from any thrust from the north. However, while acceding to this, it should be remembered that an ad hoc group of Pact military planners, meeting in London under the supervision of the Director of the Combined Military Planning Staff of the Pact, are now evaluating all CMPS studies, presumably including the question of individual country force goals. It is the unilateral view of Iran, and one in which that country may elicit some sympathy from its fellow Pact members, that its armed forces now have two missions. One, to defend the Pact area from the north, and secondly, to defend the three major passes, lying athwart the Iranian-Iraqi frontier and heretofore assumed to be a defense responsibility of Iraq. Consideration of this pass defense problem should be matter of continued U.S. study.

2) Should we continue to support the Shah and his regime in spite of the Special National Intelligence Estimate that he cannot maintain his present position? If we do so, should paragraph 19 of the NSC policy statement,[3] which calls for economic aid on a *declining* scale, be revised?

Comment:

We believe that we should continue to support the Shah, but at the same time exert every effort to encourage him to undertake necessary reforms. We should support him in any constructive steps he may take to achieve these reforms. Although intelligence sources insist that the Shah can be saved only by large scale and dramatic improvements, actual achievements are likely to be modest. Nevertheless, the Shah's position can be strengthened, if steady, albeit slow, progress is made in the right direction. Our Ambassador has been in consultation with the Shah on a number of important measures that may be taken. The Shah professes to be resolved to curtail corruption in government, though the process may be a long one. Administrative procedures in government are being slowly improved with the help of American experts. Land reform and tax reform are being pushed. The Ambassador has suggested to the Shah that he might increase his popularity by public relations efforts, including occasional radio chats with the whole

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[2] Dated September 9. (Department of State, S/P–NSC Files: Lot 62 D 1, Iran, U.S. Policy Toward, NSC 5821 and NSC 6010)

[3] NSC 5703/1, February 8, 1957, printed in *Foreign Relations*, 1955–1957 vol. XII, pp. 900–910.

country. He has invited further suggestions from us which we hope to give.

Continued support of the Shah will undoubtedly involve further extension of United States aid. This will require a revision of paragraph 19 of the NSC Policy Towards Iran. Mr. Gray has already raised at the NSC Planning Board the question of whether commitments made to the Shah on July 19, 1958, after the Iraqi revolution, are in conflict with paragraph 19 of NSC 5703/1.

3) What should the United States do if the Shah is assassinated or is otherwise the victim of a revolutionary movement?

Comment:

Our policy in such an emergency will naturally be subject to elements then involved. In general, we should do what we can to promote a friendly stable government with the capability and determination to resist Soviet pressures and to cooperate with the Free World. Specifically, we should encourage whatever civilian or military elements are at hand at the time which can form such a government. We do not envisage direct intervention by American military forces.

In anticipation of such an emergency, it would be desirable for us to use any opportunities to encourage the Shah to establish a regency council as a permanent institution, which could operate in event of his disappearance, and provide continuity in government.

A progress report on our policy towards Iran is now being prepared through OCB channels.

Recommendations:[4]

1. That you comment on the three main questions raised in Mr. Gray's discussion paper along the lines noted above.

2. That, pending completion of the current review of our policy towards Iran now in OCB channels, there be no further revision of our NSC policy paper on Iran.

[4] There is no indication on this memorandum of approval or disapproval. However, Herter did comment at the NSC meeting of September 18 as recommended in this memorandum, see Document 252.

252. Memorandum of Discussion at the 379th Meeting of the National Security Council

Washington, September 18, 1958.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–3.]

4. *U.S. Policy Toward Iran* (NSC 5703/1;)[1] SNIE 34–58[2])

In briefing the Council Mr. Gray summarized the four main questions which the Planning Board had seen fit to raise with respect to Iran after consideration at two Planning Board meetings. Mr. Gray pointed out that the Planning Board did not expect clear answers from the Council on these questions but did feel that they were of sufficient importance to be discussed at a Council meeting.

(A copy of the discussion paper on U.S. Policy Toward Iran is filed in the Minutes of the Meeting and another is attached to this memorandum.)[3]

Upon concluding his summary of the discussion paper, Mr. Gray turned to General Twining and put to him the first of the four questions set forth in the discussion paper, namely, "Does the effective elimination of Iraq from the Baghdad Pact require a change in the strategic military concept on which the Baghdad Pact's planning is now based?" General Twining replied that no change whatsoever was required by the defection of Iraq. Not only would Iraq's dropping out not affect Baghdad Pact strategy adversely, this development might actually be advantageous in some respects. Governor Herter, Acting Secretary of State, indicated his concurrence with General Twining's conclusion.

Mr. Gray then posed the second of the Planning Board's four questions; "In view of the fact that the overthrow of the monarchy in Iran was likely unless the Shah quickly undertook drastic and effective reform measures and in view of the fact that the Shah was unlikely to be willing or able to take such steps, should the U.S. continue its existing policy of endeavoring to enhance the prestige of the monarchy as the symbol of national unity and continuity, while encouraging a more consistent institutionalized relationship between the Shah's function of broad national guidance and the Government's specific administrative responsibilities?"

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Gleason on September 18.

[1] See footnote 3, Document 251.

[2] See Document 249.

[3] See footnote 2, Document 251.

Secretary Herter replied that the State Department was fully conscious of the intelligence estimate as to the likelihood of the overthrow of the Shah unless effective reforms were quickly undertaken. Nevertheless, the Department felt that the Shah was the only rallying point to which the U.S. could look for the moment. Moreover, there were at least some signs that the Shah was undertaking real internal reforms and was certainly attempting to improve his posture in the eyes of his own people. For example, he had just called the first press conference in the history of the monarchy.[4] Moreover, the Shah is aware of his uncertain position in Iran. The Iranian Ambassador to Washington had discussed these matters with officials of the State Department, something which his predecessor had never been willing to do. Accordingly, things seemed to be moving in the right direction at the moment even though ultimately nothing might come of the Shah's efforts. It was of significance that the Iranian Ambassador appeared so responsive to all our suggestions for improving the internal situation in Iran and strengthening the position of the monarchy.

Mr. Gray inquired whether in our discussions with the Ambassador from Iran we had discovered anything about the Shah's attitude toward the possibility of a move in Iran in the direction of a constitutional monarchy? Secretary Herter replied that he did not think this subject had arisen in the conversations thus far with the Iranian Ambassador. He went on to state that it was not so much that the administrative institutions of Iran were so faulty, it was rather the corruption in the landed and governing classes. He repeated his feeling that the new Iranian Ambassador was a great improvement over his predecessor[5] and that through him we had a much greater opportunity to influence the Shah's actions.

Mr. George Allen indicated he concurred in a general way with Secretary Herter's view that from the point of view of the U.S. policy, there was at the moment no alternative to placing our reliance in the Shah. On the other hand, Mr. Allen stated that he was not sanguine about the likelihood of serious social and economic reforms being undertaken by the Shah. In his own experience, continued Mr. Allen, the Shah was the type of individual who started off a course of action very boldly but usually did not stick to it. Accordingly, we should be aware that in our present policy we are probably living on borrowed time and that ultimately there will be a shake-up in Iran. Mr. Allen admitted that while this was his diagnosis of the disease, he could not suggest any cure. Secretary

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[4] The press conference on September 9 is the subject of telegram 578 from Tehran, September 11. (Department of State, Central Files, 788.00/9–1158)

[5] Ambassador Ali Amini was replaced by Ambassador Ali Gholi Ardalan on May 22, 1958.

Herter replied by pointing out that the Operations Coordinating Board was engaged in making a progress report on Iran. He hoped that there would be no call for a review of the NSC policy statement on that country until after the OCB report was submitted to the National Security Council.

With respect to alleged reforms in Iran, Mr. Gray indicated that it had been stated in the Planning Board that while an income tax had been imposed in Iran, it was only about twenty per cent effective. In reply Secretary Herter inquired how this percentage compared with collections of income taxes in France. General Cabell also indicated his view that the effectiveness of an income tax was not a very reliable measure of the effectiveness of a government in countries such as Iran.

Mr. Gray then turned to the third question raised by the NSC Planning Board in the discussion paper on Iran. He pointed out that Paragraph 19 of the present statement of U.S. Policy Toward Iran (NSC 5703/1) specified that U.S. aid to Iran was to be "on a declining scale". The July 1958 decision to increase U.S. military assistance to Iran would appear to void this policy guidance, since U.S. grants or loans at present or higher levels would almost certainly be required as a result of the July 19 decision. Although, continued Mr. Gray, Secretary Herter had suggested that there be no revision for the time being of NSC 5703/1, he (Mr. Gray) judged that we would certainly not be able to follow the old policy guidance given in Paragraph 19 in the light of these new commitments. Mr. Gray then said that as the discussion had proceeded, it might be summed up as follows: The Shah of Iran was likely to be removed from power but there was nothing the U.S. could do about it.

Mr. Fred Scribner, Acting Secretary of the Treasury, suggested that it might be a good idea for the U.S. Government to "stimulate" the Shah to record a better performance, "to frighten" him into undertaking some of the necessary reforms.

Mr. Mansfield Sprague, Acting Secretary of Defense, inquired whether there was anything hopeful in the proposal for a federation of Iran and Pakistan. Secretary Herter replied in the negative and said that the idea of this federation seemed to have dropped entirely out of sight.

Mr. George Allen observed that he was perhaps really not as completely pessimistic as he had seemed to be in his first statement with respect to the Shah. It might be, for example, that Iran would ultimately follow the example of Turkey, a nation which Iran watches very carefully. Thus it could be that in the end, that if the Shah were driven out, his government would be replaced by an Iranian Republic which would be anti-Communist along the lines of the example provided by the Turkish revolution.

At this point Mr. Gray put the final question raised in the discussion paper, namely, the question of the attitude which the U.S. Government should adopt in the event that an attempt was made by nationalist rather than communist elements to overthrow the Shah, or drastically to reduce his powers. Mr. Gray asked if this Government should not be giving some thought to the possibility of a nationalist rather than a communist revolution in Iran.

Secretary Herter replied that he did not know the answer to this question but would again suggest that for the moment, the Council await the forthcoming OCB report on Iran and then proceed to a review of the existing policy statement on that country. General Cabell added the comment that he could not discern at this time any strong character on the Iranian scene who could replace the Shah.

Mr. Gray replied that we had not discerned any such strong character in Iraq either. Should we not therefore be thinking about what we would do as a government if events in Iran were to follow the same course as those which had resulted in the coup in Iraq. . .[6] even if we were not yet able to identify any strong opposition leader in Iran.

Secretary Scribner inquired as to the relations between Pakistan and Iran. Were the relations of these two countries good or bad? Secretary Herter replied that on the whole they were pretty good but there was not much real inducement for Iran to federate with Pakistan and thus be obliged to share its rich oil revenues with the poorer partner.

Secretary Sprague expressed the opinion that it might be useful to appeal to Turkey and to Pakistan to assist us in exerting pressure on the Shah to institute and carry out the necessary internal reforms in Iran. Such a move would at least supplement our own efforts to influence the Shah's course of action.[7]

At the conclusion of the discussion Mr. Gray said it was his understanding that the Council wished to defer any review of current U.S. Policy Toward Iran pending the early completion of the OCB report on that country.

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[6] Ellipsis in the source text.

[7] Under a September 23 memorandum to Goodpaster, Executive Secretary Howe transmitted a memorandum that addressed this question. The memorandum, prepared by NEA, concluded that using Turkey and Pakistan would be counterproductive. Reasons given were the possibility of antagonizing the Shah and dissipating his current receptivity to U.S. suggestions, the appearance of combined intervention in Iranian internal affairs, and the loss of freedom of U.S. action entailed in such a joint campaign. (Department of State, Central Files, 611.88/9–2358)

The National Security Council:[8]

a. Noted and discussed the subject in the light of SNIE 34–58 and an oral report by the Special Assistant to the President for National Security Affairs on the results of recent Planning Board discussions.

b. Agreed that a review by the NSC Planning Board of existing U.S. Policy Toward Iran (NSC 5703/1) should be deferred, pending early completion of an OCB report on Iran now in preparation.

[Here follows agenda item 5.]

S. Everett Gleason

[8] Paragraphs a and b constitute NSC Action No. 1986, approved by the President on September 23. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

253. Telegram From the Embassy in Iran to the Department of State

Tehran, October 11, 1958, 10 a.m.

740. Following is Embassy comment SNIE 34–58.[1] Emb agrees with SNIE except for points listed below which are reflected in Embdesp 176, Sept. 4, 1958:[2]

(a) Unless Iraq used as base anti-Iran activities even at cost Iraqi national interests, unless Shah assassinated, or unless hitherto invisible leadership talent is employed against Shah, Emb believes Shah can remain in power indefinitely though precariously.

(b) There is real possibility that general econ advances combined with politico-psychological reforms toward which Shah is hesitantly moving may reorient important elements urban middle class and decrease pressure on regime. This possibility provides grounds cautious optimism that regime may with luck and skill consolidate its position and is not inevitably doomed.

(c) With gradual recovery from panic emotions following Baghdad coup, recent mass promotions security forces, accomplished and

Source: Department of State, Central Files, 788.00/10–1158. Secret.

[1] Document 249.

[2] In despatch 176 the Embassy assessed the current and future political situation in Iran. (Department of State, Central Files, 788.00/9–458)

upcoming changes in top military command, and continuous rechecking security records top officers, armed forces probably do not represent immediate threat to regime, although officers are far from solidly loyal and could still turn against Shah if skillful leadership were to appear.

Wailes

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254. Editorial Note

According to a memorandum of October 13 by Karl G. Harr, Jr., Special Assistant to the President, the Operations Coordinating Board during the week of October 6–12, "discussed and concurred in a report on Iran, prepared for the National Security Council review of U.S. Policy Toward Iran, which included a statement as to the seriousness of the situation as reflected in the Special National Intelligence Estimate. While not disagreeing with this evaluation, State believes that steps can be taken in the next six to twelve months which could produce favorable results. At present, the Ambassador and other members of the country team are endeavoring, with some apparent success, to influence the Shah to bring about social and economic reforms. Several members of the Board favored stronger measures to improve the situation, such as using military and economic aid as levers to obtain better performance by the Shah and promoting more popular impact programs. In the light of events since last August, CIA proposes a review of the National Intelligence Estimate on Iran and is requesting the views of the Country Team on the current situation." (Eisenhower Library, White House Office Files, Staff Secretary Records, Gray, Gordon, IV)

The Operations Coordinating Report on Iran, October 8, is not printed. (Department of State, OCB Files: Lot 60 D 661, OCB–Iran, NSC 5703/1) Assistant Secretary of State Rountree briefed Secretary Dulles on this report in a memorandum of October 14, which reads in part as follows:

"Since the submission of the last progress report in April, 1958, increasing concern has been evidenced in many quarters over the prospects of continued political stability in Iran. This concern was heightened significantly by the Iraqi revolution. A recent SNIE dated August 26, 1958, takes a somewhat gloomier view of the short-term prospects in Iran than would seem warranted by the most current reports from our Embassy (Tab B) [Document 253]. Generally speaking, the Embassy believes that the Shah and his government are likely to continue in power indefinitely, unless Iraq is used as a base for subversive

activities against the Iranian Government. In conclusion, we do not believe that our basic policies toward Iran need drastic revision, though we are in the process of preparing a draft of a revised basic policy paper for consideration by the NSC Planning Board.

"Other than the internal political situation, our chief problems continue to revolve around military and economic progress in Iran which may subject the U.S. to heavy pressures for increased military and economic assistance. Our relations with the Shah personally have improved considerably as a result of the President's message to him of July 19, 1958, regarding a buildup in Iran's military forces." (Department of State, OCB Files: Lot 62 D 1; S/P–NSC Files, Iran, US Policy Toward—NSC 5703/1)

At the 383d Meeting of the National Security Council, October 16, Allen Dulles reported to the Council as part of his intelligence briefing on "Significant World Developments" to the Council as follows:

"With respect to Iran, Mr. Dulles stated that the tension had eased a bit since the Iraqi coup some three months ago; but there was still a good deal of evidence of dissatisfaction with the Shah in Iran. The latter was taking some, but not enough, steps to try to ease the discontent. Reliable estimates stated that perhaps 20% of the Iranian Army was disaffected." (Memorandum of discussion, October 17; Eisenhower Library, Whitman File, NSC Records)

The Council noted and discussed the Operations Coordinating Board report of October 8 and directed the National Security Council's Planning Board to review and revise the current statement of policy toward Iran contained in NSC 5703/1 in light of it. This action constituted NSC Action No. 1998, approved by the President on October 20, 1960. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

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255. Memorandum From the Board of National Estimates to Director of Central Intelligence Dulles

Washington, November 10, 1958.

SUBJECT

Prospects in Iran

1. The basic situation in Iran remains as set forth in SNIE 34–58: "Stability of the Present Regime in Iran," 26 August 1958. Although the

Source: Eisenhower Library, White House Office Files, Project Clean Up, Iran. Secret. A typed note in the margin reads: "Noted by Mr. Gray."

Shah has made important reform proposals, his will and ability to carry them out remain questionable.

2. SNIE 34–58 estimated that the present political situation in Iran is unlikely to last very long. It pointed out that there is widespread discontent with the manner in which the Shah has consolidated all power under his personal authority and suppressed all real opposition. Emphasis was also placed on dissatisfaction with the continuance of near-feudal economic and social conditions and the lack of tangible results from the expenditure of oil revenues.

3. The SNIE noted that, although we have only limited knowledge of the organization, membership, and military support of existing opposition groups, such groups do exist and are growing. In this situation the most probable development was judged to be an attempt by some elements of the military, possibly in collaboration with civilian groups desiring liberal reforms, to force the Shah to return to the role of constitutional monarch.

4. Another possible resolution of the present situation was estimated to be forceful and determined action by the Shah to eliminate corruption in government, to accelerate economic reforms, and to establish at least the beginnings of genuine popular participation in the government. It was judged that if this were to occur, there would be a fair chance of orderly political evolution. Prospects that the Shah would relinquish absolute controls or carry through with programs which would damage the special interests of the royal family, the court, and the ruling class were thought, however, to be slight, and likely to take place only under heavy and continuing pressures from the US.

Reform measures taken by the Shah

5. Since the publication of SNIE 34–58 the Shah has initiated a number of reforms which, if followed through and accompanied by modifications in the authoritarianism of the Shah's personal rule, could lead to the orderly political evolution referred to in the Special Estimate.

6. The Shah has for the first time held conferences with the press—a gesture acknowledging the legitimacy of public interest in government. At the press conferences he expressed his determination to root out corruption and carry out a long-range plan for the reform and development of the country. He has caused the Prime Minister to introduce a bill in the Majlis to prohibit government employees from participating in business transactions with the government—a measure which will fall with particular weight upon the many members of the Majlis who make large sums in dealing with the government. The Shah has also proclaimed that the Royal Family would consider itself bound by the provisions of the bill. Another bill is pending which requires all public servants to declare their family wealth and to explain any future

increases. The Majlis has also recently approved a law prohibiting landowners from taking obligatory gifts from peasants. In addition the Shah has decided to make an example of corrupt government officials and has ordered that the heads of three guilty persons be "served to him on a platter" each month.

The outlook for Iran

7. The Shah's will and ability to carry out his proposed reforms remain to be demonstrated. His recent proposals for reform have temporarily reduced internal pressures, but the general public, as well as the opposition, will watch carefully to see how he follows this promising beginning. The opposition will not be easily content with promises alone, having seen many offered and left unfulfilled in the past. External propaganda will continue to characterize the Shah's reform program as phony. Unless the Shah makes rapid progress in carrying out the promises he has made, many of the opposition are likely soon to resume their plotting. Furthermore, the Shah's reform program may encourage some of the opposition to believe that he is conscious of the weakness of his position and therefore vulnerable to attack.

8. The Shah will face many difficulties in seeking to carry out his promises of reform, if indeed his reform efforts have not come too late to save his position. However much emphasis he may put on the production of tangible evidence that oil royalties have been used wisely, the Plan Organization is unlikely soon to be able to satisfy the suspicious and discontented. There will be massive resistance in the government and among the privileged classes to the Shah's plans for rooting out corruption and his efforts may slacken either because he cannot enforce his orders or because of his unwillingness to match his strength against the power and influence of the privileged class.

9. In addition to the problems cited above, the Shah will be harassed by pressures from outside sources—from the USSR, UAR, and Iraq. He will probably be subjected to attempts to stir up the Kurds, Arabs, and other minorities.

10. Even if the Shah does carry out recent promises to put an end to official corruption and does effect significant economic and social reforms, we do not believe that the general discontent will be stilled or the opposition drop its plans for action against him unless he modifies the autocratic character of his rule and provides more opportunity for participation in government. There have, however, been no indications that the Shah has any intention of giving up any of his present powers.

11. Nevertheless, the fact that the Shah has entered upon a program to end corruption and has committed himself to further reforms indicates that he is aware of the general discontent and the danger to his position if he does not take drastic measures. He may be or may become

sufficiently aware of the force of the resistance to his absolute rule to make the decision himself to modify his role.

12. If the Shah's efforts at reform produce encouraging results, and if he grants wider political opportunities, public discontent is likely to subside and the growth of the opposition to slow down. His efforts, however, will for a long time be regarded with skepticism by much of the opposition. If, on the other hand, the Shah's reform efforts fail and if he persists in his authoritarian methods, we continue to believe that within a year or so a move against him by some elements of the military in collaboration with liberal civilian groups will become likely. Such a move would probably be aimed at forcing the Shah into the role of constitutional monarch, although the danger of its leading to the overthrow of the monarchy would be great.

13. We continue to believe that the position of the Shah's regime in Iran is precarious. The Shah has, however, made a good beginning toward the initiation of a process of orderly reform. His will and ability to carry through remain the critical factors.

For the Board of National Estimates:
Sherman Kent
Assistant Director

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256. Memorandum of Discussion at the 386th Meeting of the National Security Council

Washington, November 13, 1958.

[Here follows a paragraph listing the participants at the meeting.]

1. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters.]

In Iran the chief of the Shah's intelligence service had provided the Shah with a report warning him against Soviet-inspired subversive plots. Mr. Dulles thought we needed to watch with particular care

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Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Gleason on November 13.

developments along the frontier areas, especially those where there were significant Kurdish elements. These latter offer the best possibility to the Soviets for stirring up trouble. In general Soviet-Iranian relations had currently reached their lowest ebb in three years. In conclusion Mr. Dulles mentioned briefly several small steps taken by the Shah to implement the internal reform program. While these were steps in the right direction, they were thus far insufficient in Mr. Dulles's view to syphon off discontent.

[Here follows discussion of unrelated matters.]

2. *U.S. Policy Toward Iran* (NSC 5703/1; NSC Action No. 1998;[1] SNIE 34–58;[2] NSC 5821;[3] Memo for All Holders of NSC 5821, dated November 5, 1958[4])

Mr. Gordon Gray briefed the Council at greater length than usual, stressing particularly those areas in which the newly proposed policy on Iran (NSC 5821) differed from our present policy on Iran (NSC 5703/1).[5]

At the conclusion of Mr. Gray's briefing, he called on Secretary Herter to comment on the new proposed policy. Secretary Herter said that he found the new paper very interesting, the more so because Iran was the one nation in the world with a long border with the Soviet Union with which we have no defensive alliance. We were not even full partners in the Baghdad Pact. Iran obviously held a highly strategic position, and in our dealings with Iran we have been dealing with an individual (the Shah) of very uncertain quality. Evidently, the Shah had been slow in breaking his ties with the old landed aristocracy but he is now making significant moves in a new and desirable direction. These new moves had been the result of friendly urging by the U.S. rather than as the result of putting the heat on the Shah. The latter was so exceedingly temperamental that the State Department feared that if we really attempted to put the heat on him, he might very well tell us to go to hell and pro-

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[1] See Document 254.

[2] Document 249.

[3] See footnote 5 below.

[4] This memorandum transmitted the financial appendix of NSC 5821 to the NSC. (Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5821 Memoranda)

[5] As Rountree informed Dulles in a memorandum of November 11, NSC 5821 "emphasizes our concern over a possible deterioration of internal stability if the Shah does not move energetically toward certain political, economic, social and administrative reforms. It stresses the need for our representatives in Tehran to assist the Shah in his efforts, wherever appropriate and feasible. The paper reflects the President's decision of July 19, 1958, to accelerate deliveries of equipment to, and training of, the Iranian armed forces, and to bring authorized units up to full strength. At the same time it emphasizes the need to convince the Shah and others that the attempted creation of forces beyond the country's ability to absorb and support could only be detrimental to Iran's own security interests." (*Ibid.*)

ceed to play ball with the other side. The situation was far from a happy one and, moreover, was now complicated by the recent Kurdish agitation.

As to the problem of the size of Iran's military establishment, the State Department felt that this called for a professional military judgment and was a subject on which the State Department was not too intelligent except insofar as the military strength of Iran were to be so increased that it would constitute a heavy strain both on the economy of Iran and our own U.S. resources for the assistance of Iran. The Shah evidently counts on the hope that increase in Iranian oil revenues will be sufficient shortly to put an end to all need in Iran for outside assistance.

The President commented that he was aware of this hope and that the Shah himself had said to the President that Iran could dispense with outside assistance in ten years' time.

Mr. Gray pointed out that as regards inducements and pressures on the Shah to carry out the necessary reforms in Iran, the Planning Board in the present paper was suggesting that we try inducements first and resort to pressures on the Shah only when the State Department deemed this course of action to be appropriate. In short, the Planning Board did not regard the language in the present paper as constituting a restricting directive to the State Department.

Secretary Herter said he was quite willing to accept the language in the paper dealing with this subject, and Mr. Gray then asked General Taylor, as Acting Chairman of the Joint Chiefs of Staff, to comment on the mission of the Iranian armed forces and the fact that while the old policy paper (NSC 5703/1) had mentioned "outside air and logistic support" to Iran in fighting defensive delaying actions, the present policy (NSC 5821) called merely for "outside support" for this purpose.

General Taylor replied that the language referred to by Mr. Gray in Paragraph 36–a related to Baghdad Pact military planning. It seemed to be the view of the Baghdad Pact planners that some 19 divisions—not only Iranian but some supplied by other Baghdad Pact Powers—were required to discharge the military mission of fighting delaying actions against Soviet forces. Accordingly, it seemed to General Taylor that the change of language from "outside air and logistic support" to "outside support" was a reasonable change and simply reflected the views of the Baghdad Pact planners that Iranian ground forces would be assisted by ground troops from Turkey and Pakistan. With regard to the possibility that the term "outside support" might imply a U.S. commitment to provide ground troops as well as air and logistic support in the event of Soviet-armed aggression against Iran, General Taylor invited the Council's attention to Paragraph 43 which contained guidance for U.S. action in the event that U.S.S.R. military forces invaded Iran. After reading this paragraph to the Council, General Taylor said the language

clearly left open to decision by the President at the time what kind of assistance would be offered, and specifically whether U.S. ground forces were to be included or not.

Mr. Gray replied that the Planning Board merely wanted to be sure of the significance of this change of phraseology and went on to say that he had one other comment to make. It was the consensus of the Planning Board that the so-called Firbal Project, a dummy corporation of Iranian notables acting as an intermediary between French contractors and the Iranian Ministry of War, was not of sufficient importance to justify discussion in the Council. Nevertheless, Mr. Gray said he did feel some concern lest by condoning the Firbal Project, the U.S. was not perhaps in effect condoning the very graft and corruption which it was our policy to try to induce the Shah to eliminate. He therefore hoped that the State Department would take a good look at the Firbal Project so that we could be sure of not being embarrassed later by these arrangements.

Secretary Herter replied that Mr. Allen Dulles was the leading authority on Iranian law, having been the author of that country's pres-ent code of law. Nevertheless, one of the most encouraging features of late was the Shah's crackdown on corrupt practices within his own family.

The President brought the discussion back to the matter of the deployment of the Iranian Army, and pointed out that when the Shah had visited him last summer, he had talked about the necessity of deploying two good Iranian military units in the Kurdish areas of Iraq [*Iran*] and he had also talked of the desirability of installing a radio to broadcast in Kurd-ish to Kurds living in Iran. The Shah had pointed out that the Kurds were constantly bombarded by Soviet propaganda broadcasts and he wanted some kind of counteraction. The President asked if anything had been done by us to respond to the Shah's request for assistance.

The Director of USIA, Mr. George Allen, said that his agency was currently working with the Government of Iran about setting up a 50-kilowatt broadcasting facility. Of course, continued Mr. Allen, it was equally important what the radio broadcasts of this station would say to the Kurdish population of Iran. The Iranian authorities have not yet decided on what line the new radio would take. Accordingly, USIA was trying to help formulate a broadcasting line to which the Kurds would respond favorably. This was not easy because the Kurds have always disliked the Iranians and probably could never be induced to like them.

Apropos of the various paragraphs of the paper which Mr. Gray had read in the course of his briefing, the President expressed approval of the language. He expressed his earnest agreement with Secretary Herter that as long as we propose to play ball with the Shah, we certainly could not hammer at him in order to get him to undertake the reforms. If

we did not propose to treat him skillfully, we had better abandon him altogether and get another man. Mr. Allen Dulles pointed out that there was no "other man" in sight at the present moment.

Secretary Anderson suggested that another significant means of influencing the Shah in the right direction was through his many contacts with American businessmen. Unlike most heads of state, the Shah enjoyed very much talking to American businessmen. They were thus in the position of urging reform measures upon him without appearing to be instruments of the U.S. Government carrying out official U.S. policy.

The National Security Council:[6]

a. Discussed the draft statement of policy on the subject contained in NSC 5821, prepared by the NSC Planning Board pursuant to NSC Action No. 1998–b.

b. Adopted the statement of policy in NSC 5821.

Note: The statement of policy in NSC 5821, as adopted, subsequently approved by the President; circulated as NSC 5821/1[7] for implementation by all appropriate Executive departments and agencies of the U.S. Government; and referred to the Operations Coordinating Board as the coordinating agency designated by the President.

[Here follow agenda items 3 and 4.]

S. Everett Gleason

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[6] Paragraphs a and b and the Note that follows constitute NSC Action No. 2006, approved by the President on November 15. (*Ibid.*, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

[7] Document 257.

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257. National Security Council Report

NSC 5821/1 Washington, November 15, 1958.

REFERENCES

A. NSC 5703/1
B. NSC Action No. 1998
C. SNIE 34–58
D. NSC 5821
E. NSC Action No. 2006[1]

Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 5821 Memoranda. Top Secret.

[1] See footnotes 1–3 and 6, Document 256.

The National Security Council, the Secretary of the Treasury, and the Director, Bureau of the Budget, at the 386th NSC Meeting on November 13, 1958, adopted the statement of policy contained in NSC 5821, prepared by the NSC Planning Board pursuant to NSC Action No. 1998–b.

The President has this date approved the statement of policy in NSC 5821, as adopted by the Council and enclosed herewith as NSC 5821/1; directs its implementation by all appropriate Executive departments and agencies of the U.S. Government; and designates the Operations Coordinating Board as the coordinating agency.

Also enclosed, for the information of the Council, is a Financial Appendix.

The enclosed statement of policy, as adopted and approved, supersedes NSC 5703/1.

James S. Lay, Jr.[2]
Executive Secretary

[Here follows a table of contents.]

[Enclosure]

STATEMENT OF U.S. POLICY TOWARD IRAN

General Considerations

Introduction

1. Iran's strategic location between the USSR and the Persian Gulf and its great oil reserves make it critically important to the United States that Iran's friendship, independence and territorial integrity be maintained. Since 1953, Iran has been regarded in the area as a symbol of U.S. influence, and its reversion to neutralism or its subjection to Soviet control would represent major psychological setbacks, with repercussions for U.S. prestige throughout the Middle East and Asia.

2. The chief threats to U.S. interests in Iran lie in Iran's vulnerability to Soviet pressure and influence and the widespread dissatisfaction of many Iranians with domestic conditions. The latter is more immediately pressing.

Internal Strengths and Weaknesses

3. The key problem is the extent to which the largely personal regime of the Shah of Iran, with which the United States is now closely

[2] Printed from a copy that bears this typed signature.

identified, can cope successfully with Iran's growing internal problems. Current dissatisfaction is based in part on awakening popular expectations for reform of Iran's archaic social, economic and political structure and a concomitant disillusionment with the Shah's limited efforts to date to move in this direction with resolution and speed. Because of the Shah's personal direction of governmental affairs, criticism is to an increasing degree directed toward him. Failure of the Shah to progress toward required socio-economic reforms will thus create additional opportunities for Soviet influence and undermine the U.S. position and prestige in Iran.

4. Principal support for the Shah comes from large landholders and their conservative business associates, the top ranks of the government bureaucracy, and senior military officers. The Shah has made a particular effort to maintain and intensify the loyalty of the armed forces, especially the Army, which he regards as a main source of stability and strength. The dependability of the Army's support of the Shah, however, remains somewhat uncertain. Despite the undoubted loyalty of many ranking officers, the Army includes many younger officers who find almost intolerable the widespread incompetence and corruption of their superiors.

5. The growing educated middle classes constitute the basic opposition to the Shah. Increasing numbers in these groups find Iran's antiquated feudal structure and the privileges of the ruling classes anachronistic in a modern world. The business activities, general irresponsibility, and in some cases outright corruption of some members of the royal family, civil service, and high military command, have further contributed to growing popular discontent. While this dissatisfaction has not yet coalesced into a vigorous, coherent opposition to the Shah's regime, it is increasingly close to the surface and could lead to violence or attempted coups.

6. The Shah himself typifies both the strengths and weaknesses of the present regime. His genuine desire to lead his country to prosperity and stability has conflicted with his own sense of insecurity and fear, leading to vacillation over necessary reforms. The Iraqi coup has increased the anxiety of the Shah and other leaders and apparently convinced the Shah that he must take long overdue action toward basic reforms. He has already taken some steps in this direction.

7. However, there is a real question as to whether the Shah can or will take sufficiently dramatic and effective steps to insure his position and syphon off the growing discontent. To do so he must move forward in each of three fields: (a) gradual elimination of corruption, (b) social and economic reforms, and (c) modification of his present dictatorial role to allow some scope for the expression of opposition sentiment. He is unlikely to take sufficiently drastic action in all three of these fields if

left to his own devices. But unless he does act, there may be an attempt by disaffected military and/or civilian elements to force him back into the role of a constitutional monarch. Eventually, if there are no substantial reforms of the Iranian political, economic, and social structure, the monarchy is likely to be overthrown.

8. If there were a revolt leading to internal disunity, or chaos, the Tudeh Party, largely ineffectual at present, would find a golden opportunity to add to disorder and perhaps to participate in a successor regime. The Kurdish and Arab minorities, while not a threat if internal stability is maintained, would probably seize upon any prolonged period of internal disorder as an opportunity to realize their submerged desires for autonomy or independence in the case of the Kurds, and for reunion with their brethren in the case of the Arabs.

9. Despite the weaknesses of the Shah's regime, the absence of any constructive, pro-Western alternative at present makes U.S. support of the regime the best hope of furthering U.S. interests in Iran. No matter how well-intentioned certain potential opposition leaders appear to be, they as yet lack the assets of the Shah and have no compensatory popular support. Moreover, a successor regime, despite any momentary popularity, would soon find itself faced with the same difficult and complex problems as those which now confront the Shah and his government.

10. Thus the problem confronting the United States is how best to influence the Shah to move constructively. A problem confronting the Shah, however, is the extent to which his regime can move in the direction of satisfying popular demands without alienating conservative elements on which traditional support of the regime rests. Even though the Shah has become more anxious since the Iraqi coup and has implied his interest in U.S. advice, he has been in the past notoriously sensitive to criticism and impatient with U.S. efforts to convince him of the need for reform. Moreover, the Shah probably believes that if pressed too hard by the United States to take measures not to his liking, he could always revert to a neutralist foreign policy and accept Soviet aid. Hence U.S. pressure, if carried too far, might prove counterproductive. On the other hand, unless tactfully prodded by the United States where necessary, the Shah is unlikely to move sufficiently far or fast in time to forestall an internal upset. Thus the United States must maintain a delicate balance between pressure and persuasion.

11. Moreover, if it becomes apparent that the Shah is unlikely to be able to cope with Iran's internal problems, and strong opposition develops, the United States cannot afford to be identified exclusively with a crumbling regime. Accordingly, it may become necessary for the United States to dissociate itself to the extent feasible from the Shah's regime, and increase contacts with potential successors, recognizing that such

dissociation would probably insure the Shah's downfall and that any successor regime might be less pro-Western in its outlook.

Present International Orientation

12. The present regime is disposed to be friendly toward the West and looks particularly to the United States for guidance and assistance. For example, Iran has taken a consistently pro-Western position in international forums. This pro-Western orientation is based primarily on motivations of self-interest on the part of Iranian leaders who see in it both security and material assistance for their country. A considerable body of Iranian opinion would, nevertheless, prefer Iran's traditional course of neutrality between the major power blocs. The United Kingdom retains a considerable measure of influence in Iran despite deep distrust of British motives attributable to past interference in Iranian affairs.

13. During the past three years the Soviet Union has adopted a largely correct and "friendly" attitude in its dealings with Iran. Cultural exchanges have been inaugurated and a number of agreements covering the common border and trade and transit arrangements have been concluded. The Shah and other leaders, however, have been cool to Soviet overturns. It is unlikely that they would accept major Soviet aid unless they were convinced that the United States and the West had forsaken Iran.

14. Although not directly involved in intra-Arab rivalries, or Arab-Israeli hostilities, Iran is deeply disturbed by pan-Arabism, both as a direct threat to its security and as a possible barrier to Iranian aspirations in the Persian Gulf area. Iran claims Bahrein and considers itself the logical heir to present British influence in the area. Iran is currently engaged in a campaign to woo the Persian Gulf Sheikhs, most of whom enjoy special treaty relationships with the United Kingdom. A potential conflict with Iraq looms over the use of the Shatt-el-Arab, a water artery leading to Iran's principal Persian Gulf ports.

15. Iran's relations with other Middle Eastern countries are generally good, especially with Turkey and Pakistan, her Baghdad Pact allies. Relations with Afghanistan, despite ethnic, linguistic and historical ties, are marred by Iran's deep concern over Soviet penetration efforts in Afghanistan and a long-standing dispute over the waters of the Helmand River. Iran is cool toward India because of the latter's somewhat heavy-handed attempts to convince Iran of the benefits of neutralism.

16. Iran has felt over-extended by its formal alignment with the pro-Western Baghdad Pact, which involved the abandonment of traditional neutrality without the greatly increased military aid which the Shah and military leaders anticipated. Although the Iranians accepted the American Doctrine on the Middle East, they did not believe it met their secu-

rity aspirations. Long distrustful of Iraq as a firm ally in the Baghdad Pact, Iran took the lead, before the Iraqi revolt, in proposing a new mutual defense pact, based on a federation between Iran and Pakistan, and an "Aryan Union" including Iran, Pakistan, Afghanistan and Turkey.

17. There now appears no real prospect that the federation of Iran and Pakistan, or the "Aryan Union" as envisaged by the Shah, will materialize in the immediate future. Afghanistan has expressed its disapproval, Turkey does not take the proposal seriously, and Pakistan, while interested, is absorbed with internal problems. Furthermore, there are many practical difficulties to integrating these countries on any but a "paper" basis.

Economic Problems and U.S. Aid

18. *Essential Elements.* Iran's current economic and financial position should be essentially sound. Receipts from petroleum operations (estimated at $260 million in FY 1959) are such that, given sound fiscal and financial policies and a reasonably efficient administration, the country could maintain both a modest military effort and a satisfactory rapid rate of economic development. In 1955 the Shah appealed to the United States to provide economic assistance to his country until oil revenues reached substantial proportions, indicating that by 1957 or 1958 his country would no longer require economic assistance. Since that time oil production has been fully restored, and the current level of petroleum receipts is greater than the total level of government expenditures in the year 1955. As oil revenue has increased, however, Iranian Government expenditures have been allowed to double since 1955, Plan Organization development expenditures have risen from $20 million to approximately $180 million per year, defense expenditures have almost trebled, and ordinary non-defense expenditures have increased by about one-third. The Shah has repeated his request, asking that U.S. aid be continued for a few more years until petroleum income reached an even higher level. The Shah has made no serious effort to bring about the thoroughgoing overhaul of the tax system and tax administration which the situation requires, nor had he enforced more than minor steps in the direction of reducing graft and corruption within the government, or in holding government expenditures in check. On the contrary, he seems to expect the United States to meet whatever budgetary deficits may develop.

19. Although economic development expenditures are currently running at the rate of $180 million per year, and are increasing, the development program has not achieved the desired political impact, because of a tendency to emphasize long-term projects, disorganization and corruption, delays resulting from administrative inefficiency, the Iranian propensity to view achievements in very personal terms, and,

until recently, a failure to take steps to publicize results. The Seven-Year Plan Organization, which is improving with U.S. technical assistance, administers the development program and has laid our plans which would require sums substantially in excess of the amounts likely to be available from domestic resources. The Organization hopes to meet this shortfall through foreign loans, particularly from the United States and the International Bank.

20. Under present conditions in Iran there are limited prospects for substantial private foreign investment except in petroleum, even though a foreign investment law has been passed and an investment guaranty agreement concluded with the United States. New petroleum concessions have been granted, however.

Military Problems and U.S. Aid

21. *The Role of the Military.* Militarily, Iran is dangerously and directly exposed to Soviet expansion. The Army is only capable of maintaining internal security and offering very limited resistance to aggression by a major power. The Air Force and Navy are weak and ineffective. If the combat effectiveness of the Iranian armed forces is improved and the forces partially redeployed in accordance with U.S. strategic concepts, they could make an increased contribution to Middle East security by providing, with outside support, a delaying capability against Soviet forces, initially from positions in the Elburz Mountains along Iran's northern frontier. Failure to achieve forces of this minimum capability could result in the Shah's gradual reversion to a policy of neutrality.

22. *The January and July 1958 Commitments.* In January 1958, the United States offered additional military assistance in support of the Iranian army. In brief, this offer involved: (a) an expression of U.S. willingness to discuss an accelerated technical training program for the Iranian army; (b) assurance that the United States would accelerate the delivery of military equipment within approved programs; (c) additional equipment—17 M47 tanks, 133,000 rifles, and 16 8-inch howitzers. The additional military assistance cost involved is about $14 million. On July 19, 1958, the United States indicated to the Shah its agreement that, in the light of developments in Iraq, Iranian armed forces as now supported should be brought up to agreed operational strength and to a high level of operational efficiency.[3] Accordingly, the United States agreed to accelerate deliveries of a wide range of equipment for present Iranian

[3] Iranian armed forces now supported by MAP are as follows: 6 infantry divisions, 6 infantry divisions (reduced strength), 5 infantry brigades; 10 naval vessels; and 4 Air Force squadrons. The "agreed operational strength" would involve bringing these units up to authorized strength (an increase of approximately 37,000 men to 180,000). [Footnote in the source text.]

forces, to provide additional training assistance on a selected but intensified basis, and, as Iran becomes capable of providing adequately trained manpower, to consider the desirability of activating additional units as well as the possibility of assisting in the equipping of such units. The United States, recognizing that any strengthening of Iran's military power as well as its efforts to achieve economic development will result in strains on the Iranian economy, also indicated that it was prepared to give sympathetic and prompt consideration, within available means, to Iranian needs for economic assistance as they may develop. Although pleased with this commitment, the Shah is basically dissatisfied with the U.S.-recommended levels for the Iranian armed forces and insists upon force levels which are clearly beyond Iran's capability to support. The Shah has failed thus far to appreciate the unfavorable political impact which his preoccupation with military matters creates. Discontent is based in part on a feeling that the Shah neglects economic and social reform through his concentration on military matters. The United States is confronted with a major problem in attempting both to dissuade the Shah from embarking upon excessive military programs and, at the same time, to encourage Iran's participation in the Baghdad Pact through assistance to the Iranian armed forces.

Impact of U.S. Policies and Programs

23. U.S. policies and programs are the determining factor in the Shah's orientation toward the West. Indicative of the importance accorded U.S. policy as a factor in Iran's internal political situation are the persistent efforts of various opposition groups to solicit U.S. support. Concrete U.S. aid has thus far offset the political impact of Soviet aid offers. U.S. political and financial assistance are thus important, if not essential, pillars supporting the Shah in his present paramount position. U.S. military aid is important both as a means of maintaining internal security and as a measure of U.S. support for Iran's participation in the Baghdad Pact. Economic aid and the technical assistance program are evidences of U.S. interest in the welfare of the general populace.

24. However, without internal reform, neither U.S. military nor economic aid is likely to suffice to maintain a stable, pro-Western Iran.

Objectives

25. An Iran free from Soviet domination, with the capability and determination to cooperate actively with Free World governments, to maintain security and to contribute to collective defense arrangements.

26. Political, social and economic development in Iran which will promote a strong, stable government, popularly supported and resistant to Communist influence and subversion.

27. Continued availability of Iranian oil to the Free World on reasonable terms.

Policy Guidance

28. Recognizing that a stable progressive regime under the pro-Western Shah of Iran would best serve U.S. interests, make a sustained effort to induce, and, where appropriate, press the Shah to institute promptly, meaningful political, social and economic reforms designed to increase popular support for his regime, including:

a. Progressive steps aimed toward:

(1) The delegation of specific administrative responsibilities to competent subordinates, so that government efficiency will be increased and the monarchy preserved as a symbol of national unity and continuity.

(2) Liberalization of legislative and judicial practices to afford an opportunity of expression for opposition elements.

(3) The elimination of graft, corruption and conflict of interest in government circles and within the Shah's own family.

(4) Improvement of the economic development program so that the benefits will accrue primarily to the masses of the Iranian people.

(5) Publicizing government achievements and achieving the closest possible contact with the people.

b. The appointment of honest and competent government leaders.

c. The adoption of administrative and financial reforms designed to distribute more equitably the burden of taxation while, at the same time, providing additional revenue.

d. Adoption of economic and social reforms, such as land reform and revision of landlord-peasant relationships, which will improve Iran's economic progress as well as reduce popular discontent.

29. Seek to convince the Shah that, unless he moves forcefully in the above directions, the monarchy itself will be imperiled. Seek also to convince the Shah that his interests and those of the United States are parallel, and that we are seeking to strengthen his regime rather than undermine it.

30. Nevertheless, be prepared to take measures to reduce U.S. identification with the Shah should it become apparent that the Shah will not undertake major reforms and should the likelihood of his overthrow increase.

31. In view of the possibility that the Shah may be unable to forestall the overthrow of his regime or to prevent his relegation to the position of a figurehead:

a. Develop appropriate contacts with any emerging non-Communist opposition groups.

b. Be prepared, should a new government come to power, rapidly to assess its likely stability and orientation, with a view to supporting it to the extent justified by this assessment.

32. Recognizing that the proposed federation of Iran and Pakistan would involve serious difficulties at this time, but that active discouragement of the concept might be counter-productive, maintain a non-committal attitude toward any efforts to enlist our support of such union.

33. To the extent feasible, promote a rapprochement between Iran and Iraq, by stressing the mutual benefits thereof and promote friendly relations between Iran and other Arab states. To this end, influence Iran not to press its claims to Bahrein.

34. Promote sound economic development in Iran by:

a. Encouraging better over-all coordination and national planning of the use of Iran's increasing oil revenues and other indigenous resources.

b. Encouraging greater emphasis in the allocation of Iranian resources to economically beneficial projects which will rapidly reach and be understood by the masses of the Iranian people.

c. Suggesting action by the Iranian Government to improve the climate for private investment.

d. Encouraging participation in the development of Iranian resources by private organizations and Free World governments interested in Iran.

e. Supporting loans to Iran by international organizations where consistent with relevant U.S. loan policies.

f. Continuing U.S. technical assistance programs.

g. Being prepared to provide U.S. loans for projects which are consistent with relevant U.S. loan policies.

35. Without minimizing the external threat, seek to convince the Shah that the most immediate threat to his regime lies in internal instability rather than external aggression. To this end, bearing in mind, however, the January and July, 1958, commitments (see paragraph 22):

a. Make every effort to persuade the Shah and Iranian military leaders that military forces beyond Iran's ability to absorb and support, in conjunction with such U.S. aid as can reasonably be expected to be available, would be self-defeating in terms of Iranian and Free World security.

b. Encourage the Shah to stress improving the combat effectiveness of his present forces, rather than increasing them.

36. a. Provide necessary military assistance to assist Iran (1) to maintain and properly deploy armed forces which will be capable of maintaining internal security and, with outside support, fighting delaying actions; and (2) to accomplish the related necessary military construction.

b. Encourage Iran to continue to participate actively and effectively in military cooperation with its neighbors, looking toward the development of more effective forces in the Northern Tier area.

37. Provide other forms of assistance in the event that economic development loans and technical assistance should prove insufficient to fulfill the July 19, 1958, commitment to give sympathetic and prompt consideration, within available means, to Iranian needs for economic assistance.

38. Seek to insure that U.S. assistance to Iran does not result in delays in the implementation of needed reforms referred to in paragraph 28 above.

39. Recognize that the United States has, through the London Declaration of July 28, 1958,[4] undertaken, pursuant to existing Congressional authorization, to increase U.S. identification with the Baghdad Pact. To this end, continue to exercise a positive role in the Pact association's affairs, including entering into bilateral arrangements to implement the London Declaration, short of complete adherence.

40. In view of chronic internal disaffection with the government's policies and external threats to Iran's independence, continue to communicate U.S. support for a stable, representative progressive government willing to undertake a domestic program of needed social, economic and political reforms while remaining steadfast and aligned with the Free World in the fact of external and hostile Soviet and Arab pressure.

41. In the light of latent Iranian xenophobia, establish through informational and cultural programs the sincerity of U.S. interest in Iran and the validity of U.S. policies as a leader of the Free World.

42. In the event of either an attempt or an actual Communist seizure of power in one or more of the provinces of Iran or in Tehran:

a. Support any non-Communist Iranian government or elements which manifest a desire for U.S. assistance, including military support if necessary and useful, after appropriate Congressional action.

b. Encourage and support the Baghdad Pact Organization or any other appropriate Middle East regional organization in taking action to assist Iran.

c. Attempt to secure additional support from other Free World nations and, if appropriate, from the United Nations.

43. In the event USSR military forces invade Iran, the United States should proceed on the assumption that general war may be imminent, and:

a. Place itself in the best possible position to meet the increased threat of general war.

b. Attempt to arrest the Soviet action and to restore the status quo through diplomatic measures and UN action directed toward obtaining a prompt withdrawal of Soviet forces.

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[4] See footnote 1, Document 34.

c. Support actions taken by the Baghdad Pact Organization or by Iran's neighbors to assist in Iran's defense.

d. Employ the armed forces of the United States as the President deems necessary in accordance with the Joint Resolution to protect the territorial integrity and political independence of Iran.

e. Take other action against the aggressor to the extent and in the manner which would best contribute to the security of the United States.

[Here follows a financial appendix with Department of Defense and International Cooperation Administration comments.]

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258. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to the Under Secretary of State for Economic Affairs (Dillon)

Washington, December 3, 1958.

SUBJECT

Military and Economic Aid for Iran

Discussion:

Ebtehaj has sent a message [*less than 1 line of source text not declassified*] urging a reassessment of Iranian military and economic aid requirements in the light of Iran's border problem with Iraq and Afghanistan and of recent Soviet pressures on Iran (Tab A).[1] He suggests that economic aid of the order of $75 to $100 million above existing aid levels would not be an unreasonable price to insure the preservation of Iran for the West. Coincident with this message, the Iranian Prime Minister sounded out Ambassador Wailes concerning $100 million budgetary support for the next Iranian fiscal year beginning March 1959.

These are the most recent of a series of approaches made to us in the last month by various Iranian officials, including the Shah, for military and economic aid. In the past, Iranian campaigns for additional military and economic aid have generally been launched at about this time each

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Source: Department of State, Central Files, 788.5/12–358. Top Secret. Drafted by Owen Jones.

[1] Attached but not printed.

year in anticipation of new Iranian budget years beginning in March and Baghdad Pact ministerial meetings held in January. The rather unusual intensity of this year's campaign may be accounted for by any one or more of the following developments:

A. Sustained pressure from the USSR following the disclosure that the U.S. Government and Iran were negotiating a bilateral pursuant to the London Declaration.

B. Iranian concern over indirect Soviet aggression via Iraq and Afghanistan.

C. Iranian chagrin over the refusal of the U.S. delegate at the Baghdad Pact military committee meeting in Ankara to support more than one of the five divisions given as Iranian requirements in the Khorasan region in northeastern Iran.

D. The refusal of the IRBD to conclude negotiations for loans totaling approximately $75 million without Iranian assurances with respect to the balancing of the Iranian budget, and assurances against further diversions of oil revenues from the development program to the general budget.

E. The delay in implementing the $40 million DLF commitment made by the Secretary in Tehran in January of 1958.

This year's plea for further military aid turns largely on alleged Iranian fears of local wars inspired by the USSR, involving the Iraqi and Afghanistan frontiers, and drawing upon the alleged buildup of excessive Soviet-acquired military equipment in Afghanistan. No specific amount of military aid has been requested. U.S. support has been sought generally for the four additional Iranian divisions to protect the frontiers with the USSR and Afghanistan in northeastern Iran. This represents a long standing difference between U.S. and Iranian military authorities concerning force requirements for northeastern Iran. In a very recent cable (Tab B), we restated our views on this matter.[2]

[2] In telegram 1319 to Tehran, November 25, the Departments of State and Defense instructed Ambassador Wailes—accompanied by General Linquist—to see the Shah and explain to him the difference of opinion over the potential defense of northeastern Iran against Soviet attack by a sizeable ground force. The cable cited "valid military reasons" for the U.S. concept of defending the area with one division, such as, (1) [*1 line of text not declassified*], (2) the lack of a real military objective at Khorasan warranting a major Soviet threat at Meshed, (3) U.S. estimates that considerably fewer Soviet divisions were likely to deploy this route, (4) husbanding resources for vital areas, (5) logistical problems, (6) the threat of allied air attacks on a Soviet advance through Meshed and parallel Afghan border, and (7) the U.S. conviction that strong Iranian reconnaissance strength in Khorasan supported by one division and air support could adequately deter the enemy. (Department of State, Central Files, 780.5/11–2758)

Although the Shah took this message philosophically (Tab C),[3] we can be certain that he will continue in his efforts. We are also informing the Shah that our intelligence does not support the view that there has been a dangerously excessive military build-up in Afghanistan, or that there is an immediate threat to Iran from Afghanistan.

This year's plea for additional economic aid became more specific in Ebtehaj's message [*less than 1 line of source text not declassified*] and the Prime Minister's recent talk with Ambassador Wailes (Tab D).[4] Ebtehaj spoke of $75 to $100 million and the Prime Minister of $100 million. It seems clear that Ebtehaj, as did the Prime Minister, had budgetary support in mind. In order to meet the IBRD problem and to avert a further diversion of oil revenues, defense support for the Iranian budget rather than developmental assistance would be required. It is reasonably clear that the Iranians are talking of requirements for FY 1338 (starting March 1959) and beyond. While we had expected some additional pressure on the Iranian budget as a result of the current program to bring existing Iranian armed units up to full strength, we have been unable to determine thus far the dimensions of the problem. The Embassy's estimates on this were requested some time ago following your visit to Tehran. In replying to the Prime Minister, Ambassador Wailes said he did not think Washington would even consider a $100 million figure and asked for budgetary and other data to permit us to consider even reduced needs.

In dealing with the Iranians since July 1958 on problems of military and economic aid, we have used as a point of reference the President's letter of July 19, 1958,[5] written shortly after the Iraqi coup. This message promised (1) to accelerate training assistance and equipment delivery to bring Iranian armed forces as now supported by the USG up to agreed operational strength and a high level of operational efficiency, (2) to consider, as Iran is able to provide adequately trained manpower, the desirability of activating additional units and the possibility of assisting in the equipping of such units, (3) to give sympathetic and prompt con-

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[3] Telegram 1000 from Tehran, November 27, reported on Wailes' and Linquist's discussion with the Shah, who listened to the presentation and then pointed out that one division was not large enough to defend the northeast area although he agreed that a direct Soviet attack in this area was not as likely as in the west where Afghanistan with Soviet backing was a "definite menace."

General Linquist suggested that the difference of opinion was really the time frame for the buildup of troops in the northeast and the United States would be prepared to look at the question again in the future. Although the Shah took this line of argument "philosophically," he stated that his idea of a time frame was considerably shorter than Linquist's. (*Ibid.*)

[4] Telegram 1012 from Tehran, November 29. (*Ibid.*, 788.5–MSP/11–2958)

[5] See Document 243.

sideration within our available means to Iran's needs for economic assistance as this may develop. From the outset, the Shah has interpreted this message very liberally.

We believe that on the military side we should continue to maintain the position recently outlined to the Shah (Tab B). On the economic side, our Embassy is attempting to determine the dimensions of the problem and has promised an analysis in the very near future. In that context, we have suggested [*less than 1 line of source text not declassified*] reply to Ebtehaj along the lines of the attached draft (Tab E).

I am also informing the Under Secretary of these developments.

[Tab E][6]

Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) [*text not declassified*]

Washington, undated.

SUBJECT

Mr. Ebtehaj's Message [*less than 1 line of source text not declassified*] November 28, 1958

Thank you for sending me a copy of Mr. Ebtehaj's message [*less than 1 line of source text not declassified*] I am therefore setting forth below comments [*less than 1 line of source text not declassified*].

1. Generally, the problems raised in Mr. Ebtehaj's message are being given serious and active consideration here in Washington. The military question has already been the subject of a carefully considered communication conveyed to the Shah by Ambassador Wailes on November 27, 1958 (Deptel 1319). Ambassador Wailes has also discussed with the Prime Minister the question of economic aid, as reported in Embtel 1012. There is little further that we can add at this time. It would be helpful if [*less than 1 line of source text not declassified*] would urge that the Iranian Government provide the Ambassador such budgetary and other data as may be needed for American officials to assess carefully Iran's economic needs against pressing demands elsewhere in the world on United States resources.

[6] Secret.

2. The President's letter of July 19, 1958, to the Shah (referred to by Mr. Ebtehaj) was in response to the changed situation in the area following events in Iraq. In this letter our interest in and support of Iran was reaffirmed. Much had already been done to provide the additional military support provided therein. Within the context of that letter Iran's economic needs will be sympathetically reviewed.

3. Intelligence available to the United States Government does not indicate any immediate threat to Iran from Afghanistan or the acquisition by Afghanistan from the USSR of military equipment significantly in excess of Afghan requirements.

4. We deeply regret the delay in implementing the $40 million DLF credit and are endeavoring to be as flexible and helpful as possible. The difficulty lies in finding Iranian projects that meet the requirements within which IMF must operate. It will be recalled that the Secretary had from the outset said that the credit would be available against acceptable projects.

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259. Memorandum of Conversation

Washington, December 9, 1958.

SUBJECT

Iranian Budgetary Situation

PARTICIPANTS

Eugene Black, IBRD
J. Burke Knapp, IBRD
Joseph Rucinski, IBRD
Hector Prud'homme, IBRD
Douglas Dillon, Under Secretary for Economic Affairs
Donald D. Kennedy, Deputy Assistant Secretary for Economic Affairs, NEA
John O. Bell, W/MSC
Owen T. Jones, GTI

The meeting opened with Mr. Dillon denying Mr. Ebtehaj's assertion in a recent message to Mr. Black[1] that Iran's financial difficulties

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Source: Department of State, Central Files, 888.10/12–958. Secret. Drafted by Owen Jones.

[1] A summary of this oral message, from Ebtehaj to Black, is in a memorandum from S.P. Wheelock to Black, December 5. (*Ibid.*, NEA/GTI Files: Lot 60 D 533, Iran Country Budget, 1958)

were a result of the United States military's pressing upon the Shah armed forces in excess of Iran's needs. Mr. Dillon referred to a communication received in Washington only last week in which Mr. Ebtehaj on behalf of the Shah made a strong plea for larger military forces and additional military aid,[2] recalled the many pleas of similar character made by the Iranians in recent years, and noted by way of example the different concepts that the Iranians and the United States have with regard to requirements for the defense of northeastern Iran. Iran is, however, under severe pressure from the Russians at the present time, Mr. Dillon said, pointing out briefly the origin and nature of these pressures, and is understandably concerned over its present position.

Mr. Black then turned to a brief review of the problems with which the IBRD is now faced in Iran. The Bank had been disposed originally to go along with a highway program totaling $72 million, of which $12 million was being put up by New York banks, largely because of the IBRD's being identified with the project. Two things have now occurred which, taken together, make it very difficult for the Bank to proceed. First, it has become apparent that the Iranians are not going to balance their governmental budget, and second, there are reports that the Shah plans to divert further oil revenues to the general budget. The present Iranian Minister of Finance, Mr. Nasser, was very weak and was quite incapable of coping with the budgetary situation. The developmental and financial picture was further complicated by a number of capital projects involving the Government of Iran but being handled outside of the Plan Organization. In deciding what to do about the highway loan in such a situation, Mr. Black said it was very important for the IBRD to know what the United States Government had in mind for next year.

After Mr. Bell had briefly reviewed the Embassy's latest estimate (Tehran 1054)[3] of the budgetary situation, Mr. Dillon said that in our FY 1960 defense support estimates we had $20 million tentatively marked for Iran to help meet the additional costs growing out of commitments made following the Iraqi coup which would provide additional training and equipment for an Iranian effort to bring up to full strength existing forces supported by the United States. We might also consider making some additional defense support available to Iran out of the FY 1959 supplemental to meet such problems as the losses that Iran is suffering because of the cutoff of Russian imports of rice. In view of the importance of Iran to the United States and the uncertain character of our original estimates, Mr. Dillon did not foreclose the possibility of our defense support in FY 1960 exceeding the $20 million now planned. In any

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[2] See footnote 1, Document 258.

[3] Dated December 6. (Department of State, Central Files, 788.5–MSP/12–6558)

event, it was the consensus that we should probably inform the Iranians some time in January 1959 of our present intentions, subject to Congressional appropriations, with respect to FY 1960 assistance.

With regard to DLF, Mr. Dillon said that he had told Ebtehaj in New Delhi that we would be prepared to consider projects as they were submitted but as yet none had been received. Personally, Mr. Dillon thought possibly upwards to $40 million DLF during the coming fiscal year might be a reasonable expectation for Iran, but of course we could not speak in these terms to the Iranians and it would depend, in any event, upon the projects that were submitted. Iran, he thought, might reasonably expect to get some money out of the additional $225 million DLF capital authorized but not yet appropriated, as well as out of any further increase in DLF capital next year. In conclusion, Mr. Dillon shared Mr. Black's concern over the Iranian budgetary situation. He suggested that the IBRD was probably in a better position to deal with this than the United States Government.

At the meeting's end, Mr. Black was undecided on IBRD's course of action. He said it was difficult to see how they could go ahead in the present situation and repeated again that they were not committed to do so. In any event, he said he assumed that he and Mr. Dillon were in agreement on three points: (1) that developmental projects generally should be taken out of the government and put into the Plan Organization, (2) that the present Minister of Finance should be replaced by a stronger man, and (3) that the Plan Organization share of oil revenue be fixed and no further departure be made from it. In concurring in these, Mr. Dillon emphasized again the importance of IBRD's finding a way, if possible, to carry on with the highway loans.

1959–1960: IRANIAN REQUESTS FOR INCREASED U.S. MILITARY ASSISTANCE; IRANIAN-SOVIET NEGOTIATIONS FOR A NON-AGGRESSION PACT; PRESIDENT EISENHOWER'S VISIT

260. Telegram From the Department of State to the Embassy in Iran

Washington, January 16, 1959, 9:23 p.m.

1774. We increasingly disturbed over reports Shah's current attitude towards relations with US and threats he had made to reconsider Iran's position vis-à-vis USSR if he not given satisfaction by US on such matters as budgetary assistance, force goals, and bilateral agreement. Attitude in some instances seems to border on blackmail tactics. While we recognize Shah's alarm over area developments is reason for legitimate concern on his part, it seems evident that in his frustration as to how to strengthen his position he has grossly under-estimated US contribution to Iranian security and indeed to stability of his own regime. While we realize that Shah no doubt has taken this line in belief it would precipitate greater US willingness to accede to his desires, we cannot discount possibility that in his present apparent frame of mind he might take some action which he and we would later deeply regret. We believe therefore it desirable at this time for you to have talk with Shah (without leaving document) for purpose bolstering his morale by emphasizing degree of US support.

By separate telegram[1] we are communicating instructions re budgetary assistance to Iran to support military buildup envisaged in letter of July 19, 1958.[2] While our deep concern over general budgetary situation and our inability to do all Shah might like must be communicated to GOI, our willingness despite extreme Congressional difficulties again come to aid Iran by contributing to budget is effective evidence our desire be helpful and should be useful in conversation with Shah.

In discussing force goals, Shah can be told that recent US decision to assist Iran in bringing existing units up to full authorized strength through accelerated training and MAP equipment is clear indication US sympathy for and appreciation of Iran's exposed position. While there has been difference of military opinion on force goals, US view has not

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Source: Department of State, Central Files, 611.88/1–1659. Secret; Niact; Limit Distribution. Drafted by Mouser and Rountree and approved by Rountree.

[1] Telegram 1772 to Tehran, January 16. (*Ibid.*, 788.5–MSP/1–459)

[2] See Document 243.

implied any lack US support for defensive posture member countries. Moreover we believe position to be taken by US military representatives at Karachi meeting Baghdad Pact will be considered by Shah to be constructive.[3]

US decision to join in London Declaration[4] and undertake there same commitment Baghdad Pact powers undertook among themselves is concrete evidence continuing US support for Baghdad Pact and principle collective security with Iran. Bilateral agreement now under negotiation is designed to give effect to London Declaration. As Shah knows we can incorporate in executive agreement of this nature only provisions for which there is existing legislative authority. While therefore our flexibility has been somewhat limited with respect to optimum desires of Iran and other Pact countries, draft which we have suggested can leave no doubt as to deep interest of US in Iranian security. Moreover numerous public statements by US with respect to Iran and other members BP have made our position clear, as have appreciable military, economic and financial programs over past several years. Impact of agreement and its usefulness in achieving its purposes will of course depend in large measure upon public attitude of countries undertaking it. On the one hand constructive attitude welcoming agreement will be highly beneficial; on the other hand any public indication of lack of satisfaction with it cannot fail to diminish its usefulness.

We of course know Shah's deep concern over events in neighboring countries, a concern which we share. We believe there should be regular exchange information this score in order be prepared for any eventuality. We believe however that with respect to Iraq there are now some hopeful signs that Iraq can and will avoid falling into communist camp or becoming member UAR. While we are disturbed over degree cooperation between Afghanistan and USSR there are no indications Afghanistan plans abandonment of present policy neutrality. At present we do not feel that Afghanistan or Iraq represents threat to Iran and US will do all in its power to see that this threat does not materialize. There has been concern expressed in some quarters regarding reports that US efforts to improve relations with UAR might involve change of US policy towards friends, including members Baghdad Pact. Shah can be assured that while US would welcome restoration of something approximating normal relations with UAR, this does not involve any change in attitude with respect to its relations with other states. An important new factor in situation is that Arabs, including UAR leaders, now seem to have greater appreciation of communist threat and to the

[3] See Document 56.

[4] For text, see *American Foreign Policy: Current Documents, 1958*, pp. 894–895.

extent that this develops and action is taken by them in accordance with such appreciation, the security of Iran will in long run be enhanced.

We understand USSR has suggested multilateral guarantee integrity and independence of Iran and other Middle Eastern countries if these countries should adopt neutralistic foreign policy. In addition we hear USSR has offered vague but generous aid if this course adopted. The record of Soviet guarantees is such that they cannot be relied upon, e.g., non-aggression pacts with Baltic and Balkan states. Furthermore Soviet aid is clearly political weapon designed to be turned off and on depending upon willingness with which recipient follows Soviet policy lines. We interpret latest Soviet note Iran as evidence continuing Soviet effort break up Baghdad Pact defensive alliance. Great efforts made by USSR in this direction are clear evidence continuing value such alliances. We confident Shah's realistic appraisal of Soviet threat to his regime has not been altered.

We believe and are confident Shah shares the belief that Irano-American friendship is based upon mutuality interests and goals. Differences of opinion from time to time cannot affect either basis for or depth of friendship, and fortunately there have been and are few real differences of opinion between us. US committed itself with full support US Congress to come Iran's aid under terms Joint Resolution on Middle East.[5] US intends abide by this policy.[6]

You may find that Yatsevich will be able provide other useful material for talk which he obtained during recent discussions in Washington.

Dulles

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[5] The Eisenhower Doctrine, March 9, 1957, for text see *ibid., 1957*, pp. 829–831.

[6] According to telegram 1314 from Tehran, January 17, Wailes met with the Shah on January 16 and communicated the relevant portions of this telegram to him. They also discussed the Baghdad Pact. According to Wailes, the Shah felt "he gets little out of the Pact and is committed to do things which he is militarily unable to accomplish." The Ambassador stated that despite the "solemn and quiet attitude" of the Shah, Wailes was "somewhat encouraged by the spirit in which he received what must have been to him a disappointing presentation." (Department of State, Central Files, 611.88/1–1759)

261. Editorial Note

At the 394th Meeting of the National Security Council, January 22, the Director of Central Intelligence, Allen Dulles, briefed the Council on "Significant World Developments Affecting U.S. Security." According to a memorandum of discussion prepared by Gleason on January 22, Dulles provided the following information on Iran:

"Mr. Dulles pointed out that the Government of Iran has been telling the U.S. Government and the governments of other nations that Iran is considering a re-appraisal of its national policy. Such statements may be preliminary to putting the Iranians in a stronger position at the forthcoming meeting of the Baghdad Pact allies. The Shah has complained that he has felt let down by the U.S. in recent weeks and is even said to be considering a 50-year Non-Aggression Pact with the U.S.S.R. The U.S.S.R. has offered such a pact if Iran refuses to sign the proposed bilateral agreement with the U.S.

"The Iranian Government is also professing great concern over the growth of Communist influence in Iraq fearing that Iraq is about to become a base for new Tudeh (Communist) Party activities designed against the regime in Iran.

"There was also, continued Mr. Dulles, the problem of the Kashgai situation in southern Iran. The four leaders of the Kashgai tribe have long been opposed to the Shah who has seized their property and driven the four leaders into exile, two in the U.S. These two in the U.S. have informed us that they are proposing to go back to Iran to work out some arrangement with the Kurds to weaken the Shah. The Kashgai tribe numbers approximately 300,000 and is a reasonably powerful group.

"Secretary Dulles asked to comment on the Iranian situation. He noted that Mr. Allen Dulles had spoken of the proposed Non-Aggression Pact between the U.S.S.R. and Iran in particular relation to the forthcoming Baghdad Pact meeting. Actually, the proposed Non-Aggression Pact bears a closer relation to negotiations between the U.S. and Iran on a bilateral agreement. Of course such bilaterals are a normal feature of U.S. relations with all foreign countries to whom we give military assistance. We had already drafted our proposed bilateral with Iran but the Iranians want commitments from the U.S. over and beyond the normal commitments of bilateral treaties as well as beyond the commitments authorized by the U.S. Congress. For example, they wish a commitment from us to come to the aid of Iran if there is indirect aggression against Iran from any source whatsoever, Communist or non-Communist. In a telegram sent yesterday [telegram 2309 to Ankara, January 21; Department of State, Central Files, 780.5/1–2159], continued Dulles, he had refused this proposal. He simply did not see how we can comply with what they want. He did not know what the final result will be but

the situation is serious. The Iranian Government may decide that we will not give them what they want and actually turn to a flirtation with the Soviet Union. Even if this should be the case, the U.S. cannot assume further obligations to Iran in the absence of a treaty which would require Senate ratification but which would probably not achieve such ratification.

"Mr. George Allen expressed himself as delighted to hear that Secretary Dulles had decided to hold the line against these Iranian demands. It was his belief that it was in our best interests not to go any further to appease the Shah, who said Mr. Allen, was the best blackmailer he knew of." (Eisenhower Library, Whitman File, NSC Records)

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262. Memorandum of Telephone Conversation Between Secretary of State Dulles and the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree)

Washington, January 29, 1959, 6:28 p.m.

TELEPHONE CALL TO MR. ROUNTREE

R replied he has seen the cable from Tehran.[1] They discussed it and R thinks it is time for a high-level message.[2] R said they have given Wailes considerable guidance[3] in this but he has not chosen to see the Shah but has talked with Ala. The Sec said Ala does not seem friendly to

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Source: Eisenhower Library, Dulles Papers, General Telephone Conversations. Transcribed by Phyllis D. Bernau.

[1] Apparent reference to telegram 1406, January 28, in which Wailes reported rumors that the Shah had directed the Iranian Foreign Office to draft an Irano-Soviet nonaggression agreement valid for 30 years. Wailes also reported that Soviet Ambassador to Iran Pegov was actually negotiating with Masud Ansari, Iranian Ambassador-designate to the USSR. Wailes, accompanied by the Pakistani Ambassador to Iran, met with Minister of Court Ala on January 28, to outline the adverse consequences of such action. (Department of State, Central Files, 688.00/1–2859)

[2] Document 263.

[3] In telegram 1921 to Tehran, January 28, the Department suggested that Wailes should: "point out to Iranians extreme danger reliance upon Soviet promises, and extent to which Iranian cooperation with Free World has contributed to Iranian independence and stability of Shah's regime. It would be tragic indeed if Iran's position should be undermined by hasty and unwise action vis-à-vis Soviets whose ultimate objective in Iran has long been clear. You might find it possible perhaps with Ala to point out extreme danger to Shah and regime of any policy which would give courage and encouragement to local communist and other anti-Shah elements." (Department of State, Central Files, 688.00/1–2859)

the US. R said basically he is but in the first place he is senile and he thinks Ala may be largely responsible for the blackmail tactics being employed. R just read the cable and asked his Iranian people to come up and he thought he would try his hand on a message to the Shah. Does the Sec think the Pres would be willing to sign the letter? The Sec said yes—of course depending on what was in it. He sees no objection in principle to that. R will have one in the a.m. The Sec questioned being sure of doing it at this time. R said there will be more info in the a.m. and he would want that before sending anything to the Pres.

R replied he will be at staff mtg tomorrow—he understands the Senators will be there. The Sec said it raises the question of how much you want to talk—R said others know about it and he can talk in a general way. The Sec wants to make it normal and interesting.

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263. Telegram From the Department of State to the Embassy in Iran

Washington, January 30, 1959, 7:53 p.m.

1944. Re immediately preceding telegram,[1] following is text letter from President for immediate delivery to Shah.[2] Message should be marked secret. *Begin text.* January 30, 1959.

Your Majesty,

The direct contact which Your Majesty and I have maintained over the past years on matters of mutual interest has always been a source of gratification to me. It is in the context of these friendly exchanges that I now address Your Majesty with respect to certain reports I have received. I have in mind information to the effect that your Government is considering the conclusion of a new treaty with the Soviet Union. While we have no confirmation of this and no knowledge of the precise terms

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Source: Department of State, Central Files, 788.5–MSP/1–3059. Secret; Niact; Presidential Handling; Verbatim Text. Drafted by Rountree; cleared in draft with the Secretary and Dillon; and cleared by Henderson, Freers, and the President.

[1] Not printed.

[2] Dulles and Eisenhower discussed this letter at 12:27 p.m., January 30, as follows: "The Pres returned the call and the Sec said we may have a suggested letter from the Pres to the Shah to submit the latter part of the afternoon. The Pres said he will be around—send it over and they will get it to him. The Sec went into a discourse about the situation there. The Pres said it is disturbing. Instead of taking a firm position and doing things right he is engaging in blackmail. Neither the Pres nor the Sec will play that way." (Eisenhower Library, Dulles Papers, White House Telephone Conversations)

of any proposed treaty, I believe that in view of the possible far-reaching implications of the matter I should let you know of my concern.

The most troublesome aspect of these reports is the implication, as we see it, for the future security of your country. It is my profound conviction that the principal objective of the Soviet Union in Iran remains unchanged and that that objective is inconsistent with Iran's independence and integrity and with the security and stability of Your Majesty's regime.

History demonstrates that the Soviet Union has repeatedly used non-aggression and "friendship" pacts to lull prospective victims and make them less alert to their danger. I refer, for example, to Latvia, Lithuania, Estonia, Finland, Poland and the Nationalist Government of China. The Soviet Union has recently manipulated its economic relations with Finland and Yugoslavia in attempts to interfere in their internal affairs. In a major policy speech January 27, Premier Khrushchev spoke in support of the Communist Party in the United Arab Republic and that Party's opposition to that Government's policies, and sharply attacked the United Arab Republic as "reactionary" because the government has adopted certain domestic measures to combat the internal communist threat.

I realize, of course, that Your Majesty has had long experience in dealing with Soviet pressures and threats, as well as with Soviet blandishments. From our many past contacts I know that you are aware that a Soviet objective is to separate Iran from its friends and allies and, as one means of achieving this, to destroy the collective security arrangements among Iran, Turkey and Pakistan, supported by the United Kingdom and the United States. Indeed, during his recent visit here Soviet Deputy Prime Minister Mikoyan made no secret of this. I feel certain that the Soviet Union still desires to create a situation in which its subversive efforts in Iran will be given a much better chance of success than now exists because of the firm policies of, and precautions exercised by, Your Majesty and your Government. It would suit Soviet purposes to achieve a situation in which it appeared that Iran's devotion to the principle of collective security and Iran's cooperation with other members of the Free World had been weakened.

I know, of course, that Your Majesty must do what you consider to be in the best interests of your country. In making your decisions, you have always wisely considered possible internal and external reactions. Almost regardless of the actual terms of any new treaty with the Soviet Union, the impact on your friends would be unhappy.

I understand that you are gravely preoccupied with the increasing pressures that have been placed on Iran by the Soviet Union and other countries. I am entirely sympathetic with you in this concern. My letter to you of July 19, 1958, was clear evidence of my country's desire to

strengthen Iran's security position. Indeed, the whole history of Iranian-American relations is marked by examples of United States determination to help Iran in the preservation of its independence and integrity. We are no less determined to continue this policy.

It is inevitable that differences should arise between the best of friends, and Iran and the United States are no exceptions. Such differences as we have had, however, have never related to fundamental principles or to basic objectives. One difference has arisen over our respective estimates of the size of the military program that should be maintained, and could be supported, without grave jeopardy to the Iranian economy. It has been reported to me that you are also concerned with the role of your country in the Baghdad Pact and that you have some concern regarding the content of the bilateral agreements being negotiated pursuant to the London Declaration of July 1958. I do not want to burden you with a recitation of our position in these matters, but I do want to emphasize that our continued strong determination to support Iran's independence and integrity has not in the past depended upon, and need not in the future depend upon, any particular provision of formal agreements between us. The consistent role of the United States in supporting its friends, and particularly Iran, is clear.

I recall with great pleasure the frank and cordial conversations we had when you visited Washington last summer, and I also recall your impressive grasp of world affairs and your appreciation of the nature of the threat, not only to your country, but to all free nations. I am confident that you would not knowingly take a step which would imperil your country's security and possibly weaken Iran's relations with its proven friends, and that we can continue to work together to accomplish our common aims in a spirit of frankness and mutual confidence. Certainly you can be assured of our continuing support for Iran.

I have asked Ambassador Wailes to discuss this matter with Your Majesty and to transmit to me as soon as possible Your Majesty's response.[3]

With warm personal regard,

Sincerely,

Dwight D. Eisenhower. *End text.*

Dulles

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[3] In telegram 1431 from Tehran, January 31, Wailes reported that he handed the Shah this letter at 12:30 p.m., on January 31. As grateful as he was for U.S. aid, the Shah stated that it was not enough to permit Iran to advance in both the economic and military fields. Therefore he was negotiating a nonaggression pact with the Soviet Union to give Iran additional security. The Shah suggested that the Soviet and Iranian negotiators were far apart. Wailes thought that the Shah would welcome a breakdown of the talks if he could not get a complete agreement on his original proposal. (Department of State, Central Files, 788.5–MSP/1–3159)

264. Telegram From the Embassy in Iran to the Department of State

Tehran, January 30, 1959, 4 p.m.

1425. Department pass Defense.

1. While we can not read Shah's mind, we have tended believe Shah's motive in entering negotiations with USSR was primarily blackmail for more US aid and resentment against what he believes to have been US niggardliness and unfairness over years re aid. British, Paks, and to lesser extent Turks seem to believe him to be making a genuine effort to improve Iran's international position vis-à-vis USSR. Possible Shah is rationalizing first motive to second one, and is being convinced by his rationalization.

2. Signing this agreement with Soviets could probably be stopped by (A) substitution of territorial guarantee or treaty alliance for bilateral now under negotiation, or (B) provisions sufficient 1338 budgetary aid to satisfy Shah (probably absolute minimum dollars seventy million) to be topped off by showy offer of rockets, destroyers, or other hardware. Other and less promising possibility Shah will take fright at last moment in negotiations with Soviets, that Soviets will overplay their hand, or that Shah may be affected by cogent arguments re consequences flirting with USSR.

3. Course (A) above involves global policy considerations and domestic political factors on which Embassy can not comment; it assumes that such action would not be possible at present. Course (B) would be easiest for Embassy to recommend. However, repeated experiences with such appeasement show that its adoption and execution would foreordain another, and probably more serious, crisis, within one year at most. Shah's appetite for soldiers and military hardware is unrealistically unlimited; next year would see more insolent demands and threats uttered with greater assurance and greater danger to Free World. Embassy believes primary dangers to Shah's regime are internal, not external, and that useless military expenditures weaken rather than strengthen it. Adoption course (B) would only exacerbate basic problem.

4. Consider campaign of political and subversive action to bring local pressure on Shah to change his mind or reduce him to figurehead can not become effective in time to stop him.

5. Core of problem lies in Shah's insatiable appetite to expand his army (at least to size, quality, and equipment level of Turkish Army) and his continuing misconception US role in that operation. BP has

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Source: Department of State, Central Files, 788.5–MSP/1–3059. Secret. Repeated to Ankara, Karachi, London, and Moscow.

meant nothing to people or Gov Iran other than strong hope of massive aid and/or territorial guarantee from US in return for Iranian adherence pact. Shah has chosen to believe US promised him unlimited aid upon his adherence to pact and that US has renewed that promise every time it has promised to study his requests. Latest renewal blank check, in eyes of Shah, was July 19 letter.[1] Shah and Hekmat have still not told GOI financial people of our aid offer and have not, therefore, given latter chance to say, as they well might, that GOI could live with this offer. Shah's hopes and wishful thinking re US aid nourish his dreams of military glory, and vice versa. Removal of these misunderstandings once and for all would appear to be desirable even if Shah were to suffer disappointment in process.

6. Embassy recommends US act as follows to counter Shah's threat:

(a) Loan and carry out with BP members coordinated bombardment Shah with arguments designed show how agreement with Soviets would endanger Iran and embarrass Free World—this would be of only minor effect on Shah.

(b) Offer to meet half of budgetary deficit if it is reduced to acceptable level (reducing to dollars seventy million deficit is certainly feasible, and, as per Embtel 1415,[2] dollars 28.6 million is justified by military budget review and balance justifiable as meeting collateral economic costs of build-up).

(c) Private and personal letter from President to Shah (should be cabled) saying, in effect, that President understood Shah was troubled by present US attitude on aid and bilateral agreements and would like to hear first hand from Shah what was on his mind. President's letter would add that he was asking me to deliver and to say that I was being asked to transmit Shah's response direct to President by fastest confidential means. This procedure should appeal to Shah as providing direct communication with highest US official and at same time play for time in event Shah should be inclined to take precipitate action and sign up with Soviets. At later stage, depending on course of developments, it might be desirable if personal representative of President were able to come to Tehran to talk to Shah. I would not, however, recommend this visit right now but would prefer first to see how matters develop following an exchange of correspondence between President and Shah.

7. Embassy gives course action outlined above no more than reasonably good chance of stopping Shah. If Shah goes through with agreement with Soviets, Embassy urges Department to minimize in every way possible the disadvantageous domestic reactions in US, to present a front of serenity and undiminished confidence in Shah's good faith and ability preserve Iranian independence. Impression that US believes Iran

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[1] See Document 243.

[2] Dated January 28. (Department of State, Central Files, 788.5–MSP/1–2859)

is lost to Free World should be avoided at all costs, since such impression would play into hands of Soviets.[3]

Wailes

[3] In telegram 1943 to Tehran, January 30, the Department of State expressed concern that the Shah might now seriously consider signing a treaty with the Soviet Union. The Department of State suggested the following course of action:

"In our reaction we should avoid either a) showing undue alarm and giving undertakings which would disclose to Shah and others that these tactics with US will pay off, or b) remaining apparently unconcerned to extent Shah would feel we regard his position as bluff with result that he had no alternative but to carry out threat. There is also possibility that Shah might naively believe non-aggression treaty with Soviet Union would give him some added security. We therefore have come to conclusion similar that reported Embtel 1425 that message to Shah might be useful at this stage." (*Ibid.*, 788.5–MSP/1–3059)

265. Special National Intelligence Estimate

SNIE 34–2–59 Washington, February 3, 1959.

CONSEQUENCES OF A SOVIET-IRANIAN NONAGGRESSION PACT

The Problem

To estimate the consequences of a Soviet-Iranian nonaggression pact on Iran's foreign position and domestic situation.

The Estimate

The Shah's Motives[1]

1. The Shah's negotiations with the USSR for a nonaggression agreement reflect his desire to retreat from the extremely vulnerable

Source: Department of State, INR–NIE Files. Secret. This estimate, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the USIB concurred in this special estimate on February 3, except the representatives of the AEC and FBI who abstained on the grounds that the subject was outside their jurisdiction.

[1] In telegram 1432, January 31, the Embassy assessed its thinking on the Shah's motives in negotiating with the Soviet Union, citing the Shah's "rage" at the United States for not giving Iran what he considered sufficient economic and particularly military aid. The Embassy stated that the Shah was using the "blackmail" of Soviet negotiations to emphasize that the United States should not take Iran for granted and because of "an almost pathological resentment" at what he considered reneging on U.S. promises of military aid. "While these feelings were churning about and coming to white heat in the Shah's complicated and neurotic mind," the Embassy continued, pro-neutralist Foreign Minister Hekmat argued that Iran's best defense against the Soviet Union was diplomacy and cleverness. The Embassy concluded that Hekmat's arguments provided the Shah with rationalization for his emotionalism overriding his common sense. (*Ibid.*, Central Files, 788.5–MSP/1–3159)

position in which he believes Iran has found itself during the past several months. His decision probably stems from the conviction that the US is unwilling to supply the increased aid and security commitments which he believes necessary to support an aggressively pro-Western position in the face of intensified Soviet threats and promises aimed at getting Iran to return to its traditional neutrality. His sense of insecurity has been heightened by the overthrow of the Nuri Said regime, the growth of Communist influence in Iraq, and continued Soviet aid to Afghanistan. He has apparently been impressed by what he deems is Nasser's ability to exploit both the East and West to the advantage of the UAR; the Shah may have hoped by the threat of an agreement with the USSR to elicit further concessions from the US. He may also fear that the West is moving toward an accommodation with Nasser. Finally, he probably believes that he can negotiate a limited agreement with the USSR which will allay Soviet pressure without seriously damaging Iran's basic ties with the US.

2. The Shah has indicated that he intends to limit the new agreement with the USSR to provisions whereby the USSR will agree to cease propaganda attacks on Iran, and Iran will promise to permit no foreign military bases on its territory and will agree not to sign the contemplated bilateral military agreement with the US.[2] The Shah insists that Iran will remain a member of the Baghdad Pact, will continue to rely on the West for military and economic aid, and will not accept Soviet economic or military assistance. According to the Shah the agreement, rather than nullifying the Soviet-Iranian treaties of 26 February 1921 and 1 October 1927, will "complement" them in the light of changed conditions, and will be registered with the UN.

Consequences for Iran's Foreign Position

3. The Soviet Bloc will almost certainly be able to exploit a nonaggression agreement with Iran as a psychological victory over the West and will herald it as the death rattle of the Baghdad Pact. Apart from this, the real effect of such an agreement as the Shah is apparently now contemplating will depend to a large degree on the reaction of the West—especially the US—to the Shah's move.

4. We believe that the Shah remains personally and culturally oriented toward the West. He will probably continue to hope for Western assistance for his economic development program and for support for

[2] It is not yet clear how such a provision would affect certain of the present US personnel and activities in Iran. [Footnote in the source text. Reference is to bilateral agreements between the United States and Iran, Turkey, and Pakistan, signed on March 5, 1959. By the terms of these agreements the United States was obligated to assume the same type of commitments for mutual security and defense as other members of the Baghdad Pact. For text, see *American Foreign Policy: Current Documents, 1959*, pp. 1020–1023.]

his Western-equipped military establishment. He will almost certainly remain convinced that US support would be indispensable to him in the event of any direct Communist aggression against Iran. He is unlikely deliberately to divorce Iran from its alliance with the West, as long as the West does not cut him off.

5. The Shah, and indeed many Iranians, remain aware of the Communist threat to Iran's integrity and independence. He is likely to limit carefully the terms of any agreement with the USSR. However, if he were to become convinced that the US has written him off, he would probably feel compelled, because of Iran's isolated foreign position, internal pressures favoring neutralism, and the need to obtain economic and military aid, to take a truly neutralist position by establishing closer ties with the USSR.

6. The Baghdad Pact concept is likely to be the main casualty of an Iranian-Soviet nonaggression agreement. Indeed the Shah's conviction that the Pact has proven unsound as an instrument for protection of Iran's security probably played a large role in his decision to negotiate with the USSR. A Soviet-Iranian nonaggression pact would have an adverse psychological effect in Turkey and Pakistan, both of which have attempted to promote Iran's campaign for additional aid and commitments from the US. Both of these countries, however, disparage Iran's military ability and will argue that their security now requires additional strengthening of NATO and SEATO. While Iran, as a result of its compromise with the USSR, may feel itself more in sympathy than has been the case in the recent past with such neutralist nations as India and the UAR, it will probably at the same time seek to continue close relations with Turkey and Pakistan.

Consequences for Iran's Internal Stability

7. While the Shah's prestige will inevitably suffer to some degree as a result of his having to change his policy, we believe that, on balance, a Soviet-Iranian nonaggression agreement of the type which the Shah is now apparently considering is unlikely to have any major effect on internal stability in Iran in the near future.[3] Civilian reformist elements in Iran and some lower and middle level military officers who we believe share their generally neutralist feelings, will probably be mollified temporarily at least by the Shah's gesture of disengagement from the cold war. The more radical of them, however, are unlikely to abandon the antimonarchical feelings which are on the main basis of their opposition to the Shah. Certain conservative elements who have long approved the wisdom of Iran's seeking to preserve its independence and promote its

[3] This subject will be considered in more detail in NIE 34–59, "The Outlook for Iran," which is now in process. [Footnote in the source text; see Document 270.]

interests through the traditional policy of playing one great power against another may also welcome the change.

8. These reactions will probably be balanced by others of opposite hue. The more radical reformist elements might interpret the Shah's moderate move as a sign of weakness and attempt to take advantage of it to promote a stronger movement toward neutralism. The military forces in general will be fearful that disengagement from the West may result in loss of military aid and consequent diminution of their privileged status. To avoid such a loss, many of them would probably be willing to accept Soviet military aid. There is also the possibility that a few top officers, suspicious of Soviet motives, desirous of continuing the military establishment in its present form, and dissatisfied with the Shah's inability to remain on his charted course, might seize the opportunity to attempt to take power and force a continuation of an aggressively pro-Western foreign policy. The chances for the latter two developments would be intensified if the feeling was to become widespread in Iran that the US had withdrawn its approval of the Shah and might be prepared to accept his ouster.

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266. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to Secretary of State Dulles

Washington, February 9, 1959.

SUBJECT

Irano-Soviet Negotiations and Our Proposed Bilateral Agreement with Iran

Discussion:

Since my memorandum to you of February 2, 1959 (Tab A),[1] at which time it appeared that Iran would break off negotiations with the Soviets, there have been developments of a mixed character. For a few days, it was very difficult for our Ambassador in Tehran to ascertain

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Source: Department of State, NEA/GTI Files: Lot 61 D 407, Office Memoranda 1959. Secret; Limit Distribution. Drafted by Mouser and Owen Jones.

[1] Not printed. (*Ibid.*, Central Files, 611.88/2–259)

what was going on since the Shah was sick and incommunicado, the Prime Minister had taken to his bed, and still later the Foreign Minister also became ill. During this period, in a speech (Tab B)[2] before the Iranian Senate, the Foreign Minister said Iran would continue to honor its Baghdad Pact obligations. In addition, the Prime Minister indicated to a member of the American press that Iran would sign "soon" the "controversial" bilateral defense agreement with the U.S. Meanwhile, the Russian delegation has remained in Tehran.

On February 7, Ambassador Wailes and British Ambassador Harrison were summoned by the Shah and told that he was prepared to sign the bilateral agreement, but he would also sign an agreement with the Soviets if they accepted his terms (Tab C).[3] On the latter point, he said that if Iran were not to do so, he would be faced with an internal political problem since the proposed non-aggression treaty was so favorable to Iran. These terms be described as follows:

1. Neither signatory would join an aggressive coalition directed against the other;
2. Each signatory would respect the territorial integrity of the other, including land, air and sea areas;
3. Neither signatory would resort to aggression, direct or indirect, against the other;
4. Nothing in the treaty would override existing obligations of either signatory, or future obligations which might be undertaken pursuant to the UN Charter;
5. The treaty would be subject to arbitration; and
6. The treaty would run for 30 years.

In this same discussion, the Shah said that the Soviets might accept a protocol to the Treaty of 1921[4] which would cancel Articles 5 and 6 of that treaty. He provided no details as to the contents of such a protocol. He asked for our comments by Monday, February 9.

In commenting (Tab D)[5] on the protocol proposal, Ambassador Wailes said that in his opinion this would be preferable to a non-aggression treaty. He added that if the Department agreed that a protocol of this nature could be controlled as regards reactions in the U.S. and elsewhere, we should probably sign our bilateral with Iran despite the possible conclusion of a protocol with the Soviet Union and that we should so inform the Shah.

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[2] Telegram 1472 from Tehran, February 4, not printed. (*Ibid.*, 780.5/2–459)

[3] Telegram 1478 from Tehran, February 7, not printed. (*Ibid.*, 788.5/2–759)

[4] The Soviet Union and Persia signed a Treaties of Friendship February 21, 1921; for text, see Leonard Shapiro, *Soviet Treaties Series, 1917–1927*, p. 93.

[5] Telegram 1500, February 8, not printed. (Department of State, Central Files, 661.88/2–859)

On February 8, in an instruction (Tab E) to Tehran,[6] we reviewed the Irano-Soviet treaties of 1921 and 1927[7] and instructed Ambassador Wailes to speak to the Shah as follows:

1. That the interests of Free World collective security organizations would best be served if Iran could avoid signing either a non-aggression treaty or protocol;
2. That if the Shah is determined that he must sign something with the Russians, we would not be in a position to say definitely that a protocol to the 1921 treaty would be better than a non-aggression treaty until we had an opportunity to study the proposed contents.
3. That if we found that the provisions of a non-aggression treaty or protocol were not inconsistent with our bilateral, would not undermine regional collective security, and would not adversely affect our present MAAG arrangements or comparable assistance in the future, we would be prepared to sign the bilateral, taking into account the timing of the signing with the Soviet Union;
4. That the Shah should consult on an urgent basis with his Baghdad Pact allies; and that Turkey and Pakistan are being informed of our views.

Ambassador Wailes was authorized to act as he deemed appropriate with U.K. Ambassador Harrison in carrying out these instructions.

We have had no reaction to these instructions. We have had, however, a subsequent cable (Tab F) from Tehran[8] indicating the Russians are now becoming restive and that the Iranian press reports the negotiations with the Soviets have been broken off. Our Embassy has no confirmation of this.

Recommendation:

That we wait for the Shah's reactions to our latest instruction to Ambassador Wailes (Tab D) before taking any further action with respect to the Irano-Soviet negotiations or the bilateral.

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[6] Telegram 2027 to Tehran February 8, not printed. *(Ibid.)*

[7] The Treaty of Guarantee and Neutrality, signed on October 1, 1927; see Shapiro, *Soviet Treaties Series, 1917–1927*, pp. 340–341.

[8] Telegram 1501 from Tehran, February 8. (Department of State, Central Files, 788.5–MSP/2–859)

267. Editorial Note

At the 396th Meeting of the National Security Council, February 12, Director of Central Intelligence Allen Dulles briefed the Council on "Significant World Developments Affecting U.S. Security." According to a memorandum of the discussion prepared by Gleason, on February 12, Dulles provided the following information on Iran-Soviet relations:

"The Director of Central Intelligence stated that a Soviet delegation had been in Iran for some two weeks to negotiate an agreement on a non-aggression pact. The membership of the Soviet delegation was potent. At first the Iranians had not told us much about the negotiations although the Shah may have originally encouraged the Soviet delegation to come to Iran. He may have believed that this would construct a good bargaining position vis-à-vis the U.S. In any event the Soviet-Iranian negotiations had ended very abruptly on February 10. The cause of the break was the refusal of the Soviet Union to accept an agreement with Iran which would permit that country to remain a member of the Baghdad Pact and to sign a bilateral agreement with the U.S. In the final session of the negotiations the Soviets had been insulting, abusive and even threatening. This may presage a breach of diplomatic relations with Iran. We should not take such a possibility, warned Mr. Dulles, too lightly.

"Secretary Dillon commented that the signing of the bilaterals between the U.S. on the one hand and Iran, Turkey, and Pakistan on the other might be delayed for some little time. He thought that the signature of the bilaterals might occur in two weeks time, the signatures being affixed separately in the capitals of the three countries.

"In any event, continued Mr. Allen Dulles, the Soviets are not likely to take lying down the refusal of the government of Iran to sign a non-aggression pact with the U.S.S.R. Iran has always been a sensitive area to the Soviet Union and we will do well to consider what actions the Soviet Union might take as a result of the breakdown of the negotiations and prepare to counter whatever steps the Soviets take. We will undoubtedly get strong pressure for support from the Iranian government. In outlining possible moves that the Soviet Union might take against Iran, Mr. Allen Dulles said that he did not expect them to undertake direct military action against Iran. Secretary Dillon said he would like to discuss the situation in Iran as a result of the departure of the Soviet delegation with Mr. Dulles and his associates." (Eisenhower Library, Whitman File, NSC Records)

268. Memorandum From Acting Secretary of State Herter to President Eisenhower

Washington, February 23, 1959.

SUBJECT

Soviet Threats to Iran

There have been developments in Iran relating to the proposed bilateral agreements between the United States on the one hand and Turkey, Iran and Pakistan on the other hand, which render it advisable as a matter of urgency to bring to your attention the present status of the matter.

You will recall that at the London meeting in July of the Baghdad Pact Ministerial Council,[1] the United States joined in a Declaration with the other governments represented there to the effect that it would assume with respect to those governments the same obligations which they had assumed among themselves in Article I of the Baghdad Pact. Essentially this was that: "Similarly, the United States, in the interest of world peace, and pursuant to existing Congressional authorization, agrees to cooperate with the nations making the Declaration for their security and defense, and will promptly enter into agreements designed to give effect to this cooperation."[2]

The reason for joining in this Declaration was to prevent serious weakening of the Baghdad Pact and at the same time provide a suitable alternative to our adherence, for which the members had strongly pressed in light of the Iraqi coup which had just taken place.

Turkey, Iran, and Pakistan indicated that they wished to negotiate new and identical bilateral agreements with us even though there were in existence various agreements which provided the basis for technical assistance, economic aid, military programs, etc. These new bilateral agreements have been under discussion and negotiation for the past several months. The principal points at issue in the past have related to a desire on the part of the Middle Eastern countries to obtain the commitment that the United States would come to their assistance in case of

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Source: Eisenhower Library, Whitman File, International File, Iran. Secret. A Department of State copy of this memorandum indicates that Rountree was the drafter. (Department of State, Central Files, 661.88/2–2359) A note on the memorandum indicates that the President approved it and the attachments and the Department of State was notified on February 24.

[1] See Documents 33 and 34.

[2] For text of the declaration, see *American Foreign Policy: Current Documents, 1958*, pp. 894–895.

aggression, direct or indirect, from any quarter, and a commitment that the United States would provide "additional" military and economic assistance. We have maintained the position that we could not undertake either of these commitments, and that the agreements must be within presently existing legislative authority, including the Mutual Security Act and the Joint Congressional Resolution to promote peace and stability in the Middle East. The area countries have now accepted our position in this regard, and other discussions have related to the secondary issues which have now been worked out. The text of the draft agreement as it now stands is enclosed.[3] Copies have been made available to the Senate Committee on Foreign Relations for the information of its members.

One complication has been that the Government of Pakistan desired, simultaneous with the signature of the bilateral agreements, assurance in some form that the United States would regard with utmost gravity any threat to the independence and integrity of Pakistan. It had India particularly in mind. Iran also has urged a statement along these lines, and expressed the hope that it might be considerably stronger, even saying that the United States would defend Iran as if it were American territory. We have considered it unwise to undertake such formal statements or assurances supplementing the bilateral agreements, but have said that we intended to make a statement at the time of the signature of the agreements which would announce them, set forth their purpose, and reiterate that the United States would view with utmost gravity any threat to the territorial integrity or political independence of these nations. Statements of this character have been made in the past, notably on November 29, 1956, at the time the countries were disturbed as a result of the Suez crisis. There is enclosed a draft of the kind of statement we have had in mind.

You will recall that, while our bilateral agreements were under negotiation, the Iranian Government undertook, without advance notice to us or to the other members of the Baghdad Pact, talks with the Soviet Union on a possible non-aggression pact. One of the conditions offered by Iran during the early stages of these negotiations appears to have been that it would not conclude a bilateral agreement with the United States, although it would remain in the Baghdad Pact. This no doubt was tempting to the Soviet Union. The negotiations with the Soviet Union broke down after a very acrimonious exchange,[4] and since then Iran has

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[3] The draft is not printed; for text as agreed upon, see *ibid., 1959*, pp. 1020–1022.

[4] The Shah sent Eisenhower a letter on February 14 expressing solidarity with the West, explaining his reasons for the negotiation of a potential nonaggression treaty with the Soviet Union, and stating that the discussions had failed. (Telegram 1554 from Tehran, February 14; Department of State, Central Files, 788.5–MSP/2–1459)

been under intense Soviet propaganda pressure. The Soviets have taken Iran's attitude as a personal affront to Khrushchev who, according to the Soviet version, personally authorized the negotiations at the instigation of the Shah.

Soviet propaganda against Iran and the Shah personally has reached a new high for recent years. [*less than 1 line of source text not declassified*] Prime Minister Eqbal has stated that the Soviet Ambassador was passing a story around Tehran to various Iranians and to members of the diplomatic corps that the Soviet Union will occupy Azerbaijan if Iran signs the bilateral agreement with the United States. Unconfirmed press stories from Iran dated February 22 report that the Soviet Ambassador made a similar threat directly to the Iranian Foreign Minister.[5] If true, this of course would be far more serious than the informal comments made to individuals. (The British Embassy informs us that reports of these developments have gone to Mr. Macmillan in Moscow and that he is fully briefed on the subject.)

Notwithstanding these reported Soviet threats, the Iranian Government has reiterated its desire to sign the bilateral agreement as soon as possible, and we understand the Iranian Ambassador in Ankara has been given appropriate authorization. At the same time, the Iranians urge a Presidential statement setting forth in strong terms our support for Iran.

The situation at the present time is, therefore, that subject to the ironing out of several details, the agreements will be ready for signature, presumably in Ankara. Iran has suggested that they be signed as early as February 24.

I believe we must recognize that there are dangerous potentialities in the present situation. We cannot know the extent to which the Soviet statements are bluff, and thus cannot be certain that they will not take action vis-à-vis Iran which would pose a serious dilemma for us. We do know that the Soviets are endeavoring by all means at their disposal to prevent the signature of the bilateral agreements and that their signing, in the light of the history of the recent Soviet-Iranian negotiations, would be viewed with great seriousness by the Soviet Union, even though the agreements in fact do not contain any new commitments on our part.

On the other hand, our failure to proceed with signature of these agreements would, particularly in view of the background, be taken as a sign of weakness on the part of the United States and/or the Baghdad Pact countries, and this would be a major victory for Soviet policy in the

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[5] According to telegram 1624 from Tehran, February 24, these stories were "baseless" and there was "no confirmation any direct Sov threat occupy Iran." (Department of State, Central Files, 661.88/2–2459)

Near East. It would seriously undermine anti-communist elements in the whole area, as well as American prestige.

I therefore believe that despite the dangers we should proceed with arrangements for the signature of the bilaterals which, in the absence of delaying tactics, would be completed some time this week. Before proceeding I will take the matter up with the Department of Defense, and of course desire your views.

Christian A. Herter

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269. Editorial Note

At the 397th Meeting of the National Security Council, February 26, Director of Central Intelligence Allen Dulles gave the Council his briefing on "Significant World Developments Affecting U.S. Security." According to a memorandum of the discussion prepared by Gleason on February 26, Dulles provided the following information on Iran-Soviet relations:

"Mr. Allen Dulles then turned to the situation in Iran, briefly reviewing the background of the recent negotiations between Iran and the Soviet Union for a non-aggression pact. Since the abrupt breakdown of these negotiations, there was ample evidence that Mr. Khrushchev and his associates were very much annoyed with the Shah. Khrushchev's remarks in his February 24 speech on Iran had been ad libbed and were extremely insulting to the Shah personally. Mr. Dulles warned that we must expect further reaction from the Russians noting in this connection that the Soviets had planted rumors that the province of Azarbaijan would be occupied by Soviet troops if Iran proceeded to sign its bilateral agreement with the U.S. Both the Iranians and ourselves regard this threat as a bluff. Nevertheless, the Soviets can do quite a lot in terms of raising the level of subversive activity in Iran. Mr. Dulles doubted, however, whether for the present the Shah could be overthrown by such Soviet maneuvers." (Eisenhower Library, Whitman File, NSC Records)

270. National Intelligence Estimate

NIE 34–59 Washington, March 3, 1959.

THE OUTLOOK FOR IRAN[1]

The Problem

To estimate the outlook for stability in Iran over the next year or two, and probable trends in Iran's relations with the West, the Bloc, and other Middle East countries.

Conclusions

1. Although an internal move against the Shah could take place at any time, there are important factors militating against such an eventuality. On balance, we believe that the chances of the Shah's remaining in power during the period of this estimate are somewhat better than even. (Para. 27)

2. Civilian reformist elements opposed to the Shah are weak and disorganized. This is true also of the Tudeh (Communist) Party. These groups are unlikely of themselves to pose a serious challenge to the present regime in the near future. The military has the power to oust the Shah or to force him into a subordinate position, and it seems likely that there are a number of officers who would be disposed to move against the regime should the opportunity arise. However, we have no evidence that such a move is likely in the immediate future. (Paras. 19–22)

3. We remain pessimistic as to the longer term outlook for the Shah's regime. We believe it unlikely that he will effect such a fundamental reform program as would satisfy rising popular demand and broaden the base of his support sufficiently to insure the stability of his regime; nor is he likely to relinquish personal power to the point where he would be able to divert from himself criticism of the government. In the absence of such developments, a move to restrict his power or oust him entirely will be increasingly likely. (Para. 28)

4. The Shah's abrupt termination of negotiations with the USSR for a non-aggression pact and his decision to sign the bilateral agreement with the US have resulted in intensified Soviet pressure against Iran. While we do not believe that the Soviet Union will invade Iran, it will probably bring economic pressures to bear and will try to subvert the

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Source: Department of State, INR–NIE Files. Secret. This estimate was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the USIB concurred in this estimate except the representatives of the FBI and the AEC who abstained on the grounds that the topic was outside their jurisdiction.

[1] Supersedes SNIE 34–58, "Stability of the Present Regime in Iran," dated 26 August 1958. [Footnote in the source text. SNIE 34–58 is printed as Document 249.]

Shah's regime by clandestine means. It may even promote his assassination by domestic dissidents. It could, if it chooses to bring greater pressure, take such steps as staging border incidents and troop maneuvers coupled with threats to send troops into Iran under the 1921 Soviet-Iranian Treaty. Any attempt by the Iranian Government to denounce this treaty, in whole or in part, would further exacerbate Soviet-Iranian relations. (Para. 35)

5. We believe it unlikely that Soviet efforts will have a major effect on the internal stability of the Shah's regime in the near future.[2] If the USSR employs a combination of the pressures mentioned above, however, the Shah may become convinced that these Soviet pressures are becoming intolerable. In this event, he might again consider modifying Iran's outspoken pro-Western foreign policy. Such a development could pose a serious threat to US and Free World defense interests in Iran and would raise new problems for the general US position in the area. (Paras. 36–37)

6. On balance, we believe the odds are against the Shah's modifying Iran's present policy and that it is highly unlikely that he will sever his basic ties with the US. Indeed, in the face of intensified Soviet pressure, he will probably seek expanded US support more importunately than ever. (Para. 38)

7. If a regime dominated by top level military officers (which might include moderate civilian reformist elements) were to take power from the Shah, it would probably continue a generally pro-Western foreign policy and avoid serious interference with present oil arrangements. If more radical military officers and civilian reformists came to power, they would probably adopt a neutralist, though not necessarily anti-Western, policy. Under such a regime, heavy pressure would be brought to bear for increased Iranian control over oil operations and a larger share of profits, although action to take them over completely would probably be unlikely at least for some time. (Paras. 41–42)

[Here follow the "Discussion" portion of the estimate (paragraphs 8–42) with sections headed "Iran's Present Position," "The Problem of Instability," "Political Situation and Outlook," "Economic Situation and Outlook," "Iran's Relations With the US and the USSR," "Iran and the Arab States," and "In the Event of the Overthrow of the Shah" and a map.]

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[2] At the 400th Meeting of the NSC, March 26, during his intelligence briefing on "Significant World Developments Affecting U.S. Security," Allen Dulles informed the Council of continuing Soviet pressures on Iran. According to a March 26 memorandum of the discussion, drafted by Boggs, "Dulles predicted that the Soviets would cut down or indeed cut off all trade with Iran. He also pointed out that Soviet arms deliveries to Iraq were continuing at a high rate." Dulles went on to refer to seven shiploads of armaments amounting to 16,300 tons. (Eisenhower Library, Whitman File, NSC Records)

271. Editorial Note

At the 413th Meeting of the National Security Council, July 16, during his intelligence briefing, Allen Dulles informed the Council of continuing Soviet pressures on Iran. According to Gleason's memorandum of the discussion, July 16, Dulles' briefing reads as follows:

"Mr. Dulles again indicated that developments in Iran deserved to be followed most carefully. He added that the intelligence community was uneasy. The Shah had recently boldly rejected the Soviet demands but as of now does not seem sure where he is going. We are also very concerned, continued Mr. Dulles, at the incessant propaganda pounding that the Soviet radio was giving the Shah. Some of the weaker members of the Shah's entourage are apparently urging some kind of understanding with the Soviets. Meanwhile, leaders of dissident groups have been trying to make contacts with U.S. officials. These efforts have been rebuffed." (Eisenhower Library, Whitman File, NSC Records)

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272. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to Acting Secretary of State Dillon

Washington, July 23, 1959.

SUBJECT

Soviet Propaganda Pressures on Iran

Discussion:

A recent telegram from Geneva (Tab B)[1] indicates that Secretary General Hammarskjold has not yet been successful in his attempts to bring about a cessation of Soviet propaganda broadcasts to and pressure on Iran. In addition, there are credible signs that the morale of the Shah and his advisers has been adversely affected. It is certainly true that the

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Source: Department of State, NEA/GTI Files: Lot 61 D 407, USSR-Iran Propaganda War. Secret; Limit Distribution. Drafted by Mouser and Marcy; cleared by Wilcox, Kohler, and Director of the Office of Soviet Affairs Richard M. Service; and cleared in draft with Deputy Director of the Office of United Nations Political Affairs Joseph J. Sisco, and Officer-in-Charge of UK and Ireland Affairs James W. Swihart.

[1] Reference is to Secto 335, July 16. Secretary Herter was in Geneva for the reconvened Foreign Ministers Meeting on Germany. (*Ibid.*, Central Files, 661.88/7–1659)

Shah believes that the United States and the United Kingdom have not supported Iran fully in the face of this hostile Soviet campaign.

According to recent statements by Khrushchev and now Gromyko, the Soviets are only willing to consider a cessation of their pressure if Iran is willing to pay a price. Such a price presumably would have to be some dramatic gesture such as conclusion of a non-aggression treaty with the USSR, abrogation of the U.S.-Iranian bilateral agreement, or some similar action seriously detrimental to Iran's relations with the West and its Baghdad Pact allies. There is the clear danger that the Shah might be persuaded by the faint-hearted and the neutralists around him that he should take one of these steps to relieve the immediate pressure on his position in Iran. Were he so persuaded, he would not only endanger seriously his country's relations with the West and his Baghdad Pact allies, but he would also undermine his position in the country in the long term.

In this situation we have two objectives: to induce the Soviets to cease and desist, which Mr. Hammarskjold has so far unsuccessfully tried to do, and/or to shore up the Shah's morale sufficiently to resist the pressures towards accommodation being exerted on him.

Of the various means available to us, i.e. action in the Baghdad Pact, further bilateral discussions with the USSR, military and economic assistance, additional statements by U.S. officials and the UN forum, a bilateral approach to Gromyko in Geneva might be the most useful next step. While formal UN consideration of the problem would not necessarily resolve the issue, it would bolster materially the morale of the Shah and his supporters at this particular juncture. At the same time action in the UN might risk serious criticism that the United States is "spoiling" the atmosphere for a summit meeting. Before deciding finally on such action, therefore, we believe that we should recommend to the Secretary that he and Selwyn Lloyd discuss whether they might raise the issue with Gromyko in Geneva. The Secretary had previously been requested by the Iranian Foreign Minister, during the earlier Geneva meeting, to raise this matter with Gromyko, but he avoided such a step while Hammarskjold was actively pursuing the matter with the USSR. Such an approach to Gromyko might have the maximum impact if it came initially from the British who are widely believed to have a keen interest in a summit conference since it would suggest to the Soviets that Soviet pressure on Iran might itself jeopardize such a meeting. We have in mind that the Secretary and/or Selwyn Lloyd would tell Gromyko that we regret that Hammarskjold's efforts have not been successful and that if the situation does not improve, we would have to consider sympathetically any Iranian request that the matter be discussed in the UN. We believe Iran has a good case that can be well documented.

Whether or not it is decided by the Secretary to go to Gromyko, we could derive some advantage with the Shah by telling him that the Secretary and Mr. Lloyd are discussing in Geneva what might be done to assist Iran in this situation. We would propose, therefore, if the Secretary approves, to inform the Shah of what the U.S. and U.K. are doing to assist Iran in resolving this matter. Even should the Secretary and Mr. Lloyd decide against an approach to Gromyko, we would still have the subsequent avenue of recourse to the UN open to us. You will recall that we have already undertaken to consider with the Iranians possible recourse to the UN should Hammarskjold's mission fail (Tab C).[2]

Recommendation:

That you approve the attached telegram to Geneva (Tab A).[3]

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[2] Reference is to telegram 129 to Tehran, July 10. (Department of State, Central Files, 661.88/7–1569)

[3] Sent as Tosec 393 to Geneva, July 25, not printed. (*Ibid.*, 661.88/7–1659) In response Secretary Herter replied in Secto 406 from Geneva, July 28, that he had found little evidence of Soviet desire for a summit meeting. Furthermore, Herter had avoided bilateral conversations with Gromyko at the Geneva Conference and believed he should continue to do so. Herter concluded that the approach to the Soviet Union should be made in the United Nations. (*Ibid.*, 661.88/7–2859)

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273. Telegram From the Embassy in Israel to the Department of State

Tel Aviv, August 9, 1959, noon.

136. Ben-Gurion told me in confidence following lunch at residence August 8 that Abba Eban plans to leave for Iran week August 10 and requested I talk Eban Weizmann Institute today.[1]

Source: Department of State, Central Files, 033.84A88/8–959. Secret; Priority; Limit Distribution. Repeated to Tehran and London.

[1] On July 24, the Shah announced that Iran had extended Israel de facto recognition, but emphasized that such recognition had been in existence since 1949 notwithstanding the fact that the Iranian envoy had been recalled from Tel Aviv in 1951. The Shah added that there was never any question of extending de jure recognition to Israel. The Shah's announcement occasioned sharp criticism in the Arab world, especially from President Nasser, and the United Arab Republic's representative in Tehran was declared persona non grata by the Iranian Government.

Prime Minister indicated he had had important secret talk Major General Bakhtiar of Iran about July 27.

Bakhtiar whom Ben-Gurion described as "No. 2 man Iran who had ear of Shah" made following points:

1. Iran more or less forced to conclude recent bi-lateral pact US;[2] that Iran now felt "let down" by US as Turkey and Pakistan received substantial arms while Iran was not with result Iranian 200,000 Roman army's equipment now becoming obsolete.
2. Raised question Iranian-Soviet relations and specifically queried Ben-Gurion "should they (Iran) turn to Russia?"

Prime Minister said he stated to Bakhtiar Iran had no alternative but to stay closely allied West and that Iran clearly protected by US.

Bakhtiar commented on latter point and reportedly said "we are proud, independent and we want to be able to defend ourselves."

Further, Ben-Gurion made point to Bakhtiar that Iran should continue raise standard of living its people to which Bakhtiar replied this is "also Shah's view".

I indicated that we knew Iran somewhat concerned Soviet broadcasts but that USG believed that broadcasts might go on whatever Iranian policy; that as regards arms this not a new question and involved absorptive and technical capacity of Iran to make use military equipment and economic aid. Added that I not familiar details but happy report Bakhtiar's comments to Department and sure they would be carefully considered.

Ben-Gurion then said in view "important" to strengthen Iran; that US "appeared" to be doing more for Nasser than for Iran which clear friend; and that US as he understood it had done and was doing more militarily for Turkey and Pakistan than for Iran.

Prime Minister emphasized his belief that if more could be done militarily strengthen Iran and if Iran felt psychologically more clearly supported by US then this feeling and evidence this support might in turn encourage Afghanistan to "turn away more from Russia, more toward West".

Finally Ben-Gurion said several Israeli "cultural" and agricultural experts had been to Iran at latter's request and one Israeli now working consultant Iranian Ministry of Agriculture.

In strict confidence Ben-Gurion indicated GOI policy, details of which not clearly known "our people" based in part strengthening Israeli relations with Turkey, Iran, Ethiopia, Sudan and "maybe later" with Iraq.

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[2] See Document 267.

Comment: Efforts to strengthen Israel's relations with Iran in particular and expression of concern over security of Iran and future course of Iran vis-à-vis USSR are significant in view of Israel's dependence on Iran as source of oil for Eilat pipeline for which contract recently signed with Rothschild group. Ben-Gurion's comments also indicative his clear belief importance US support for Iran to security and independence entire area.

Reid

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274. Memorandum From Secretary of State Herter to President Eisenhower

Washington, August 25, 1959.

SUBJECT

Letter from the Shah of Iran dated August 16, 1959[1]

The Shah of Iran has again expressed worry over his country's security position and reiterated his desire for more assistance, particularly military. He has linked his present concern to Soviet Premier Khrushchev's coming visit to the United States,[2] and referring to the Soviet campaign against him, sought to invoke the U.S.-Iranian bilateral. This latter point is particularly significant in view of his prolonged and unsuccessful pressure to persuade us to transmute the Baghdad Pact (now

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Source: Department of State, Central Files, 611.88/8–2659. Secret; Presidential Handling. Drafted by Marcy and Mouser.

[1] In this letter the Shah reviewed for Eisenhower the events that transpired since their meeting in Washington in June 1958, and added that "with due respect" and gratitude for past U.S. assistance, he was "constrained to express the opinion that if help is to be effective, it should be dispensed in time and in adequate measure. And what more opportune time for the manifestation of greater support and cooperation could be found than immediately before your meeting with Mr. Khrushchev?" (Telegram 344 from Tehran, August 17; *ibid.*, 788.5–MSP/8–1759)

[2] Soviet Premier Khrushchev made an official State visit to the United States September 15–27.

CENTO) into an organization parallel to NATO with comparable commitments.

As you know, the Shah is constantly pressing us for more aid. Since, partially as a consequence of your letter of January 30,[3] he broke off negotiations with the USSR for a non-aggression pact, he and his government have been subjected to an abusive and hostile Soviet propaganda campaign designed to lead to the subversion and overthrow of his government. This he has resisted with admirable fortitude. By again adverting to the aid we are giving him, explaining the reasons behind the Khrushchev visit, and commending the Shah for his country's courageous stand in the face of Soviet pressures, I believe that you can do much to reassure him.

The Shah has referred to your letter of July 19, 1958,[4] which, in light of developments in Iraq, informed him that we would assist him in bringing MAP-supported units of his armed forces to agreed operational strength and high efficiency through accelerated deliveries of equipment and training. This program has been in full swing since that commitment. Our training missions have been strengthened, a wide range of equipment is being delivered and the overall MAP for Iran has been increased substantially. The Shah, however, continues to insist that we should do even more in the military field despite the serious limitations on his and our resources. Our Embassy in Tehran believes that while a military program is necessary, the increased emphasis which the Shah would like to place on his country's military endeavors would endanger both Iran's economy and his own internal position. Ambassador Wailes suggests that by proceeding promptly with such programs as the construction of a military jet airfield near Hamadan, for which we have already promised $6.5 million, we could go far in coping with the overall problem.[5] Construction has not begun because of the need for funds over and above the $6.5 million we have already committed. I have undertaken to resolve this problem in one way or another.[6]

I understand your reasons for deferring definite plans following your visit to the USSR. I would, however, like to suggest that when the moment comes to fix your program that you consider a brief stopover in

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[3] See Document 263.

[4] See Document 243.

[5] The Embassy stated this belief in telegram 359 from Tehran, August 19. (Department of State, Central Files, 788.5–MSP/8–1959)

[6] In telegram 584 to Tehran, the Department of State suggested that a military airbase at Hamadan would cost $10 to $12 million. The result would be that the Shah would have a half-finished military airbase. The Department of Defense suggested what it considered a more rational and less costly alternative of using the $6.5 million to improve the Hamadan civil airport, which was at a lower elevation and would thus require shorter runways. The civilian airport could be also used as a military airbase. (*Ibid.*, 788.5–MSP/8–2459)

Tehran. Such a visit, though only "for lunch", would go a long way to reduce the Shah's anxieties and current Iranian pressures on us.

A suggested reply to the Shah's letter is enclosed for your consideration. If you approve, we will telegraph your reply to Tehran.[7] I recommend no publicity on this exchange.

Christian A. Herter[8]

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[7] The draft was attached but is not printed. The approved letter was transmitted in Cahto 1 from Bonn to Tehran, August 26. Eisenhower's letter reassured the Shah that "Iran does not stand alone" in face of Soviet pressures, and although Eisenhower did not plan to conduct "substantive negotiations" with Khrushchev regarding the affairs of third countries he would "seize any opportunity" to remind Khrushchev that his vicious campaign against Iran did not conform to Soviet protestations of non-interference in other countries' affairs and lessening of world tensions. Eisenhower also assured the Shah that should Iran be attacked by "local indirect aggression . . . by countries motivated by or under the direction of international communism," the Eisenhower Doctrine would apply. Without mentioning Iraq or Afghanistan by name, Eisenhower's letter made it clear that if either country were subverted by international communism, direct attacks from their soil would be covered by the Eisenhower Doctrine. (*Ibid.*, 611.88/8–2659)

[8] Printed from a copy that bears this typed signature.

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275. Telegram From the Embassy in Iran to the Department of State

Tehran, September 10, 1959, midnight.

510. For Parker Hart NEA. Reference: Embtel 509.[1] I hope that you and Lewis Jones will be able to give your personal attention to the developing situation here as set forth in reftel which outlines a number of difficult problems we will have to take up with Shah in near future. In addition we can't overlook fact that there is going to be keen Iranian

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Source: Department of State, Central Files, 788.5–MSP/9–1059. Secret; Limit Distribution.

[1] In telegram 509, September 10, the Embassy listed eight subjects that it believed would trouble U.S.-Iranian legislation during the next 4 months. These were: 1) reduced U.S. budgetary aid for fiscal year 1961 requiring a stretching out of Iran's military buildup; 2) delay in military construction; 3) lower FY 61 DLF lending; 4) reduction of ICA technical assistance; 5) lack of financing for construction of the Turkish-Iranian railroad; 6) insufficient funding for the proposed Hamadan airfield; 7) denial of Iran's request for two destroyers; and 8) refusal to provide Iran missiles or missile training. (*Ibid.*)

disappointment if US does not at CENTO Meeting adhere to Pact or announce additional loan and military aid which are principal Iranian objectives.

The outlook is difficult to assess as we are dealing with a government completely controlled by one man who at best is unpredictable. It is our guess that if the actions proposed in paragraphs two and three of reftel[2] are effectively carried out and if possible augmented by a visit to Iran by the President, as hinted at in press recently, we will be able to maintain the status quo. On other hand, if Shah should embark on new course, it may lead to a semi-neutral Iran with a weakened CENTO or even, as an extreme possibility, to his abdication. I need not further comment on adverse effect which such developments would have elsewhere in ME. All things considered I doubt there is any real alternative to strong support for Shah and present GOI. Any other method of shoring up this vital sector of our front line with Soviet Union could well cost more money and might involve American forces.

Wailes

[2] In these paragraphs of telegram 509, the Embassy suggested an elaborate series of briefings and discussions with the Shah and the Iranian military to cushion the shock that the United States was planning to stretch out Iran's military buildup and delay support of military construction. The Embassy should also point to the positive elements in the assistance program, including the transfer of two corvette destroyers and anti-tank missiles.

276. Memorandum From Secretary of State Herter to President Eisenhower

Washington, September 16, 1959.

SUBJECT:

The Khrushchev Visit: Soviet Pressures on Iran

The difficult situation in Iran which has confronted us due to Iranian uncertainties over the meaning of the Khrushchev visit and their dissatisfaction with the magnitude of our aid and our position regarding the Central Treaty Organization (CENTO) has acquired a new urgency during the past few days. As you know, you told the Shah, in response to a recent letter from him,[1] that you would raise the question

Source: Eisenhower Library, Whitman File, Dulles–Herter Series, September 1959. Secret. On the Department of State copy of this memorandum Mouser is the drafter and Henderson and Kohler concurred. (Department of State, Conference Files: Lot 64 D 560, CF 1471)

[1] See footnote 1, Document 274.

of the Soviet propaganda campaign against Iran with Mr. Khrushchev if circumstances permitted.[2]

Starting with a meeting between Khrushchev, Gromyko and the Iranian Ambassador in Moscow on September 2, 1959,[3] the Soviets have now embarked on what appears to be an all-out campaign to win Iran over to neutralism in its foreign relations, holding out among the inducements the possible cessation of the Soviet propaganda campaign and among the threats, possible occupation of Iran under a distorted Soviet interpretation of a 1921 treaty.[4] There are many in Iran who favor neutralism and the Shah may well be susceptible to these pressures. I think in the circumstances that it is even more important than before that you find an opportunity to discuss the Soviet posture towards Iran with Mr. Khrushchev during the Camp David talks.

Since we desire a cessation of the hostile Soviet propaganda campaign, but not at the expense of a significant Iranian concession to the Soviets, I think the most useful approach would be to stress to Mr. Khrushchev that his country's hostile propaganda campaign against a weak and small neighbor is not calculated to lessen world tensions and that it does not conform to his country's frequent protestations that it does not interfere in the internal affairs of other countries. If he should allege that American bases are being established in Iran, you could tell him frankly that we have no such bases, we have not sought them, and that the Shah is on record as opposing the establishment of such bases. If we could tell the Iranians now that you will definitely raise this matter with Mr. Khrushchev, I think it would be most helpful.[5]

While I know that your plans for your visit to the USSR are still indefinite, I believe that it is increasingly important that a brief stop-over be made in Tehran. The Shah is deeply troubled over his country's security position and your having a personal talk with him might do much to relieve his fears and uncertainties.

Christian A. Herter

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[2] See footnote 7, Document 274.

[3] The translated text of the telegram from the Iranian Ambassador in Moscow to Tehran, recounting the discussion between Ambassador Masud Ansari and Khrushchev, Gromyko, and the Chief of the Middle East Division of the Soviet Foreign Ministry is in telegram 531 from Tehran, September 14. (Department of State, Central Files, 661.88/9–1459)

[4] See footnote 4, Document 266.

[5] A note at this point on the source text indicates that the President approved the memorandum and Goodpaster notified the Department of State. Consequently in telegram 772 to Tehran, September 17, the Department of State agreed with the Embassy's assessment that Khrushchev's remarks on September 2 to Masud Ansari were an attempt to intimidate Iran on the eve of the CENTO meeting. The Department stated that Eisenhower would definitely make the proposed démarche on Iran to Khrushchev during his visit to the United States. (*Ibid.*, 611.88/9–1459)

277. Editorial Note

At the 419th Meeting of the National Security Council, September 17, Allen Dulles briefed the Council on Soviet pressure on Iran as part of his "Significant World Developments Affecting U.S. Security." According to Boggs' memorandum of discussion, Dulles' account reads as follows:

"Mr. Dulles next turned to relations between Iran and the USSR. He said there was determined pressure on the Shah to induce him to modify his present relations with the U.S. and to establish closer relations with the USSR. The Iranian Ambassador to Moscow, on being called back to Iran for consultation, described a talk with Khrushchev in which the latter asserted that Iran would obtain more money from both the U.S. and the USSR by pursuing neutralist policies than by pursuing its present policies. Mr. Dillon added that Khrushchev had threatened to invoke the Soviet-Iranian Treaty of 1921 if Iran did not adopt a more neutralist course. Mr. Dillon believed that the Shah, who is not particularly firm, might be tempted to adopt a more neutralist attitude. In any case it was interesting to speculate on the influences Nehru might bring to bear during his visit to the Shah." (Eisenhower Library, Whitman File, NSC Records)

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278. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to Acting Secretary of State Dillon

Washington, September 22, 1959.

SUBJECT

Aid to Iran: Projects Which Might Have the Maximum Political Impact

Discussion

At the Secretary's staff meeting on September 16, 1959,[1] you suggested that, in view of Soviet pressures on Iran and the concomitant danger that Iran might accept the Soviet line on neutralism, we examine carefully our military and economic aid programs to Iran. You also said that you would be glad to chair a meeting of interested agencies after we had developed some proposals for your consideration.

Source: Department of State, Central Files, 788.5–MSP/9–2259. Secret. Drafted by Mouser with the concurrence of Wilson (for the recommendations only).

[1] During this staff meeting Dillon expressed the view "that Iran was the most serious single problem we face" and that "Allen Dulles was extremely worried about the possibility of a Soviet-Iranian 'deal'." Henderson felt that the United States had never given Iran a "real" security commitment. (*Ibid.*, Secretary's Staff Meetings: Lot 63 D 75)

As you know, the heart of the problem involves the Shah's dissatisfaction with the extent of U.S. aid and our posture toward CENTO. Because of his consistently self-induced uncertainties regarding our support for him and for his country, highlighted now by the Khrushchev visit, he may be susceptible to neutralist-minded advisers. The Soviets have played deftly upon the Shah's fears and uncertainties, most notably in the extraordinary conversation between the Iranian Ambassador in Moscow and Premier Khrushchev and Foreign Minister Gromyko, an analysis of which is attached (Tab B).[2] Soviet Ambassador Pegov has now returned to Tehran, presumably to follow up the Khrushchev conversation. Indian Prime Minister Nehru, who arrives in Tehran for a visit on September 18, may also encourage a neutral policy.

This already difficult situation is compounded by our Embassy's assessment that there should be a stretch-out of our military program and a diminution of our economic aid in order to avoid a potential politico-economic crisis, marked at present by growing inflationary pressures. The Embassy comments further that while serious risks are entailed in this course of action, these risks might be minimized by *expeditious* action on smaller projects which have great appeal for the Shah and others.[3]

Since we do not have to decide finally at this time on the larger issues of military and economic aid levels for Iran, we should examine immediately what could be done to meet the Embassy's recommendation regarding smaller projects. There is attached a memorandum (Tab A)[4] setting forth various military and economic projects which could be considered at a meeting with Defense, ICA and DLF.

Recommendations[5]

1. That you chair an early meeting of Defense, ICA and DLF representatives to discuss the proposals contained in the attached memorandum.

2. That you authorize us to use the attached memorandum as a basis for discussion with interested agencies so that the various proposals can be studied before the meeting.

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[2] The analysis was not attached. It concludes that Khrushchev's intention is "to impose on Iran a policy more favorable to the USSR by a combination of threats, psychological pressure and beguiling offers." (*Ibid.*, NEA/GTI Files: Lot 61 D 407, Iran–USSR Relations, July–Sept. 1959)

[3] See Document 275.

[4] A 4-page memorandum listing and describing specific proposed military and economic projects was attached, but is not printed.

[5] Dillon approved both these recommendations on September 22. According to a memorandum from Lewis Jones to Mouser, September 18, Dillon's comment after reading a draft of the attached paper was, "This is a good moderate program and I am in favor of all the things you suggest." (Department of State, Central Files, 788.5–MSP/9–1859)

279. Editorial Note

Prime Minister Manoutchehr Eqbal and other Iranian officials attended the Ministerial Council session of the Central Treaty Organization (CENTO, formerly the Baghdad Pact) held in Washington, October 7–10. Documentation on the decision to hold the meeting in Washington and on the results of the session are in the regional compilation in this volume. Prime Minister Eqbal and his party met with Secretary of State Herter and his colleagues on October 7, which was recorded in five separate memoranda of conversation on the following topics: "Soviet Pressures on Iran" (CENTO US Del/MC/2; Department of State, Central Files, 396.1–WA/10–759), "Iran's Desire As Regards Statements of United States Support" (CENTO USDel/MC/3; *ibid.*), "Economic and Military Assistance" (CENTO USDel/MC/4; *ibid.*, 788.5–MSP/10–759), "Iranian Views on the Afghan Situation (CENTO USDel/MC/5; *ibid.*, Conference Files: Lot 64 D 560, CF 1495), and "Turkish-Iranian Railroad" (*ibid.*).

The first memorandum of conversation on Iranian-Soviet relations included the following exchange: Eqbal stated that Iran after the bitter experience of negotiations with the Soviet Union had made its choice to maintain its alignment with the West and expected the West's support in resisting Soviet pressure. According to Eqbal, Iran "was basing its actions on the firm belief that any overt military attack upon it would be the opening of World War III." According to the memorandum, "To this the Secretary nodded and, after an almost imperceptible hesitation, responded in the affirmative. Neither the statement by the Prime Minister, however, nor the response by the Secretary, were of a character properly to be subjected to interpretation as either a formal inquiry and/or an assurance."

In the second memorandum of conversation, the Iranian Prime Minister asked for and received a promise that the United States would make a public statement in support of Iran. At the end of the CENTO meeting, the White House issued a statement condemning Soviet propaganda against Iran and stressing that it viewed any threat to Iran's territorial integrity or political independence with gravity. For text, see *American Foreign Policy: Current Documents, 1959*, pages 1065–1066.

Discussion on economic and military issues was non-specific, with the exception of the railroad question where the Prime Minister made a strong plea for additional support in completing the final 80 kilometers to the Turkish frontier. The discussion on Afghanistan centered on the longstanding issue of the Helmand River waters and Iran's opposition to a dam on the river in Afghanistan. Assistant Secretary of State Jones suggested an international "Helmand Authority" and Herter seconded the idea.

280. Memorandum of Conversation

USDel/MC/16 Washington, October 9, 1959.

SUBJECT

USSR–Iran Relations[1]

PARTICIPANTS

Dr. Manuchehr Eqbal, Prime Minister of Iran
Mr. Amir Khosro Afshar-Qasemlu, Under Secretary, Ministry of Foreign Affairs of Iran
Dr. Ali Qoli Ardalan, Ambassador of Iran
The President
The Secretary
Assistant Secretary G. Lewis Jones
Mr. Charles Sedgwick, Interpreter

The Prime Minister of Iran called the President's attention to the courageous resistance of his government and people to recent Russian propaganda attacks; he considered this a worthwhile experience as it proved the internal stability of Iran and constituted a major defeat for the Soviets who had expected that, after only a few days of propaganda, they would be able to overthrow the Iranian government. The President asked the Prime Minister to convey to the Shah and Iranian government his congratulations on the courage shown in resisting the Soviet propaganda attacks. He noted the serious results which can come from such propaganda and recalled that during the war in Europe it had been hard to keep up the morale of our soldiers because of German propaganda.

In answer to the President's inquiries about the current intensity and sources of Russian propaganda, Dr. Eqbal replied that it had stopped for about ten days during the Khrushchev visit to the United States and had been resumed after that visit. He commented that the clandestine station "National Voice of Iran" attacks both the Shah and the government while Radio Moscow criticizes only the government. He said that American experts had located the clandestine station near the town of Nakhichevan in the Soviet Caucasus and added that this station, as well as stations in Baku, Moscow, Stalingrad, and East Germany

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Source: Department of State, Central Files, 611.88/10–959. Secret. Drafted by Department of State translator Charles Sedgwick and Nussbaum and approved by the White House on October 20.

[1] In addition to this topic, Eisenhower and Eqbal discussed CENTO and petroleum and the Iranian economy. The CENTO discussion is printed in part in Document 76. A separate memorandum of conversation reports on a discussion of the decline in oil prices between Eisenhower and Eqbal. The President suggested that Iran might look to markets in India, Southeast Asia, and the Philippines to sell additional oil. Eqbal noted that because the international consortium controlled 88 percent of the oil produced in Iran, it was really its decision. (CENTO USDel/MC/17, October 9; Department of State, Central Files, 888.2553/10–959)

had all concerted their attacks. This was not very adroit, because when Moscow stopped its attacks, the others also stopped theirs, thus showing that all emanate from the same source.

The Prime Minister said that his government had decided not to try to jam the Soviet stations because this would be a sign of weakness and because the Russians would claim that the Iranian government was preventing the people from hearing the truth told by the Soviet stations. Hence, his government was adopting an attitude of indifference toward the propaganda. The President agreed that this is a good technique.

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281. Memorandum of Conversation

US/MC/24 Tehran, December 14, 1959, 10 a.m.

PRESIDENT'S GOOD WILL TRIP[1]
December 1959

PARTICIPANTS

United States	*Iran*
The President	The Shah of Iran

SUBJECT

Shah's Military Planning; Helmand River Issue; Iraq; Land Reform

On December 18th the President reviewed the principal points that had come up in his talk with the Shah of Iran.

The Shah is very deeply concerned about the danger to Iran through Iraq and from the northeast.

He said he had studied his military problem very carefully and had come to the conclusion that he should have five fighter fields and one medium bomber field, the latter in the central part of the country. He feels he needs something better than F–84s, which cannot match the aircraft that could be used against him. He also has need for an effective air-to-air missile (such as the Sidewinder). He wants at least a few medium bombers. He said he would like to have some Nike missiles for air defense.

This raises the question as to how he can proceed with the building of the air fields, which he estimates to cost about $15 million each. The

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Source: Department of State, Conference Files: Lot 64 D 560, CF 1539. Drafted by Goodpaster on December 18 and approved by Murphy on December 20. The meeting was held in the Marble Palace.

[1] President Eisenhower was on what the White House described as a "Mission of Peace and Good Will" to Italy, Turkey, Pakistan, Afghanistan, India, Iran, Greece, Tunisia, France, Spain, and Morocco, December 3–22. The President arrived in Tehran at 8:40 a.m. on December 14 and left for Athens at 2:30 p.m. that same day.

President said he pointed out that a large part of this is local currency to cover the costs of labor and cement. The Shah said he thought he could take care of this part of the expense. Special equipment will be needed, however, and he thought he would need this on a grant basis.

He has shifted away from emphasis on numbers of divisions. He now considers that large numbers are not so important. For those that he maintains, he thinks it very important to have them at top quality.

The President said he and the Shah also talked about the Helmand River issue with the Afghans. The Shah said he would arrange for his Foreign Minister to meet with the Afghan Foreign Minister, talk about this, and see if the matter could not be resolved.

One matter on which he laid great stress is the desirability of obtaining funds through the World Bank with which to build a system of dams, to provide water for power, irrigation, and consumption.

With regard to Iraq, he feels that the situation continues to deteriorate there. The Iraqi have established six airfields that could support strikes into Iran—their location in fact is such that this is all they are useful for. The Shah said that he wants to have three of the airfields he is proposing in the area facing Iraq, and two to the northeast. The President told the Shah he would have our people study the map and plans given to him by the Shah, meet with the Shah for further discussion if such seems desirable, and determine what the Iranians can do, and what we might do toward carrying it into effect.

Subsequently the President said he had had a good discussion with the Shah on the subject of land reform, and the Shah had told him that he is planning to take measures of major importance very shortly which should have a great impact on this problem.

The President said he was much impressed with the extent to which the Shah's thinking has matured over the past two or three years. His military ideas are, in the President's estimation, becoming sound and well grounded.[2]

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[2] On December 17, the Shah recounted to Linquist his version of the meeting with Eisenhower. According to the Shah, Iran did not fear an attack from the Soviet Union, but rather from Afghanistan and Iraq acting as proxies for Soviet aggression. To counter this threat, the Shah told Eisenhower Iran needed a "crash program" to obtain highly mobile forces with atomic weapons, long-range missiles, effective anti-aircraft missiles, additional air bases, and improved aircraft. The Shah stated that they also discussed types of missiles and aircraft for Iran, and the President asked for his views on what he needed including cost estimates. The Shah requested help from Linquist and ARMISH–MAAG in preparing a list of equipment to implement the "crash program." (ARAA 86398 from Tehran; December 19, 1959; Department of State, Central Files, 788.5–MSP/12–2959)

In telegram 1864 to Tehran, December 24, the Departments of State and Defense instructed Linquist to allow the Iranians to prepare their views regarding military requirements and keep his participation at "the barest minimum." The Departments reminded Linquist that during the conversation in Tehran President Eisenhower asked "merely for a statement of the Shah's views as to what the Shah feels he really needs." (*Ibid.*, 788.5–MSP/12–2459)

282. Memorandum From Secretary of State Herter to President Eisenhower

Washington, December 31, 1959.

SUBJECT

Your Recent Visit to Tehran: Suggested Letter to the Shah

The results of your recent visit to Iran were so gratifying in terms of our relations with that country that I think you might usefully capitalize on this development through a personal letter to the Shah. I believe that in any event he may be expecting another letter from you.

I am enclosing a suggested draft for your consideration.[1] I believe that, in addition to thanking the Shah again for his hospitality, you might review what you told him about military planning. I understand that you expressed a willingness to look at any ideas he has regarding revisions in military planning for his country's defense. This has caused the Shah to ask the chief of our military missions in Tehran, General Lindquist, to help in drawing up a plan. You will recall that General Lindquist wears in effect two hats; he not only administers our military assistance and training programs, but he also acts as military adviser to the Iranian Government. The Shah's request was presumably addressed to him in this latter capacity. The Shah in his most recent letter to you has now promised to forward his views around the middle of January.

The Shah apparently regards your conversation with him as an endorsement of Iranian planning against possible Soviet-inspired hostile action from Iraq and Afghanistan (which the Department considers unlikely at this time) and as a willingness on the part of the United States to consider supporting a large and costly military buildup.

On the first point we have always tried to make clear to the Iranians and its regional CENTO partners—Turkey and Pakistan—that in terms of United States policy and legislative authority we can only assist them against aggression from the Soviet bloc or from a country dominated by international communism. We have considered it wise to avoid involvement in purely local quarrels (e.g., Shatt-el-Arab, Pushtoonistan). This is one of the strong reasons against our joining CENTO.

On the question of a larger military buildup in Iran, we have been concerned for some time over a deterioration of the Iranian economy,

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Source: Eisenhower Library, Whitman File, International File, Iran. Secret. Drafted by Mouser, cleared by Lewis Jones, cleared in draft with Wilson of U/MSC and Knight of DOD/ISA, and cleared in substance with Murphy.

[1] See Document 283.

marked presently by inflationary pressures and a worsening balance of payments position. Iran's difficulties have arisen primarily from steady increases in public spending, particularly on military projects, together with a sharp expansion of private credit. We had contemplated reductions in our military and economic assistance to Iran as the only means at our disposal to influence the Iranian Government to reduce spending. We had also planned to ask our missions in Tehran to take another look at our current military planning for Iran with the hope that feasible revisions might lead both to better Iranian defenses and a lesser military burden on Iranian and our own resources.

We have tried to incorporate in the enclosed draft letter to the Shah the thought that while you would be pleased to review his latest plans for the improved defense of his country, any new plans would have to be considered from the viewpoint of available resources.

If you approve, we will send the letter by telegram to our Ambassador in Tehran for delivery to the Shah.

Christian A. Herter

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283. Editorial Note

In a letter from Eisenhower to Dillon, January 2, 1960, the President explained that he made some changes in the draft letter to the Shah that Herter submitted for his approval on December 31, 1959. Eisenhower's letter reads as follows:

"I have somewhat changed the draft of the suggested letter to the Shah of Iran. I was anxious to make certain that there was no misunderstanding of what I said in Tehran.

"I eliminated the expression in the second paragraph "directly or indirectly" because it was precisely on this point that the Shah bases his plans for revision. By this I mean that he thinks the *indirect* threat now much greater than the direct and believes that all of us should recognize this.

"Another purpose of my revision of your draft is to assure him that we are making our studies on the basis of the current situation, even though future political developments may require a revision of our defensive system." (Eisenhower Library, Whitman File, Administrative Series, Iran)

The substantive portion of the draft letter as submitted by Herter to Eisenhower reads as follows:

"As I indicated to you during our talks, I believe that now and in the foreseeable future, the principal threat to our mutual interests is most

likely to come from the Soviet Union, directly or indirectly, and that our mutual efforts to maintain appropriate defense postures should continue to be directed primarily toward that threat. I appreciate, however, the wisdom of taking a fresh look from time to time at our security problems. It will be, then, in that spirit that your thoughts will be given the full and careful consideration that I am sure they will deserve.

"In considering your plans, we will have to take account of our capabilities. I know that I need not tell you that the resources of my country, as well as yours, are limited, and that we shall fail in our larger objectives if we impose too great a burden on our economies. These basic considerations are limiting factors to any sound planning." (Department of State, Central Files, 788.5–MSP/12–3159)

Eisenhower changed the first substantive paragraph to read as follows:

"As I indicated to you during our talks, I believe that now and in the foreseeable future, the principal threat to our mutual interests is most likely to come from the Soviet Union and that our mutual efforts to maintain appropriate defense postures should continue to be directed primarily toward that threat. Should any other country in the region become clearly controlled and directed by the U.S.S.R. the nature of the defensive situation would be, of course, greatly altered. It will be in the light of the current situation that your thoughts will be given by our Defense officials the full and careful consideration that I promised while in your capital. As I understood your presentation to me at Tehran, your chief preoccupation is a modernization of your forces even if such a process should require a diminution in total numbers." (Eisenhower Library, Whitman File, Administrative Series, Dillon, Douglas C. (1))

The letter as revised by Eisenhower was sent to Tehran in telegram 1955, January 4. (Department of State, Central Files, 788.5–MSP/1–460)

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284. Memorandum of Discussion at the 430th Meeting of the National Security Council

Washington, January 7, 1960.

[Here follow a paragraph listing the participants at the meeting and agenda items 1–3.]

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Boggs on January 13.

4. *U.S. Policy Toward Iran* (NSC 5821/1;[1] OCB Report on NSC 5821/1, dated December 11, 1959[2])

Mr. Harr summarized the reference OCB Report on the subject, referring particularly to the present economic situation in Iran and to the U.S. aid program. The President said the land reform program in Iran appeared to be very good and was being financed on a favorable basis. Mr. Harr said the OCB Report had been completed about the time the President was making his visit to Teheran. The operational decisions made and contemplated with respect to Iran, that is, the intended reduction of U.S. assistance and the probable reaction by the Iranians that downward revisions would represent defaults on what they consider to be U.S. commitments, caused the OCB to recommend that the report be brought to the attention of the National Security Council. He realized that the report might be outdated by subsequent decisions.

The President said the Shah wanted to abandon some of his conventional forces and substitute modern weapons for them. The Shah wanted to build five fighter fields capable of taking fighter planes superior to F–84's, and wanted a central field for light bombers. The Shah also desired Honest Johns, Corporals, and Nikes. The President reported he had suggested that the Shah build the airfields and the Shah had agreed except for the reservation that he would need technical equipment from abroad.[3] The President had complimented the Shah on his interest in modernization of his forces and had asked him to send a statement of his proposals to Washington where it could be studied. The Shah appeared to be frightened of Iraq.[4] The President said he had told the Shah that there should be no neighborhood wars in the area. Mr. Dulles said the Shah was not frightened of Iraq as such, because Iran was stronger than Iraq, but was worried lest Iraq go Communist. The President agreed that the Shah was worried about Iraq only because of the possibility that Iraq might go Communist.

The National Security Council:[5]

a. Noted and discussed the reference Report on the subject by the Operations Coordinating Board.

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[1] Document 257.

[2] Not printed. (Department of State, S/P–NSC Files: Lot 62 D 1, Iran, U.S. Policy Toward, NSC 5821/1 and 6010)

[3] See Document 281.

[4] On January 6 and 7 White House Assistant Staff Secretary John Eisenhower prepared for the President a synopsis of State and Intelligence material on the related issue of Iranian-Iraqi relations, especially the Shatt al-Arab controversy, and concluded that the danger of an Iraq–Iran military conflict was remote. (Eisenhower Library, Whitman File, Eisenhower Diaries)

[5] Paragraphs a and b and the Note that follows constitute NSC Action No. 2170, approved by the President on January 7. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

b. Deferred consideration of the need for review of NSC 5821/1, pending study by the Department of Defense of recent Iranian views regarding the missions and composition of Iranian armed forces.

Note: The action in b above, as approved by the President, subsequently transmitted to the Secretary of Defense.

[Here follow agenda items 5 and 6.]

Marion W. Boggs

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285. National Intelligence Estimate

NIE 34–60 Washington, February 16, 1960.

THE OUTLOOK FOR IRAN

The Problem

To assess the situation in Iran and to estimate probable developments respecting Iran's stability and international position.

Scope

We have in this estimate placed particular emphasis on the outlook for the Shah's regime and the chances and possible implications of an upheaval during the next two years or so. Iran's economic situation, military affairs, and external relations have been treated primarily in terms of how they might affect, or be affected by, the stability of the Shah's regime.

Conclusions

1. Developments in Iran during the past year have not led to any overall improvement in stability. The external and tribal threats to the regime appear to have lessened, but growing inflation and financial difficulties pose new threats to the country's stability. At the same time, the

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Source: Department of State, INR–NIE Files. Secret. Submitted by the CIA, which along with INR, and the intelligence organizations of the Army, Navy, Air Force, and the Joint Staff participated in the preparation of this estimate. All members of the USIB concurred in this estimate except the representatives of the FBI and AEC who abstained on the grounds that the subject was outside their jurisdiction.

Shah has so far shown considerable skill in keeping the opposition fragmented and on the defensive (Paras. 6–7)

2. The military and security forces remain at once the main support and chief potential threat to the present order and the Shah's own power. The Shah relies heavily upon them, yet the loyalty of some of their principal officers cannot be wholly assured. In addition, some junior officers are disillusioned with the regime. In these circumstances, a coup attempt might take place at any time. The odds on such a development are difficult to assess. On the whole, we consider that the chances are against such an attempt unless the Shah should die or unless key military leaders should come to feel that the Shah's regime could not survive and that their privileged position was at stake. In addition, a coup attempt might be triggered by civil disturbances which threatened public order. (Paras. 10–13)

3. Iran's economic difficulties—chiefly increasing inflation and a foreign exchange shortage—will almost certainly have a deleterious effect on stability in the next few years. On balance, however, we do not believe that economic difficulties, of themselves, are likely to precipitate an overthrow of the government during this period. (Paras. 21–27)

4. There will be difficult periods in Iranian relations with the US in the future, as there have been in the past. The Shah will seek more US support and stronger guarantees of his security. At the same time he will attempt to reduce Soviet pressures on Iran. However, as long as the Shah remains dominant, we believe that the odds are against any significant change in Iran's basic Western orientation. (Paras. 28–32)

5. While a political upheaval which resulted in removal of the Shah might lead to an anti-Western foreign policy, most of the top military leaders, as well as many of the moderate opposition civilian elements, would almost certainly continue to look to the West, particularly to the US, as a major source of protection for Iran. However, it is unlikely that any successor regime would take such an out-spokenly pro-West stand as has the Shah. (Paras. 36–38)

[Here follows the "Discussion" portion of the estimate (paragraphs 6–38) with sections headed "Introduction," "The Question of Internal Stability—The Security Forces and the Opposition," "Stability and the Economy," "International Position," and "International Position of Iran Without the Shah."]

286. Letter From the Assistant Secretary of Defense for International Security Affairs (Irwin) to the Under Secretary of State for Political Affairs (Merchant)

Washington, February 20, 1960.

DEAR MR. MERCHANT: You will recall that, in a letter of January 12, 1960[1] to the President of the United States, the Shah of Iran forwarded his views as to additional military assistance required by Iran. The Department of Defense has reviewed this letter together with an Iranian Survey of her military position vis-à-vis Iraq and Afghanistan, the latter having been presented to the President by the Shah on 14 December 1959.[2] It is clear that the Shah has overstated the threat from these two countries. Further, the Shah has apparently used this overstated threat as the basis for his request for military assistance which is not only excessive but is also beyond his capacity to use effectively. It is the view of the Department of Defense that the President's reply to the Shah should, in general terms, take into account the following points:

a. An order of magnitude cost estimate for the items included on the Shah's list of requirements, obtained on an informal basis from Service points of contact, is $600 million.

b. The Iranian version of the threat from Iraq and Afghanistan has been considerably overstated. The Joint Chiefs of Staff consider that the Iranian Armed Forces as presently organized and equipped are capable of defending Iran against unaided aggression from either Iraq or Afghanistan. Although the military capabilities of Iraq and Afghanistan can be expected to increase with Soviet aid, it is unlikely that their capabilities will increase to such an extent as would constitute a serious military threat to Iran.

c. Military aggression from, or supported by, the Soviet Union represents the dominant military threat against Iran.

Source: Department of State, Central Files, 788.5–MSP/2–2060. Top Secret.

[1] Transmitted in telegram 1490 from Tehran, January 12, the Shah made the following specific requests: improvements or new construction at 6 airbases or air strips; 2 new early warning radar stations at Dezful and Zahedan; 150 high-performance Century class fighter bombers; 36 tactical bombers of the B–57 class; 3 squadrons of C–123 or Caribou transport aircraft; 1 or 2 squadrons of reconnaissance aircraft; 12 liaison aircraft and 12 rescue helicopters, and 2 battalions of Nike anti-aircraft missiles. For Iran's land-based forces, the Shah proposed to reorganize the army to meet the dual threat of direct attack from the Soviet Union or local conflicts from Iraq or Afghanistan. To do this the Shah proposed creating 10 highly mobile battle groups with atomic-capable missiles (Honest John and Corporal), M–48 tanks, armed personnel carriers, and modern anti-aircraft weapons. In addition, the Shah requested creation of an airborne brigade. For the Iranian navy, the Shah required 8 minesweepers, 5 coastal patrol vessels, 4 corvettes, 8 fast gun boats, and 1 tug boat. (*Ibid.*, 788.5–MSP/1–1260) Eisenhower saw and initialed a copy of this telegram. (Eisenhower Library, Whitman File, International Series, Iran.)

[2] See Document 281.

d. The current bilateral agreement between the United States and Iran provides Iran with such safeguards as the United States can provide against external aggression from the Soviet Union or from a Soviet inspired attack by a combination of smaller nations. In addition, Iran's membership in CENTO provides a measure of security against aggression.

e. The present and projected level of U.S. military assistance to Iran is sound and represents as much as can effectively be absorbed considering Iran's economic structure, indigenous capability and current state of military training.

f. The present and projected level of military assistance is adequate to achieve fulfillment of U.S. objectives in the area. Any appreciable increase in the size of the Iranian military establishment could be counter-productive to the maintenance of U.S. objectives in Iran. In addition, it would complicate our relations with other countries in the area by increasing their demands for U.S. aid.

In addition to these points the Department of Defense is aware that the political involvements which would be entailed in furnishing military assistance to the Shah on the scale that he has requested would be very considerable. From the Defense point of view the creation of the kind of military concentration proposed would confront us with an unbalanced situation in the CENTO area which would be hard to deal with.

Inclosed are the detailed views of the Joint Chiefs of Staff on specific Iranian military requirements as stated by the Shah, to be used as desired in the formulation of a Presidential reply to the Shah's proposal.

Sincerely yours,

John N. Irwin II

Enclosure

MILITARY BASIS FOR A PROPOSED REPLY TO THE SHAH OF IRAN CONCERNING HIS REQUEST FOR ADDITIONAL MILITARY ASSISTANCE

1. The Joint Chiefs of Staff have studied the requirements which the Shah of Iran submitted to the President on 12 January 1960. The following comments are offered in consideration of each of the military requirements stated in his message:

a. If the mobile battle groups are required, they could be organized within the present strength of the Iranian Army. However, this might require additional material. This reorganization could be accomplished by a reduction of some of the present units and in phasing out

some of the older equipment. With respect to Honest John and Corporal units, provision of the equipment required must of necessity follow the development of a capability in less sophisticated equipment, as a normal step in the evolution of the artillery of the Iranian Army. When the Iranian Army has reached a point where such missiles properly can be utilized, the Chief, MAAG Iran, could be expected to initiate a recommendation for inclusion of such equipment.

b. Iran and the United States have approved a Central Treaty Organization (CENTO) Air Defense Study and are engaged actively in planning for an air defense system in the CENTO area. The United States has agreed to participate in a CENTO conference in March 1960 to evaluate the antiaircraft capabilities of Iran and Pakistan. The findings of this conference should provide the United States with a basis for considering the provision of antiaircraft equipment to Iran. It must be cautioned, however, that antiaircraft units are of limited value without an early warning radar system which, although currently being installed in Iran, will not be operational for several years. As another step in improving the air defense posture of Iran, the United States has recently decided to provide Iranian aircraft with Sidewinder missiles as noted in sub-paragraph f below.

c. There does not appear to be adequate justification presented for an airborne brigade in Iran. It would appear that concentration upon improving the air transportability of the present Army units and adequate air logistical support would provide Iran with a more usable organization than would the expansion of their present parachute battalion, to airborne brigade strength.

d. Three of five programmed new ships have been delivered under the U.S. Military Assistance Program. Two more ships remain to be delivered, one in 1960 and one in 1961. Two additional ships are planned for the FY 1961 program. The Iranian Navy is not capable of assimilating ships at an appreciably greater rate than is involved in current planning. Furthermore, unless qualitative upgrading is established by retirement of the older and less effective ships, the Iranian Navy will encounter difficulty in operating and maintaining their Fleet.

e. In view of the support afforded by the Royal Air Force as provided in the Central Treaty Organization Interim Capabilities Plan, aircraft of the B–57 type should not be needed by the Iranian Air Force. Maintenance and operation of comparatively large units of this type aircraft would be difficult for Iran, except at the expense of the fighter-bomber units.

f. With respect to the high performance Century series aircraft, it is not considered that the Iranian Air Force has reached the stage of training required to operate such aircraft. A program to replace the present F–84's with F–86's is already under way. It is now proposed to

equip F–86's with Sidewinder missiles. This combination of F–86's and Sidewinders should provide Iran with a combat capability far better than that possessed by either Afghanistan or Iraq, and comparable to that of many of the Soviet units. Some U.S. Air Force fighter units are still equipped with F–86 aircraft.

g. A requirement for a more modern transport aircraft for the Iranian Air Force appears valid. In view of the limited surface transport available in Iran, an air logistical capability would provide the Iranian Armed Forces with additional flexibility. It should be noted, however, that the Iranian Air Force would not be capable of operating and maintaining the number of this type aircraft noted in the Shah's message. In view of the limited number of pilots and maintenance technicians within the Iranian Air Force, this requirement should be reconsidered from the standpoint of the quantity of transport aircraft visualized.

h. With respect to the six airfields noted in the Shah's message, it is considered that the present two jet airfields and the additional airfield now under construction are more than adequate for the present Iranian Air Force, and would be adequate to meet Iranian requirements even in the face of a modest expansion.

2. In addition to the military factors involved, it is noted that the Shah has now decided to pull back his augmentation troops from the Shat Al Arab area. It is hoped that this withdrawal signals the easing of tensions between Iran and Iraq and may be accepted as an indication of improving relations between the two countries.

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287. Editorial Note

At the 436th Meeting of the National Security Council, March 10, Director of Central Intelligence Allen Dulles briefed the Council on Iran as follows:

"Mr. Dulles said he would cover certain situations which had developed during the absence of the President in South America. Growing strains had appeared in relations between Iran and the USSR. [*4-1/2 lines of source text not declassified*] The USSR continues to insist that Iran must ban all military bases, while the Shah is willing to go no further than giving assurances that he will not permit long or medium-range missile bases to be established on Iranian territory. The campaign of Soviet pressure against Iran is being intensified, with Russian radio propa-

ganda being designed to play on the nerves of the Shah by emphasizing plots against his life. Mr. Dulles felt there might be some grounds for believing plots against the Shah did in fact exist. Bakhtiar had been making contingency plans for the situation which would exist in the event the Shah lost control. Soviet and Tudeh agents were trying to establish contacts with Iranian dissidents. Savak, the Iranian security organization, had recently arrested a number of Iranian officers for subversion and had placed Bloc nationals in Iran under surveillance. Mr. Dulles doubted that Soviet subversive efforts alone would be sufficient to overthrow the Shah, but was concerned about evidences of disaffection in the Army. In any case, the situation in Iran continued to be critical. The President felt it was wrong to worry constantly about the symptoms in Iran instead of dealing with the basic causes of the Iranian situation. He wondered why an Iranian Army officer would tend toward Communism. Our policies were apparently not effective enough in properly orienting the Iranian people. Nehru had told him that if the Shah proposed an adequate land reform program, the situation in Iran would be materially improved. The Shah has now proposed a program of land reform and nevertheless we still have doubts about the stability of the government. Either the Iranian or the U.S. Government is not doing something it should be doing. Mr. Dulles said the Iranians were very lax about following through on the plans they made; moreover, there was a great deal of corruption in circles close to the Shah. Mr. Dillon added that it took a long time for the effects of a land reform program to be felt. The President said the Shah evidently intended to complete land reform within two years. In any case we always appeared to be trying to devise emergency measures to remedy a critical situation. Mr. Dulles believed one of the difficulties in Iran was the old clique of office holders surrounding the Shah, a clique into which young and able officials could not break. The President said the situation in Iran sounded rather hopeless." (Eisenhower Library, Whitman File, NSC Records)

288. Memorandum of Discussion at the 440th Meeting of the National Security Council

Washington, April 7, 1960.

[Here follow a paragraph listing the participants at the meeting and agenda items 1 and 2.]

3. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters by Acting Director of Central Intelligence Charles P. Cabell.]

General Cabell then noted that Soviet-Iranian relations continued at an impasse. There were no indications that Iran had approached the USSR with respect to a meeting of Khrushchev and the Shah in Europe this summer. Communist elements in Iran may be stepping up their activities. At any rate, the Soviet Embassy is increasing its contact with Iranians, while Savak, the Iranian security organization, asserts that it has uncovered a communist network among non-commissioned officers in the Iranian Army. The East German radio is broadcasting instructions to Tudeh members to revive the Tudeh organization, possibly on the theory that the Tudeh can now make a show of strength in the present situation in Iran. The Shah, feeling that things are going well internally, expects to make the new parliament which will be elected this spring more pliable. The Shah also believes that his recent land reform measures have increased support for the regime. General Cabell did not agree with this feeling, tending to believe that the Shah's reform measures have alienated new groups of people without causing any groups already opposed to the Shah to come over to his side.[1] General Bakhtiar is continuing to formulate plans to deal with the contingency which would arise in the event the Shah disappears. Some observers allege that General Bakhtiar's contingency plans are really designed to overthrow the Shah.

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret. Drafted by Boggs on April 7.

[1] On March 22, John Eisenhower prepared a synopsis of State and Intelligence material for the President containing the following extract on Iran's land reform program:

"At the insistence of the Shah, the Iranian Majlis on 15 March passed a controversial land-reform bill by an overwhelming majority. The attempt by landowners to use threats of opposition by the Shiite clergy to block passage of the law apparently backfired, although the law was revised to take care of religious objections. The Shah expects implementation of the law will be slow, and passage of the bill will add little if anything to the monarchy's urban reformist support at this time. The opposition of the landlords, meanwhile, will continue and probably will defeat much of the intent of the law unless the government maintains continual pressure and supervision." (*Ibid.*, Eisenhower Diaries)

[Here follow agenda items 4–6.]

7. *U.S. Policy Toward Iran* (NSC 5821/1;[2] OCB Report on NSC 5821/1, dated December 11, 1959;[3] NSC Action No. 2170–b;[4] Memo for NSC from Executive Secretary, same subject, dated March 16, 1960[5])

Mr. Gray briefed the Council on this item, which concerned the question of whether or not there is need to review NSC 5821/1. (A copy of Mr. Gray's Briefing Note is filed in the Minutes of the Meeting and another is attached to this Memorandum.)[6] After reading his Briefing Note Mr. Gray said he would like to suggest that if the Planning Board does update the General Considerations in the Iranian policy paper, it submit its revision to the Council for a Memorandum Action rather than for consideration at a Council Meeting.

Mr. Dillon said he had a reservation on the problem presented by Mr. Gray. If the Planning Board undertook to rewrite the General Considerations in all the policy papers one year old or older, he feared that many of the State Department officials who should be devoting their time to the formulation and implementation of policy would be compelled to devote themselves to purely editorial work.

The President said he had previously discussed this problem with Mr. Gray.[7] He had less than ten months remaining in his present office and he wished to look at the matter from the standpoint of the succeeding administration. We need not say to the next administration that we have looked at every paper in the Council to determine whether or not it is up-to-date. However, the Planning Board should examine each paper and be able to say to the Council that it has reviewed the paper and that the paper needs no revision, so it can be said that we had thought about the situation in a particular country up to such and such a date. He liked to keep things tidy for the next administration. He pointed out that he

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[2] Document 257.

[3] See footnote 2, Document 284.

[4] See footnote 5, Document 284.

[5] Under cover of this memorandum Lay transmitted Document 286 to the NSC.

[6] In this note, not printed, Gray wrote that in assessing Iran's defense requirements the Department of Defense concluded that the Iranians had overstated the threats from Iraq and Afghanistan and their military requests were "not only excessive," but "also beyond Iranian capacity to use effectively." Gray also reported that the Planning Board believed that the Objectives and Policy Guidance sections of NSC 5821/1 were still valid, the General Considerations section was out of date, a general problem for many NSC papers that would plague the Board over the remaining months of the Eisenhower administration. The majority of the Planning Board favored updating the General Considerations section, but required the Council's point of view.

[7] Gray's memorandum of this March 29 conversation with the President, in which he told Eisenhower that the problem of revising policy towards Iran "would plague us increasingly in the months ahead," is in the Eisenhower Library, Whitman File, Eisenhower Diaries.

was not trying to create more work; indeed, as various officials became busy with the political campaign there might not be as much time for NSC meetings.

The National Security Council:[8]

a. Discussed the subject on the basis of an oral report by the Special Assistant to the President for National Security Affairs on the views of the NSC Planning Board regarding the need for review of U.S. Policy Toward Iran (NSC 5821/1), in the light of the enclosures to the reference memorandum of March 16, 1960.

b. Agreed that the NSC Planning Board should bring up-to-date the "General Considerations" section of NSC 5821/1, and circulate their recommended revisions to the Council for adoption by Memorandum Action.

c. Noted the President's statement that he wished to leave NSC policy papers which remain in effect in a current condition for the next Administration. Accordingly, the President desired that the NSC Planning Board submit for Memorandum Action by the Council revisions in NSC policy papers (other than of a purely editorial nature) required for the purpose of bringing them up to date. Where the NSC policy papers did not require revision except of a purely editorial nature, the NSC Planning Board should make a written report to that effect to the Council as a matter of official record.

Marion W. Boggs

[8] Paragraphs a–c constitute NSC Action No. 2215, approved by the President on April 9. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

289. Memorandum From Secretary of State Herter to President Eisenhower

Washington, April 21, 1960.

SUBJECT

The Shah's Most Recent Letter to You Regarding His Military Aspirations

The Shah of Iran's letter to you of March 30, 1960[1] reiterates his continuing concern with the situations in Iraq and Afghanistan, expresses disappointment that we cannot supply immediately all the military equipment which he believes necessary and reminds us that the military improvement program growing out of your letter to him of July 19, 1958[2] (Plan Counterbalance) has not been completed. Despite the tone of grievance, I believe that in general he has reacted constructively to your letter of March 12, 1960.[3]

Ambassador Wailes in Tehran has suggested that there is no urgent need for a reply, though he thinks it would be desirable at some future date to give the Shah an insight into our modernization plans for his armed forces. I believe that this is sound advice, but difficulties immediately arise because of the conflict between the Shah's desire for immediate and massive modernization regardless of cost and our belief that modernization should only take place over an extended period and on an evolutionary basis.

Source: Eisenhower Library, White House Office Files, Project Clean Up, Iran. Secret. Eisenhower's initials appear on the source text. On the Department of State copy of this memorandum, Mouser is the drafter and Baxter of U/MSC and Admiral Grantham of Defense concurred. (Department of State, Central Files, 788.5–MSP/4–460)

[1] In this letter the Shah stated that increased oil revenues would probably allow Iran to increase its total land forces by the end of 1960 from 200,000 to 240,000 as anticipated in July 1958. Nevertheless, the Shah stated that Iran still needed U.S. assistance in obtaining modern and up-to-date equipment and weapons. (Telegram 2299 from Tehran, April 4; *ibid.*)

[2] See Document 243.

[3] In this letter, in which Eisenhower made stylistic revisions, the President gently and tactfully deflected the Shah's specific requests for additional military assistance and complex modern weapons; see footnote 1, Document 286. As Eisenhower told the Shah, his request "included a number of complicated and advanced weapons which would involve a high initial cost, which would be costly to maintain, and which would require an advanced level of technical training which could only be achieved over a considerable period of time." (Draft Presidential message to the Shah and telegram 2793 to Tehran, March 12; Eisenhower Library, Whitman File, International File, Iran)

According to telegram 2106 from Tehran, March 14, the Shah received the President's letter of March 12 "with obvious disappointment that his specific requests had been answered in a general manner." Wailes commented that "the Shah received turn-down of his highly exaggerated requests in calm and sensible manner" with none of the "petulance displayed approximately a year ago which involved threats of neutrality and serious overtures toward Soviets." (*Ibid.*)

We do not know how seriously the Shah views the failure of Plan Counterbalance to achieve its goals. We made a conscious decision to hold the strength of Iran's armed forces at their present strength, at least during the coming year, because of a deteriorating economic situation in Iran marked chiefly by inflationary pressures and a worsening balance of payments position. He might well be satisfied with this decision if we were to meet, at least in part, his wishes for modernization.

We have discussed this matter with the Department of Defense and there is agreement to recommend to you that no reply be made pending Defense study of a five-year cyclical plan for military assistance to Iran, final Congressional action on the fiscal year 1961 military assistance program and an evaluation of the results of the forthcoming Summit Conference. I hope that you will agree that no early reply is necessary in the circumstances.

Christian A. Herter[4]

[4] Printed from a copy that bears this stamped signature.

290. Editorial Note

At the 446th Meeting of the National Security Council, May 31, Robert Amory, Jr., of the Central Intelligence Agency gave the intelligence report on "Significant World Developments Affecting U.S. Security." Included in his briefing was the following on Iran:

"In Mr. Amory's view, the Turkish coup d'état was having significant repercussions in Iran. Increased activity was apparent among groups which favored the overthrow of the Shah. One source thought that the Shah could remain in power no longer than four more months. However, Mr. Amory pointed out that the Iranian Army did not enjoy the prestige of the Turkish Army, and was not dedicated as the Turkish Army was. In any event, Mr. Amory thought the Shah's disposition was more fragile now than it had been any time since Mossadegh." (Eisenhower Library, Whitman File, NSC Records)

291. Memorandum of Discussion at the 449th Meeting of the National Security Council

Washington, June 30, 1960.

[Here follow a paragraph listing the participants at the meeting and agenda item 1.]

2. *Significant World Developments Affecting U.S. Security*

[Here follows discussion of unrelated matters by Acting Director of Central Intelligence Cabell.]

Turning to Iran, General Cabell reported that relations between that country and the USSR continued to be strained. Iran has withdrawn its Ambassador from Moscow and has stated that he will not return until the Soviet Ambassador returns to Teheran. [*1 line of source text not declassified*] Officially, the USSR is demanding that Iran prohibit all foreign bases on Iranian soil, a demand which Iran is continuing to turn down. Dissatisfaction with the Shah is a constant feature of Iranian opinion but thus far no leader has been available to exploit this dissatisfaction. The Turkish coup d'état, however, has had repercussions in Iran unfavorable to the Shah's position. The Shah's continued active role in government is one reason for dissatisfaction. The Shah has now promised to reduce his participation in government and has promised that the elections scheduled for July and August will be free. While these elections will doubtless be determined in advance to a lesser extent than formerly, in practice, the voters can vote only for candidates approved by the Shah. While there is no revolutionary fervor in the army, some army officers appear to have been plotting against the Shah for months. The underlying situation in Iran is of such a nature that an attempt to overthrow the Shah could develop with very little warning.

[Here follows discussion of events in Turkey.]

3. *U.S. Policy Toward Iran* (NSC 5821/1; OCB Report on NSC 5821/1, dated December 11, 1959; NSC Action No. 2170; Memo for NSC from Executive Secretary, same subject, dated March 16, 1960; NSC Action No. 2215;[1] NIE 34–60;[2] NSC 6010;[3] Memo for NSC from Executive Secretary, same subject, dated June 27, 1960[4])

Source: Eisenhower Library, Whitman File, NSC Records. Top Secret; Eyes Only. Drafted by Boggs on June 30.

[1] See footnotes 2–5, and 8, Document 288.

[2] Document 285.

[3] Document 293.

[4] In this memorandum Lay transmitted the views of the Joint Chiefs of Staff on NSC 6010, June 24. The JCS found NSC 6010 "acceptable" and recommended that the Secretary support it. (Department of State, S/P–NSC Files: Lot 62 D 1, NSC 6010, U.S. Policy Toward Iran)

Mr. Gray briefed the Council on NSC 6010, U.S. Policy toward Iran. (A copy of Mr. Gray's Briefing Note is filed in the Minutes of the Meeting and another is attached to this Memorandum.)[5]

Secretary Herter said he fully concurred in Mr. Gray's proposal to send policy papers which had been updated without significant changes in policy to the Council for adoption by Memorandum Action. Secretary Herter felt that a policy which has been updated need not come before a Council meeting unless the paper reflects a difference of opinion. If the Planning Board was fully agreed on the revision of an updated paper, Memorandum Action by the Council should be satisfactory.

Mr. Gray said if there was no objection, the Record of Action would show that the Council adopted NSC 6010 without amendment.

The National Security Council:[6]

a. Discussed the draft statement of policy on the subject contained in NSC 6010; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of June 27, 1960.

b. Adopted the statement of policy in NSC 6010.

c. Agreed that future up-dating revisions of NSC policy papers pursuant to NSC Action No. 2215–c should normally be circulated to the Council for Memorandum Action, unless they contain "split" recommendations.

Note: NSC 6010 subsequently approved by the President for implementation by all appropriate Executive departments and agencies of the U.S. Government, and referred to the Operations Coordinating Board as the coordinating agency.

4. *Recent Evidences of Social Unrest and Political Instability In Many Free World Nations*

The President wished to refer to a question which had been troubling him. All over the world, in the last six months or so, there has been a rash of revolutions which have overthrown governments—in Cuba, Turkey, and almost in Japan. The U.S. has been working since 1947, and very intensively since 1953, to achieve stability throughout the world but instead seems to have been faced with unrest and unhappiness. The President said he had heard from some of our South American friends that all our aid merely perpetuates the ruling class of many countries and intensifies the tremendous differences between the rich and the poor. The President wondered whether we were stupidly pushing

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[5] Attached, but not printed.

[6] Paragraphs a–c and the Note that follows constitute NSC Action No. 2256, approved by the President on July 6, 1960. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

ahead, carrying out programs without taking into account the effects these programs might be having. Perhaps the difficulty was this, however; perhaps we could only stand by and watch a wave of revolution sweeping around the world.

[Here follows discussion by Herter of unrelated matters.]

Secretary Herter said we had believed that Iran had taken a turn in the right direction when it dismissed Mossadegh. Now, however, we find that the Shah is slow in undertaking the necessary reforms in his country. [Here follows discussion of an unrelated matter.]

The President wondered what we should do about the revolutionary ferment to which Secretary Herter referred. Could we continue to support governments which would not carry out land reform and which would not lay out any constructive program for the betterment of the situation? To do so would be like giving money to a juvenile delinquent to buy a "hot rod" which might kill someone. We should take a look at our policies and try to determine what effect they are having. He had thought Iran was on the right course. The Shah had laid out a good land reform program at the time of his (the President's) visit to the country and appeared to be all ready to put it into effect immediately. The Shah had said he would be able to deal with the big landholders. Secretary Herter said most of the big landholders in Iran were relatives of the Shah. Land reform in Iran had been a very slow process.

[Here follows discussion of an unrelated matter.] Iran appeared to the President to be in almost as difficult a situation as it had been in during the time of Mossadegh. The situation there might be improved if the liberals could succeed in deposing the Shah and taking over the government. [Here follows discussion of an unrelated matter.]

[Here follows the remainder of the memorandum.]

Marion W. Boggs

292. Telegram From the Department of State to the Embassy in Iran

Washington, July 1, 1960, 10:27 p.m.

24. For Ambassador from Under Secretary. We were very pleased with recently concluded talks with members Iranian delegation.[1] Their presentation marked significant step forward. Their attitudes were constructive and their responses generally well informed. Meetings were characterized throughout by friendliness and candor. Our general strategy during these talks was to strike proper balance between encouragement of this group and firmness in dealing with Iranian problem; to draw them out with regard to intentions and relevant factual background; and to give them clear impression that some form of U.S. financial assistance would be made available after further discussions in Tehran following their IMF consultations. We believe that IMF drawing, our undertaking mutually to terminate trade agreement (subject to Presidential approval), and time schedule generally agreed upon for dealing further with their resources shortage, represented useful outcome and constructive basis for our future support of their stabilization efforts.

We took general line that we regard stabilization program presented here as initial statement to be developed more fully during forthcoming IMF discussions. Our principal comments dealt with possibility of allocation of Iranian resources in favor of Plan Org and of institutional changes, primarily in budget-making field, needed to mount successful stabilization program. Said we assume a more detailed program would emerge as a result of IMF consultations which we would take account of in our future discussions of U.S. financial assistance. Said we hope consultations will clarify extent to which problem is in fact balance of pay-

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Source: Department of State, Central Files, 888.00/7–160. Confidential. Drafted by Owen Jones; cleared in draft by Peyton Kerr, Office of International Finance and Development Affairs, Bureau of Economic Affairs; Kennedy of NEA; and Baxter of U/MSC; and with Eximbank, DLF, and Treasury.

[1] The Government of Iran accepted an invitation by the United States to send a Ministerial Delegation to Washington to present Iran's views on economic stabilization measures. Talks were held with an advanced working party in Washington on June 23. Accounts of those meetings are in memoranda of conversation, Washington, June 23, *ibid.*, 788.5–MSP/6–2360 and 611.8841/6–2360. The delegation met with Assistant Secretary Jones on June 27 for a general discussion. (Memorandum of conversation, June 27; *ibid.*, NEA/GTI Files: Lot 64 D 493, Memoranda of Conversation, 1960) The delegation met with officials of E and NEA on June 29. (Memorandum of conversation, June 29; *ibid.*) The delegation met with the Acting Secretary of Commerce on June 30. (Memorandum of conversation, June 30; *ibid.*) On July 1, the delegation joined Under Secretary Dillon for a final discussion. (Memorandum of conversation, July 1; *ibid.*, Central Files, 888.00–Seven Year/7–1160)

ments problem rather than resources shortage and urged they avail themselves fully of Fund facilities in meeting balance of payments aspects.

We noted that Black of IBRD had expressed an interest in helping Iran in present situation and that he would be sympathetic to Plan Org expenditure increase to an 87 billion rial level. He could only agree to such an increase however provided the Iranians for their part carried out their commitment to have full and detailed discussions with the IBRD regarding the steel mill and Latyan dam projects. We suggested it would obviously be in Iran's interest to maintain friendly relations with IBRD.

Unless you perceive objections, suggest you seek audience soonest with Shah, draw upon foregoing as appropriate and congratulate him on performance his delegation and on his having undertaken meaningful stabilization program.[2] Believe this will have desirable effect of strengthening hand of Hedayat and reform group.

We are particularly grateful to you for making Taylor[3] available. He participated actively and constructively in all meetings. Upon his return he can fill you in on the details. Memos of conversation follow.

Herter

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[2] In telegram 24 from Tehran, July 3, Wailes reported that he met the Shah and emphasized the main points of telegram 24 to Tehran. (*Ibid.*, 888.00/7–360)

[3] Maurice F.W. Taylor, Counselor for Economic Affairs at the Embassy in Tehran.

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293. National Security Council Report

NSC 6010 Washington, July 6, 1960.

SUBJECT

U.S. Policy Toward Iran

REFERENCES

A. NSC 5821/1
B. OCB Report on NSC 5821/1, dated December 11, 1959
C. NSC Action No. 2170
D. Memo for NSC from Executive Secretary, same subject, dated March 16, 1960

Source: Department of State, S/S–NSC Files: Lot 63 D 351, NSC 6010. Top Secret. Copies were sent to the Secretary of the Treasury, the Director of the Bureau of the Budget, the Chairman of the JCS, and the Director of Central Intelligence.

E. NSC Action No. 2215
F. NIE 34–60
G. NSC 6010
H. Memo for NSC from Executive Secretary, same subject, dated June 27, 1960
I. NSC Action No. 2256[1]

The National Security Council, Mr. Fred C. Scribner, Jr., for the Secretary of the Treasury, and Mr. Elmer B. Staats for the Director, Bureau of the Budget, at the 449th NSC Meeting on June 30, 1960 (NSC Action No. 2256–a and –b):

a. Discussed the draft statement of policy on the subject contained in NSC 6010; in the light of the views of the Joint Chiefs of Staff thereon, transmitted by the reference memorandum of June 27, 1960.
b. Adopted the statement of policy in NSC 6010.

The President, on this date, approved NSC 6010 for implementation by all appropriate Executive departments and agencies of the U.S. Government, and referred it to the Operations Coordinating Board as the coordinating agency.

James S. Lay, Jr.
Executive Secretary

[Here follows a table of contents.]

[Enclosure]

STATEMENT OF U.S. POLICY TOWARD IRAN

General Considerations

Introduction

1. Iran's strategic location between the USSR and the Persian Gulf and its great oil reserves make it critically important to the United States that Iran's friendship, independence and territorial integrity be maintained. Since 1953, Iran has been regarded in the area as a symbol of U.S. influence, and its reversion to neutralism or its subjection to Soviet control would represent major psychological setbacks, with repercussions for U.S. prestige throughout the Middle East and Asia.

2. Serious threats to U.S. interests in Iran arise from Iran's vulnerability to Soviet pressure and influence and the widespread dissatisfaction of many Iranians with domestic conditions. The growing

[1] See footnotes 1–4 and 6, Document 291.

inflation and financial difficulties pose new threats to the country's stability. The internal situation has continued to deteriorate and the possibility of internal upheaval cannot be dismissed.

Internal Strengths and Weaknesses

3. The key problem is the extent to which the largely personal regime of the Shah of Iran, with which the United States is now closely identified, can cope successfully with Iran's growing internal problems. Current dissatisfaction is based in part on awakening popular expectations for reform of Iran's archaic social, economic and political structure and a concomitant disillusionment with the Shah's limited efforts to date to move in this direction with resolution and speed. Because of the Shah's personal direction of governmental affairs, much criticism continues to be directed toward him. Failure of the Shah to progress toward required socio-economic reforms is creating additional opportunities for Soviet subversion and is adversely affecting the achievement of U.S. objectives in Iran.

4. Principal support for the Shah comes from large landholders and their conservative business associates, the top ranks of the government bureaucracy, and senior military officers. The Shah has made a particular effort to maintain and intensify the loyalty of the armed forces, especially the Army, which he regards as a main source of stability and strength. The dependability of the Army's support of the Shah, however, remains somewhat uncertain. Despite the loyalty of many ranking officers, the Army includes many younger officers who find almost intolerable the widespread incompetence and corruption of their superiors.

5. The growing educated middle classes constitute the basic opposition to the Shah. Increasing numbers in these groups find Iran's antiquated feudal structure and the privileges of the ruling classes anachronistic in a modern world. The business activities, general irresponsibility, and in some cases outright corruption of some members of the royal family, civil service, and high military command, have further contributed to growing popular discontent. While this dissatisfaction has not yet coalesced into a vigorous, coherent opposition to the Shah's regime, it continues to be close to the surface and could lead to violence or attempted coups.

6. The Shah himself typifies both the strengths and weaknesses of the present regime. His genuine desire to lead his country to prosperity and stability has conflicted with his own sense of insecurity and fear, leading to vacillation over necessary reforms. The Iraqi coup increased the anxiety of the Shah and other leaders and apparently convinced the Shah that he must take long overdue action toward basic reforms. He has already taken some steps in this direction. Recent events in Korea

and Turkey have undoubtedly added to the present concern of the Shah and other government leaders. While there are many differences between the Iranian situation and those prevailing in Korea and Turkey and earlier in Pakistan, prior to the changes of government in those countries, existing internal pressures for reform have unquestionably been heightened in Iran. An unpredictable juxtaposition of events could afford dissident elements an opportunity to precipitate a crisis in Iran.

7. However, there is a real question as to whether the Shah can or will take sufficiently dramatic and effective steps to insure his position and syphon off the growing discontent. To do so he must move forward in each of three fields: (a) gradual elimination of corruption, (b) social and economic reforms, and (c) modification of his present dictatorial role to allow some scope for the expression of opposition sentiment. He is unlikely to take sufficiently drastic action in all three of these fields if left to his own devices. But unless he does act, there may be an attempt by disaffected military and/or civilian elements to force him back into the role of a constitutional monarch. Eventually, if there are no substantial reforms of the Iranian political, economic, and social structure, the monarchy is likely to be overthrown.

8. If there were a revolt leading to internal disunity, or chaos, the Tudeh Party, largely ineffectual at present, would find a golden opportunity to add to disorder and perhaps to participate in a successor regime. The Kurdish and Arab minorities, while not a threat if internal stability is maintained, would probably seize upon any prolonged period of internal disorder as an opportunity, in the case of the Kurds to realize their submerged desires for autonomy or independence.

9. Despite the weaknesses of the Shah's regime, the absence of any constructive, pro-Western alternative at present makes U.S. support of the regime the best hope of furthering U.S. interests in Iran. No matter how well-intentioned certain potential opposition leaders appear to be, they as yet lack the assets of the Shah and have no compensatory popular support. Moreover, a successor regime, despite any momentary popularity, would soon find itself faced with the same difficult and complex problems as those which now confront the Shah and his government.

10. Thus the problem confronting the United States is how best to influence the Shah to move constructively. A problem confronting the Shah, however, is the extent to which his regime can move in the direction of satisfying popular demands without alienating conservative elements on which traditional support of the regime rests. Even though the Shah has become more anxious since the Iraqi coup and the events in Korea and Turkey and has implied his interest in U.S. advice, he has been in the past notoriously sensitive to criticism and impatient with U.S. efforts to convince him of the need for reform. Moreover, the Shah

probably believes that if pressed too hard by the United States to take measures not to his liking, he could always revert to a neutralist foreign policy and accept Soviet aid. Hence U.S. pressure, if carried too far, might prove counterproductive. On the other hand, unless tactfully prodded by the United States where necessary, the Shah is unlikely to move sufficiently far or fast in time to forestall an internal upset. Thus the United States must maintain a delicate balance between pressure and persuasion.

11. Moreover, if it becomes apparent that the Shah is unlikely to be able to cope with Iran's internal problems, and strong opposition develops, the United States cannot afford to be identified exclusively with a crumbling regime. Accordingly, it may become necessary for the United States to dissociate itself to the extent feasible from the Shah's regime, and increase contacts with potential successors, recognizing that such dissociation would probably ensure the Shah's downfall and that any successor regime might be less pro-Western in its outlook.

Present International Orientation

12. The present regime is disposed to be friendly toward the West and looks particularly to the United States for guidance and assistance. For example, Iran has taken a consistently pro-Western position in international forums. This pro-Western orientation is based primarily on motivations of self-interest on the part of Iranian leaders who see in it both security and material assistance for their country. A considerable body of Iranian opinion would, nevertheless, prefer Iran's traditional course of neutrality between the major power blocs. The United Kingdom retains a considerable measure of influence in Iran despite deep distrust of British motives attributable to past interference in Iranian affairs.

13. After a period during which Irano-Soviet relations were outwardly correct, the Soviet Union began again in February 1959 to attack the Shah and the Iranian government in abusive and hostile terms. Subversive efforts have been intensified. Soviet attacks on Iran stem from the breakdown of talks on a non-aggression pact which was followed by the conclusion of the Irano-American Bilateral Agreement of Cooperation. Although the USSR may have believed that the propaganda campaign might cause early overthrow of the Shah's government, the desired results have not been achieved. The Iranian Government has been seriously nettled by the propaganda barrage, but it has been unwilling to date to yield to Soviet pressures. The Shah has let it be known to the USSR that he would sign an agreement not to permit long-range foreign missile bases on Iranian soil in peacetime; he has refused the Soviet demand that he agree to exclude all missiles, including short-range tactical missiles.

14. Iran is deeply disturbed by pan-Arabism, both as a direct threat to its security and as a possible barrier to Iranian aspirations in the Persian Gulf area. Iran claims Bahrein and considers itself the logical heir to present British influence in the area. Iran is currently engaged in a campaign to woo the Persian Gulf Sheikhs, most of whom enjoy special treaty relationships with the United Kingdom. In recent months there have been increased tensions between Iran and Iraq over the use of and border delineation along the Shatt-el-Arab, a water artery leading to Iran's principal Persian Gulf ports.

15. Iran's relations with other Middle Eastern countries are generally good, especially with Turkey and Pakistan, her CENTO allies. Relations with Afghanistan, despite ethnic, linguistic and historical ties, are marred by Iran's deep concern over Soviet penetration efforts in Afghanistan and a long-standing dispute over the waters of the Helmand River. Iran is cool toward India because of the latter's somewhat heavy-handed attempts to convince Iran of the benefits of neutralism.

16. Iran has felt over-extended by its formal alignment with the pro-Western CENTO, which involved the abandonment of traditional neutrality without the greatly increased military aid which the Shah and military leaders anticipated. Although the Iranians accepted the American Doctrine on the Middle East, they did not believe it met their security aspirations.

17. There now appears no real prospect that the federation of Iran and Pakistan, or the "Aryan Union" (including Iran, Pakistan, Afghanistan and Turkey) as envisaged by the Shah, will materialize in the immediate future. Furthermore, there are many practical difficulties to integrating these countries on any but a "paper" basis. However, in the event that the character of CENTO should change, these proposals may come forward again.

Economic Problems and U.S. Aid

18. *Essential Elements.* Iran is currently faced with the economic and financial consequences of a steady expansion of public expenditures and private credit over the seven-year period since the fall of the Mosadeq regime. Military, welfare and economic development expenditures have risen more rapidly than has income from petroleum operations (which reached $260 million in 1959), other government revenues and foreign official financing. In the last two years private credit has also expanded sharply. As a result, prices rose about 10 per cent last year and foreign exchange reserves have fallen $110 million in the last two years. External debt has increased and Iran faces relatively heavy debt payments in the next few years. Nevertheless, if Iran were to adopt and to carry out sound fiscal and financial policies and to achieve reasonable efficiency in government administration, the country's economic pros-

pects would still be excellent and both a modest military effort and a reasonable rate of economic development could be maintained. The Iranians continue to profess an awareness of the need for improvement in economic planning and fiscal administration. They have attempted to establish better tax collection and credit controls and have obtained technical advice from U.S. and international sources. Although the problem is reported to be under active consideration, the Iranians have yet to develop a comprehensive stabilization program to deal successfully with their present difficulties. The United States has tailored its economic assistance to the Iranians so as to avoid encouraging expansion of Iranian programs beyond the country's absorbative capacity. However, the financing provided from other foreign sources, including suppliers' credits for economic development, has not been similarly tailored.

19. Although economic development expenditures are currently substantial, the development program has not achieved the desired political impact, because of a tendency to emphasize long-term projects, disorganization and corruption, delays resulting from administrative inefficiency, the Iranian propensity to view achievements in very personal terms, and, until recently, a failure to take steps to publicize results. The Seven-Year Plan Organization, which is improving with U.S. technical assistance, administers the development program and has laid out plans which would require sums substantially in excess of the amounts likely to be available from domestic resources. The Organization hopes to meet this shortfall through foreign loans, particularly from the United States and the International Bank.

20. Private foreign investment in Iran has, so far, been overwhelmingly concentrated in the petroleum industry. Since the enactment of a foreign investment law and conclusion of an investment guarantee agreement with the United States, modest beginnings have been made in other fields such as vehicle assembly and tire plants. Further opportunities for private investment may lie in the petrochemical industry, which might use presently wasted natural gas, and in food processing.

Military Problems and U.S. Aid

21. *The Role of the Military.* Militarily, Iran is dangerously and directly exposed to Soviet expansion. The Army is only capable of maintaining internal security and offering very limited resistance to aggression by a major power. The Air Force and Navy are weak and ineffective. If the combat effectiveness of the Iranian armed forces is improved and the forces partially redeployed in accordance with U.S. strategic concepts, they could make an increased contribution to Middle East security by providing, with outside support, a delaying capability

against Soviet forces, initially from positions in the Elburz Mountains along Iran's northern frontier.

22. *Commitments.* In January 1958, the United States, to indicate its continuing interest in the area, offered additional military assistance in support of the Iranian armed forces at a cost of approximately $14 million. On July 19, 1958, the United States indicated to the Shah its agreement that in the light of developments in Iraq, Iranian armed forces should be brought up to agreed operational strength and to a high level operational efficiency. U.S. deliveries of a wide range of equipment and additional training assistance were accelerated. The United States also indicated that it was prepared to give sympathetic and prompt considerations to Iranian needs for economic assistance. The Shah was pleased with this commitment, but was dissatisfied with U.S. recommended levels for the Iranian armed forces.

23. On January 12, 1960, the Shah forwarded to the President a list of military requirements with which to modernize his armed forces. After study, it was determined that the provision of such equipment would cost in the neighborhood of $600 million; the present and projected level of U.S. military assistance is sound and represents as much as can be effectively absorbed by the Iranian armed forces; and any appreciable increase would adversely affect other military assistance programs. The Shah has been given no new commitment but has been assured that we will bear in mind his desire for modernization in developing future programs.

24. The Shah's preoccupation with military matters, as well as his neglect of adequate economic and social reform through his concentration on such matters, has created difficulties for the United States as well as considerable urban discontent. The United States is confronted with a continuing major problem in attempting both to dissuade the Shah from embarking upon excessive military programs and, at the same time, to encourage Iran's participation in CENTO through assistance to the Iranian armed forces.

Impact of U.S. Policies and Programs

25. U.S. policies and programs are the determining factor in the Shah's orientation toward the West. Indicative of the importance accorded U.S. policy as a factor in Iran's internal political situation are the persistent efforts of various opposition groups to solicit U.S. support. Concrete U.S. aid has thus far offset the political impact of Soviet aid offers. U.S. political and financial assistance are thus important, if not essential, pillars supporting the Shah in his present paramount position. U.S. military aid is important both as a means of maintaining internal security and as a measure of U.S. support for Iran's participation in

CENTO. Economic aid and the technical assistance program are evidences of U.S. interest in the welfare of the general populace.

26. However, without internal reform, neither U.S. military nor economic aid is likely to suffice to maintain a stable, pro-Western Iran.

[Here follow the Objectives and Policy Guidance sections of the paper which, aside from a few minor editorial revisions, were unchanged from NSC 5821/1; see Document 257. Following those is the Financial Appendix from NSC 5821/1.]

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294. Despatch From the Embassy in Iran to the Department of State

No. 28 Tehran, July 20, 1960.

REF

Emb Desp 698, May 3, 1960[1]

SUBJECT

Possible Leaders in a Coup d'État Government in Iran

Summary

In spite of much talk to the contrary, the Embassy sees no real threat to the continuation of the Shah's regime on the immediate horizon. However, considering Iran's far-reaching problems, it would be unrealistic to ignore the possibility of a coup in Iran. For the background understanding it gives to Iran's present situation, the possible leaders and policies of a coup government are discussed here. A possible coup would most likely take place in Tehran, would probably be led by the military, would result in a government combining military and civilian figures, would remove the Shah from the scene, and would probably be faced with a communist attempt to participate in the new government.

Source: Department of State, Central Files, 788.00/7–2060. Secret; Limit Distribution. Drafted by Miles L. Greene, Jr., and Edward J. Wilt, II, both political officers at the Embassy, and Harry H. Schwartz, Counselor for Political Affairs.

[1] Not printed. (*Ibid.*, 788.00/5–360)

The first possible source of the leaders of a coup government is the group of senior, conservative officers who now hold key positions in the Shah's regime. This group is the least likely of the ones discussed herein to initiate a coup, although it would make an attempt if it became clearly obvious that the Shah's position were seriously deteriorating. Men in this category would carry out a coup for the purpose of saving the status quo; major changes in policy from those of the present regime should not be expected. Nor should such a government be expected to last for long. Second stage revolts would probably soon eliminate it.

A more likely source of the initiators of a coup would be found among those army officers from the rank of major general down to captain. Many of these men are dissatisfied with the present army command and hold positions which would be of key importance in case of an emergency. A coup by this group might well be bloody, and out of the general confusion following it would emerge its leaders. These men would be most interested in cleaning out the army command, in eliminating corruption throughout the government. They would need the aid of civilians and would most likely grant these civilians a leading role in the non-military part of a new government which would emphasize social reforms. This government would probably reduce US activities in Iran.

Civilian Mosadeqists lack initiative and power and could be expected only to participate in a government initially established by others. A government in which they participated would be far more neutralist than the present one and would be much less reliant on US friendship. The government would also emphasize development projects, social reforms, and the elimination of corruption. It would benefit from the lessons learned by Mosadeq's failures.

Rightist and other non-Mosadeqist civilians include a wide range of possible leaders in a coup government. These men should not be expected to make major changes in present Iranian policies, but could give Iran an experienced and possibly forceful government. Like the Mosadeqists, these men would need a military alliance to accomplish a coup.

The most likely coup government would be a combination of two or more of these groups but exactly who would emerge as the dominant force in any government is impossible to predict.

US policy aims in Iran could be achieved best through a government dominated either by senior, conservative officers or by rightist civilians. In each of those cases, the US should attempt to encourage the reformist tendencies of the leaders, for otherwise the chances of survival of such a government would not be good. With a government dominated by either Mosadeqists or junior army officers, the US would find the achieving of its aims in Iran much more difficult, but not necessarily

impossible. In any case, the essential qualities of US policy should of necessity be flexibility and forebearance.

[Here follows 20 pages of biographical details on the potential leaders of each possible coup group.]

For the Ambassador:
Stuart W. Rockwell
Minister-Counselor

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295. Editorial Note

At the 453d Meeting of the National Security Council on July 25, Allen Dulles reported during his intelligence briefing on "Significant World Developments Affecting U.S. Security" as follows:

"Mr. Dulles then said that the Soviets had made a new approach to the Shah of Iran on July 19, suggesting that Iran and the USSR exchange assurances that no third party would be allowed to station forces on the territory of either country. The Shah continues under pressure from neutralist politicians to reduce U.S. influence in Iran and balance it by an agreement with the USSR. Mr. Dulles felt it would be desirable for us to find some means to reduce the pressures on the Shah but believed the Shah would not take any action inimical to the West." (Eisenhower Library, Whitman File, NSC Records)

Telegram 162 from Tehran, July 20, reported on a meeting the U.S. and U.K. Ambassadors had with Iranian Foreign Minister Aram at the latter's request. At the Shah's request, Aram read a rough translation of a July 19 note from the Soviet Chargé on behalf of Khrushchev. Wailes' notes follow:

"1. Soviet Union is trying its best to bring back to normal relations between the USSR and its neighbor Iran.

"2. These relations were most friendly after His Majesty's visit to Moscow two years ago.

"3. They changed for the worse however after Iran signed bilateral with US last year.

"4. USSR feels present situation fraught with danger and therefore it is necessary to bring about some improvement.

"5. His Majesty should have no doubt whatever about friendly intentions of USSR. For example border problems and financial matters between the two countries have been amicably settled.

"6. Even after signing of US bilateral Soviet Union indicated its willingness to find with Iran a remedy which would lessen dangers inherent in bilateral and thwart aggressive actions of Pentagon.

"7. The talks of year ago February related to question of no military bases—these talks have not ended and there is still a chance to improve situation. The question is not to find words of justification for bases but actually the danger of having bases.

"8. Bases can be used for air espionage of USSR. This could well be cause of attacking these bases. Mr. Khrushchev has no desire to express threats on this subject. His only care is for security of USSR.

"9. Iran is full of American advisors, thousands of them, who have penetrated even into Iranian military establishment. Obviously US will bring Iranian Army under American control. US also has men in the police, Savak and in economic areas.

"10. The Shah can obviously choose his own advisors but the Soviet Union cannot remain unconcerned if they are drawn from a government hostile to USSR.

"11. Soviet Union desires friendship with Iran and no territory from Iran but it cannot have normal relations if there shall be foreign military bases on Iranian soil either in open or secret.

"12. Let us then conclude an agreement not to have any third country use, construct or maintain military bases including missile bases—likewise there should be no armed forces of any third country.

"13. You, your Majesty, should not fear entering into an agreement with USSR. Such an agreement would result in Soviet assistance and probably increased aid from US.

"14. Do not listen to flatterers. Turkey presents proof of neglecting its national interests and dealing with foreigners. On other hand Afghanistan is an example of friendly relations and no conflict.

"15. The way is now open to better relations between Soviet Union and Iran through joint operations along contiguous borders—for example irrigation, electric plants, et cetera.

"16. The USSR therefore remains ready to discuss practical way for improvement of relations on confidential basis and on any level which you may wish."

Aram then stated that the Shah was giving some consideration to replying that the responsibility for the present situation rested upon the Soviet Union; Iran would permit no alien reconnaissance flights to take place from Iran; and it would not permit the establishment of missile bases by third countries. (Department of State, Central Files, 611.88/7–2060)

In telegram 272 to Tehran, July 27, the Department of State instructed the Ambassador to use every opportunity to point out to Aram and the Shah the consistency of U.S. support for the "free world" and the necessity for a "solid front vis-à-vis USSR during this period of uncertain Soviet intentions." Exchanges of assurances or a unilateral assurance as envisioned by the Shah would, in the Department's view, gain Iran nothing and provide the Soviet Union with a potent propaganda weapon to weaken "free world morale." (*Ibid.*)

296. Telegram From the Embassy in Iran to the Department of State

Tehran, August 4, 1960, 3 p.m.

298. In conversation with Shah last evening he raised question of current elections and talked on subject for some time. He said he was disturbed by spate of stories in local press re lack of freedom in elections and many allegations of outright crookedness. His investigations showed that elections were improperly handled only in Tabriz and a few small towns and these are being held over again. In respect to other major cities he had found no indication of malpractice. In Tehran, he plans play active role in supervision and stated categorically that elections would be fair and honest. Re Kashan he said that he planned let Saleh,[1] whom he considers very left wing, run but, by putting up a highly qualified opponent, he expects Saleh will be fairly defeated.

In reply to Shah's several requests during conversation for my views I took general line that Shah's public assurances concerning freedom of elections, together with lists of candidates put forward by two parties[2] with his approval, have produced excellent impression in country and have had repercussions favorable to Shah both here and elsewhere. Now that elections have begun it is my personal hope they will be carried out in manner publicly prescribed by Shah and that developments will not spoil very good reaction which Shah's words and actions have brought about both at home and abroad.

Shah concluded discussion of subject by saying that while he blamed some of the current criticism on unfortunate statements by two party leaders basic problem is current Iranian election laws are entirely inadequate and lead to abuses. He plans therefore to present probably to next Majlis new law which will provide for registration of voters, proper identification at polls, and ballots along American lines.

Comment: According to our information, Shah has taken active role in elections since beginning. He publicly promised elections would be free. He personally approved list of candidates both parties, and removal therefrom of a number of corrupt individuals who had long been in Majlis and whose non-appearance on list created very favorable initial impression. Shah also apparently determined in advance that Mellpyum Party should win majority and endeavored arrange this by selection strong candidates and weak rivals for certain constituencies.

Source: Department of State, Central Files, 788.00/8–460. Confidential.

[1] Alayar Saleh, Nationalist Party successor to Mossadeq.

[2] The two parties were the pro-Shah Melliyum Party and the official opposition Mardom Party.

However arrangements badly handled and things went awry; some candidates not as strong as supposed; other candidates who were supposed to lose either were not notified of this or objected, pointing to Shah's open promise of free elections. No doubt also local officials on own initiative have acted irregularly on behalf of government candidates. As result, press has been filled with complaints re rigging. Resultant political ferment has doubtless had its effect on Shah, who, we believe, has belatedly attempted correct some of the most obvious irregularities and may now be influenced to permit election of some independents whom he originally had no intention of allowing to sit in Majlis. He may thereby recoup some of the favor he gained by his initial action, but there is no doubt atmosphere has been greatly spoiled by messy handling of electoral procedures. We have no doubt however that Shah still determined Melliyum will win majority and that this will be the case. Even if Melliyum does win by artificial arrangements, many winning candidates both parties will be new men probably as yet untainted by large-scale corruption, and if cases major electoral irregularities are corrected and a few of the more popular independents are permitted be elected, general effect on public may still be on plus side despite negative developments since lists of candidates were published.[3]

Wailes

[3] In telegram 406 to Tehran, August 10, Lewis Jones informed Wailes that a State–CIA informal survey concluded that day "that Iranian election picture in provinces one of confused manipulation pointing to the conclusion that there would be no concrete improvement in the overall political stature or prestige of the Shah or government." The Department stated that it relied on Wailes to help "ensure that elections in Tehran at least have a complexion as free from rigging as possible in the circumstances." (Department of State, Central Files, 788.00/8–460)

The August 10 "Synopsis of State and Intelligence Material reported to the President," by John Eisenhower reads:

"Current parliamentary elections are obviously rigged and disorders have broken out in several provincial constituencies. The Shah's involvement in the rigging makes it certain that his own position and his government will be weakened." (Eisenhower Library, Whitman File, Eisenhower Diaries)

297. Telegram From the Embassy in Iran to the Department of State

Tehran, August 18, 1960, 5 p.m.

417. For Hugh Cumming and Lewis Jones. [*2 lines of source text not declassified*] reporting Baktiar's comments that present policies of Shah and Government are leading Iran toward revolution, and that Baktiar expects Shah will flee to Europe in near future as he becomes increasingly aware situation getting out of his control. Following are my comments.

1. I believe there no doubt Baktiar at present fed up with his job, especially requirements placed upon him by Shah in connection with elections. For some time Baktiar has made clear [*less than 1 line of source text not declassified*] his extreme distaste for rigging procedures which Savak has been obliged to carry out at Shah's orders in order to insure victory of Melliyun majority. Baktiar probably now being affected by numerous bitter comments his agents picking up re rigged elections and by blame likely being placed by public upon Savak and Baktiar personals for measures taken to achieve rigged results. Seems no doubt that Shah has not paid any attention to Baktiar's conviction that these irregular procedures politically unwise. Thus, it is likely Baktiar currently in depressed mood.

2. Re remark that Iran is heading for revolution, not clear whether Baktiar bases this on political factors such as elections or on deteriorating economic situation. We have no evidence of any civilian or military revolutionary planning arising from political discontent, although it of course possible that such activity could be taking place without our knowledge. It is too early to judge whether discontent with conduct of elections, when added to existing unhappiness arising from political and economic causes, will provide sufficient stimulus to convert current verbal complaints and opposition to regime into direct action against regime. Remains to be seen whether, when elections are over and turmoil they are now stirring up has died down, things will not return to usual pattern of complaint and criticism without direct action. Additionally on political side, it should not be forgotten that last fall there were indications that General Baktiar himself was sympathetic to idea of action which would place him at head of Iranian Government. This should be borne in mind in context Baktiar's reported feeling contingency planning must be further perfected, and his desire become chief of ground forces.

Source: Department of State, Central Files, 788.00/8–1860. Top Secret; Priority; [*distribution indicator not declassified*].

3. If Baktiar's remarks based on economic considerations, we believe such pessimism not wholly justified over the short run. He, as layman, probably does not realize that countries, particularly undeveloped countries, can survive long time even with very bad economic situation. In any case, at time of reported conversation, prospects for economic stabilization looked dim but in last days have bettered considerably (see Embtel 412).[1]

4. With regard to possibility Shah's fleeing to Europe, on recent occasions when I have seen him I have detected no lack of confidence on his part nor feeling situation getting out of his control. On contrary, he has seemed almost over-confident he has matters in hand and that no serious trouble will arise from elections. This in itself does not indicate Shah not planning to flee, as I believe he is consummate actor, but I find it difficult believe that Shah thinks situation here now so much worse than it has been for some time that he losing control. If serious rioting broke out as result of elections or if country came on verge economic collapse, Shah might indeed flee, but if no trouble arises as result of elections and if stabilization plan put into effect and funds from IMF and DLF received, it seems likely political and economic situations here will rock along for some time to come. I believe, there is no doubt that Shah finds burden of running Iran sometimes almost too much for him and would at times welcome becoming private citizen. I do not believe, however, that this feeling in itself would cause him to flee.

With regard alleged conversion royal property into hard currency, this not first time report has been heard [*2 lines of source text not declassified*]. Reported lack interest by Shah in domestic investment not necessarily indication of intent leave country.

In short, while one can never be certain that will happen in country like this and it impossible to know what is going on in Shah's mind, I believe it more likely Baktiar's assertions re Shah's plans may arise more from his own current state of depression and possibly from plans of his own, rather than from solid indications of likelihood Shah will soon depart country. Latter possibility cannot be discounted, however, and developing political and economic situations will have important bearing on this question. Certainly present messy election situation has left bad taste and damaged Shah's prestige in country.

[*1 line of source text not declassified*]

Wailes

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[1] In telegram 412, August 18, the Embassy reported that the Shah and Iranian Finance Minister Zarqam had evidently become convinced that cuts in the year's central government budget were necessary if the Plan Organization was to continue and drastic cuts in private credit were to be avoided. In addition, the Embassy learned that Iran would soon agree to IMF proposals although the Embassy was unaware of what they were. (*Ibid.*, 888.13/8–1860)

298. Memorandum From the Deputy Director of the Office of Greek, Turkish, and Iranian Affairs (Marcy) to the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones)

Washington, August 25, 1960.

SUBJECT

Freedom of Elections in Iran[1]

REF

Our Conversation of August 19, 1960[2]

Although the electorate was subject to severe property and educational qualifications, the first two Parliaments following the Constitutional Revolution were freely and honestly elected. Following 1912, the system broke down and in the confusion during and following World War I, elections became subject to local official whims or the desires of invading armies. Reza Shah, while rigidly respecting the etiquette of popular government, controlled the elections with an iron hand, though he did usually select people with some standing in their communities. The Fifteenth Majlis was elected in comparative freedom over most of Iran with adult male suffrage, but at this time one could see a deadly pattern emerging: reactionary landlords being elected by hordes of their own peasants in the country, and demagogues swaying the city masses. In addition, these elections were marked by strong-arm tactics, beatings, and stealing of ballot boxes by various official and non-official groups.

The Sixteenth Majlis elections were rigged by Prime Minister Qavam to insure that all successful candidates would be friendly to him. He made each aspirant swear a personal oath of loyalty to him. (These loyal retainers, upon the inspiration of the Shah, voted no confidence in Qavam two months after their election.

Source: Department of State, Central Files, 788.00/8–2560. Confidential. Drafted by Bowling. Jones wrote "Most interesting" on the memorandum and apparently sent it to Herter and Henderson.

[1] At the 457th Meeting of the NSC, August 25, a brief report on Iran was included in the usual intelligence briefing:

"Mr. Dulles expressed concern over the 'rigging' of the parliamentary elections in Iran. He said events in Korea and Turkey had indicated that fixed elections can produce dangerous repercussions. The aftermath of the Iranian elections has produced an undercurrent of opposition to the Shah. The opponents of the Shah may take advantage of his forthcoming absence from the country for a trip to Europe to stage a coup d'état." (Memorandum of discussion by Boggs, August 25; Eisenhower Library, Whitman File, NSC Records)

[2] No record of this conversation has been found.

The elections for the Seventeenth Majlis were held by Mosadeq, with Saleh as Interior Minister. They were relatively free, though there was some rough stuff in Tehran. Mosadeq's supporters swept the cities, where the first balloting occurred, but Mosadeq's landlord enemies were winning the country seats when the old man cancelled the elections, leaving only a rump Majlis of city and town representatives.

The Eighteenth Majlis was selected, not elected, about half by Zahedi and half by the Shah. It was understood that the elections would not be free.

The Nineteenth Majlis was handpicked, every one, by the Shah. The Nineteenth Majlis, even more than those of Reza Shah, abased itself continually before the Shah.

The Shah had hinted for a long time that he would let the two tame "Parties" fight the Twentieth Majlis elections between themselves. After the events in Turkey, he voluntarily and without prompting spoke to the Parliament, to the press, and to the nation over the radio repeatedly to the effect that the Twentieth Majlis elections would be genuinely free, and urging the public to vote. The Prime Minister repeatedly confirmed these assurances.

Many politically-conscious Iranians did not believe a word of it, but some apparently believed that the elections would be free between the two parties, while others hoped that independents, both rightist and leftist, would be allowed to run. No one expected that communists would be allowed to participate. Therefore, a large number of relatively influential people decided to contest the elections, either as independents or under a party label, who would otherwise never have bothered to run because the elections would be considered rigged.

When the elections turned out to be rigged as thoroughly as before, two results followed which will be detrimental to the stability of the regime:

(a) The Shah has been publicly exposed as a prevaricator or as being incredibly badly informed regarding the activities of his own government—to believe that the Shah would repeatedly and seriously deceive his people will be a great shock to many persons who would normally be strong supporters of the regime.

(b) Several hundred influential persons attempted to contest Majlis seats who would not have done so had they not, from official assurances, believed or hoped that the elections would be free to some extent—these persons have now lost "face" and feel personally deceived and put upon by the regime.

We had hoped that the Shah might, by allowing limited freedom in the elections, have made progress toward some system of party responsibility which would give him a measure of freedom from direct responsibility for the administration, and that further he might be able to entice

moderate independents into a "loyal opposition" role rather than driving them toward extremism. Both these hopes have been dashed by the conduct of the elections.

In summary, although we do not feel that free elections would be any kind of answer to Iran's problems, we did hope that use of the elections to increase confidence and a sense of participation by moderate elements now critical of the regime would reduce existing internal pressures.

The elections were not less free than those of the past two Majlises, but because of wide expectations that more freedom would be allowed and hence greater interest, there were widespread cases of conflict between central government offices and between central and provincial officials as to just how and for whom the rigging would be accomplished, leading to more excitement than in the past two elections.[3]

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[3] On September 24, the Embassy in Tehran sent despatch 150 to the Department. The summary of this 14-page analysis of the 1960 Majlis elections reads:

"The 1960 Iranian Majlis elections were a fiasco. They were characterized by blatant rigging on the one hand and repeated assurances by the Shah of 'Freedom' on the other. In order to retrieve some of his lost prestige the Shah was forced to take steps voiding them even before they were completed. In retrospect the biggest mistake of the regime appears as the Shah's promise of 'Free Elections' at a time and under circumstances when the regime cannot afford to have an uncontrolled Majlis. This unfulfilled promise had three main effects: 1) It stimulated more and hotter political activity than probably otherwise there would have been; 2) it necessitated more blatant and cruder rigging than would otherwise have been required; 3) it remains to haunt the regime through the next elections which, by the regime's requirements, must at one and the same time be more 'free' than the last and yet produce a moderately-controlled Majlis.

"The Shah by his action in voiding the elections has regained some prestige and gained some time; considering the problems facing him, he needs both." (Department of State, Central Files, 788.00/9–2460)

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299. Editorial Note

On August 29, Radio Tehran announced the resignation of Prime Minister Eqbal and his cabinet and that former Minister of Industries Jafer Sharif-Emami would be the new Iranian Prime Minister. The announcement followed the Shah's August 27 press conference in which he expressed dissatisfaction with the elections and suggested the need to do something dramatic to restore confidence in the electoral process. The Shah called for the nation as a whole to express its will on possible cancellation of the elections, even though such a procedure was unconstitutional. Pro-Shah political parties and independents called for

cancellation and new elections. On September 1, the Shah issued an order calling on the deputies in the Majlis to resign collectively and establishing a committee to either revise the old election law or produce a new comprehensive election bill. As the Embassy pointed out, collective resignation of the Majlis allowed the Shah to avoid cancellation of the elections. (Telegrams 516 and 547 from Tehran, August 29 and September 1; Department of State, Central Files, 788.00/8–2960 and 788.00/9–160)

In his August 30 "Synopsis of State and Intelligence material reported to the President," John Eisenhower reported:

"The Shah has fired Prime Minister Eqbal in an effort to save himself from complicity in the rigged elections.

"The Shah is highly shocked over Khrushchev's reaction to a letter which the Shah recently sent. Khrushchev expressed displeasure with the letter then pointed out the specific points on which he claimed the U.S. and the British had made changes. Khrushchev's points were apparently sufficiently accurate that the Shah felt there had been a leak or codes had been compromised." (Eisenhower Library, Whitman File, Eisenhower Diaries)

On September 13, John Eisenhower included the following on Iran in his synopsis:

"General Hedayat, the Chief of Staff of Iran, reports that the Shah seems to be convinced that further participation in CENTO is useless. He may decide to withdraw from CENTO and fall back entirely on the Iran/U.S. bilateral pact. While the Shah's unhappiness is chronic, it has become intensified by continuing Soviet pressure and opposition to him over the rigged elections. (Date of report unknown—see below.)

Soviet Ambassador Pegov is now en route back to Tehran. This probably results from Premier Sharif Emami's intention to improve relations with the USSR. Radio Moscow halted its propaganda attacks on the Shah on August 31st." (*Ibid.*)

At the 459th Meeting of the National Security Council, Allen Dulles included in his intelligence briefing on "Significant World Developments Affecting U.S. Security," the following report on Iran:

"Mr. Dulles said the resignation of the Prime Minister of Iran had paved the way for improvements of Iranian-Soviet relations. The Shah had annulled the recent elections and had installed a cabinet weaker than the last one. If Iran now engages in negotiations with the USSR, Iran will certainly not be leading from a position of strength. Mr. Dulles reported rumors that the Iranian Foreign Minister would hold conversations with Khrushchev during the UN session in New York. Mr. Dulles thought the Iranian Foreign Minister was not a strong character and that any negotiations between him and Khrushchev in New York, where the Foreign Minister would not be supported by other Iranian officials, would be dangerous. Mr. Dulles concluded his remarks on Iran by noting that the Soviet Ambassador to Iran had returned to Tehran after a long absence." (*Ibid.*, NSC Records)

300. Memorandum From Secretary of State Herter to President Eisenhower

Washington, September 19, 1960.

SUBJECT

Suggested Reply to the Shah of Iran[1]

On March 30, 1960, the Shah of Iran wrote you a letter[2] giving his further views on the military assistance needs of his country. As the Shah appeared relatively relaxed about his security situation, it was not felt necessary to reply to his letter immediately. Since his letter was received, Congressional appropriations and a review of our military assistance plans indicate that it will not be possible for us to provide the Shah with military aid in an amount even approaching his requests. It would also be impossible for Iran to maintain forces of the size and complexity the Shah desires without severe dislocation of the Iranian economy and consequent prejudice to internal stability. However, it is expected that United States military assistance to Iran in the next few years will make possible progressive improvement in the effectiveness of Iranian forces within the limits of United States and Iranian resources.

In recent weeks the Shah has commendably taken preliminary measures to avert a serious crisis which might result from current foreign exchange losses and inflationary pressures. Although these measures have only begun to be implemented, the stabilization program is wholly desirable and the Shah deserves to be congratulated on the start he has made. In the enclosed suggested reply to the Shah's letter,[3] we imply a willingness on our part to give expeditious and increased

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Source: Department of State, Central Files, 788.5–MSP/9–1960. Secret; Presidential Handling. Drafted by Bowling, cleared by Lewis Jones and cleared in draft with Baxter, John M. McSweeney, Director of the Office of Eastern European Affairs, and Irwin of Defense.

[1] In telegram 551 to Iran, August 29, the Department transmitted an outline of the draft letter from the President to the Shah and noted that because of lack of funds and a general reconsideration of the U.S. Military Assistance Program, it could not offer to provide the military aid program the Shah desired. In telegram 526 from Tehran, August 30, the Embassy observed that the Shah would find the draft letter "extremely disappointing" especially in his "present mood of disillusion with support being received from his friends." The Embassy suggested that if the letter could not include additional military assistance for Iran, it was better to leave the explanation in general terms, since to do otherwise would only discourage and depress the Shah further. (*Ibid.*, 611.88/8–2760 and 611.88/8–3060, respectively)

[2] See footnote 1, Document 289.

[3] Not printed. The text of the letter as approved by Eisenhower is in telegram 663 to Tehran, September 20. (Department of State, Central Files, 788.5–MSP/9–2060)

consideration to Iran's economic needs within the framework of the stabilization program.

The Shah has recently shown signs of a growing sense of insecurity. He is re-examining his own strong posture toward the Soviet Union and comparing it with that of his non-communist neighbors. The suggested reply only repeats previous promises of support against Soviet threats, but even the reiteration of these in a personal letter from you at this time would serve to reassure the Shah that we are his steadfast friend and are not abandoning Iran. The reply also seeks to allay the Shah's fears of threats from Afghanistan, Iraq or the United Arab Republic.

I recommend that you send the enclosed suggested reply to the Shah of Iran, which has been cleared with the Department of Defense.

Christian A. Herter[4]

[4] Printed from a copy that bears this stamped signature.

301. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to Acting Secretary of State Dillon

Washington, September 20, 1960.

SUBJECT

Aid to Iran

Discussion:

Ambassador Wailes has pointed out the urgency of measures to assure the Shah of continued United States interest and support at a time when he is exhibiting signs of depression and of disappointment over United States aid levels, is preparing to negotiate with the Soviets, and is apparently considering the possibility of withdrawing from CENTO (Tab A).[1] Following is a summary of the status of various aspects of the problem.

Source: Department of State, Central Files, 788.5–MSP/9–2060. Secret; Presidential Handling. Drafted by Bowling with concurrences from Bell of U/MSC and in draft with Kerr of E. None of the tabs was attached to the source text.

[1] Telegrams 498 and 545 from Tehran, August 27 and September 1. (*Ibid.*, 611.88/8–2760 and 788.00/9–1600)

1. *Presidential Letter*[2]

A Presidential letter to the Shah reassuring him of continued United States interest and support has been sent to the White House.

2. *Military Equipment*

Embassy Tehran, noting the Shah's desire for modern military weapons, has recommended that the five-year MAP plan be amended to provide for various specific packages of modern weapons and that the Shah be so notified. After discussion of the issue with Defense, we have come to the conclusion that in view of the worldwide shortage of MAP funds, the expense of the proposed additional equipment and the low global military priority assigned to Iran, we cannot recommend that the Embassy's proposals be adopted.

However, in an effort to provide some positive response to the Embassy's proposal, the Department of Defense has queried ARMISH–MAAG Tehran as to whether or not current training and maintenance levels in Iran would justify a speed-up in deliveries of F–86 aircraft. It has also suggested to Tehran that it might be possible to alter the presently programmed FY 1961 MAP funds pattern to provide *some* of the equipment desired by the Shah. We are awaiting a reply to this inquiry (Tab B).[3]

3. *Military Construction*

The MAP construction program, which is a vital part of our military assistance effort in Iran, was slowed down by the deferral to later years of all programmed funds for FY 1960. It will be delayed further by the recent deferral of about half of the FY 1961 program of about $30 million. These delays are of such a magnitude that they will inevitably come to the attention of the Shah, who will doubtless regard them as the nonfulfillment of United States commitments and as further evidence of the relatively low priority the United States assigns to Iran. We, therefore, intend soon to recommend at least a partial restoration of MAP construction funds for FY 1961 (about $9.0 million) in order to reduce the adverse political impact of this stretch-out. Our recommendation will be made upon receipt of certain details from Tehran (Tab C).[4]

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[2] See footnote 3, Document 300.

[3] Telegram 543 from Tehran, September 1. (Department of State, Central Files, 788.5–MSP/9–160) Reference is apparently to telegram DEF 982850, September 13. (Department of State, NEA/GTI Files: Lot 66 D 173, U.S. Military Assistance to Iran 1960)

[4] Telegrams 367, 368, and 622 from Tehran, and telegram 627 to Tehran, August 13, August 13, September 15, and September 9, respectively. (*Ibid.*, Central Files, 788.5–MSP/8–1360)

4. *PL 480 Assistance*

Negotiating instructions have been sent to Embassy Tehran for 200,000 MT of wheat under Title I, PL 480. In response to an urgent request from the Iranian Government, Iran is to receive seventy percent of the sales proceeds (about $10 million) as a loan for economic development projects as compared with forty-five percent received in the most recent Title I wheat agreement (Tab D).[5]

5. *Economic Development Loans*

The Embassy has urged, following agreement on stabilization, the early arrival of a State-DLF-ExIm Bank loan team headed by a senior officer of the Department of State who will be Assistant Secretary Martin. The team will arrive in Tehran about October 8 (Tab E).[6]

An IMF representative has reached agreement with the Iranian Government on a stabilization program which he believes will be acceptable to the IMF Board of Directors. We agree with the Embassy that this is a most encouraging development.

Iran's financial problem involves both a local currency and a foreign exchange shortage (Tab F).[7] We believe that the United States must provide between $70–$80 million in loans over the next two years to enable Iran to adhere to the stabilization program and complete its Second Seven-Year Plan without further financial adjustments which would place too great a strain on the Shah's regime.

6. *Defense Support*

Tentative allocations for Defense Support for Iran in FY 1961 total $20 million. The Ambassador has stated repeatedly that $22 million is an absolute minimum for FY 1961 if further dangerous political repercussions are to be avoided (Tab G).[8] His recommendation for $22 million in FY 1961 is strengthened by the distinct possibility that, as a consequence of the newly adopted stabilization program, Iran's military budget may be reduced by as much as 7.5 percent (about $10 million). It is possible that such a reduction may necessitate further examination of our DS aid to Iran in the near future and a recommendation that it be increased.

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[5] Telegram 640 to Tehran, September 13. (*Ibid.*, 411.8841/9–1360)

[6] Telegram 631 to Tehran, September 12, and telegram 612 from Tehran, September 14. (*Ibid.*, 788.5–MSP/9–860 and 788.5–MSP/9–1460)

[7] This conclusion was reinforced with Tab F, a memorandum by Jack C. Miklos of GTI, entitled "The Financial Outlook for Iran," and a draft memorandum from Jones to Dillon, September 15, entitled "Political Necessity for Increased Aid to Iran." (*Ibid.*, NEA/GTI Files, Economic Stabilization Mission 1960 and U.S. Military Assistance to Iran 1960)

[8] Telegrams 587 and 616 from Tehran, September 8 and 14. (*Ibid.*, Central Files, 788.5–MSP/9–860 and 788.5–MSP/9–1460)

Recommendation:[9]

In the light of the foregoing, I am constrained to recommend that FY 1961 DS allocations to Iran be increased to $22 million at this time.

[9] Dillon approved this recommendation on September 26.

302. Telegram From the Department of State to the Embassy in Iran

Washington, November 1, 1960, 8:04 p.m.

771. Embtel 750.[1] Dept concurs your thoughts as expressed penultimate paragraph reftel and you are authorized convey these views as considered opinion USG in your next talk with Prime Minister. In addition, you should express USG concern over possible exploitation visit by Khrushchev for psychological measures designed damage free world morale and more specifically sow doubts in Turkey and Pakistan re terms reference goodwill mission. In this connection you should emphasize desirability careful early briefings Turk and Pakistani Ambassadors and careful wording official announcement of plans for goodwill mission. Along same line you should mention casually that it had been our belief that a delegation headed by an official lower ranking than the PriMin would provide less opportunity for Sov psychological exploitation and would be more easily able to turn aside persistent efforts which Sovs will doubtless make to involve delegation in political discussions.

Source: Department of State, Central Files, 661.88/10–2960. Secret; Limit Distribution. Drafted by Bowling; cleared by Henry J. Spielman, Officer in Charge of Pakistan-Afghanistan Affairs, and in draft with John A. Armitage, Officer in Charge of Multilateral Political Relations, Office of Soviet Union Affairs; and approved by Hart. Pouched to Moscow and London.

[1] In telegram 750 from Tehran, October 29, Chargé Rockwell reported that Iranian Prime Minister Sharif-Emami told him that the good will mission to the Soviet Union would be headed by Sharif-Emami himself. Although the Iranian Prime Minister opposed heading the delegation, the Shah insisted that he do so. Sharif-Emami assured Rockwell that he would refuse to discuss political matters and would only listen to discussions about economic affairs. He also asked Rockwell for suggestions on what line to take in Moscow. Rockwell requested the Department's approval that Sharif-Emami be urged not to make any political concessions, to avoid any commitments that would infringe on Iranian sovereignty, and to be wary of any new arrangements that would increase the Soviet presence in Iran. (*Ibid.*, 661.88/10–2960)

You are further authorized convey USG views that delegation's mission would become much more difficult if Sovs allowed to gain impression that Iranian govt prepared to go to considerable lengths to obtain cessation Sov propaganda attacks. Should Sovs, on contrary, receive impression their propaganda attacks have been failure, they would be more, not less, willing respect Iranian integrity. You should express US gratification at PriMin's realistic attitude and his determination avoid political discussions with Sovs.[2]

FYI. Dept would prefer no delegation at all to Moscow but realize Shah demands some effort relaxation tensions with USSR and that plan for goodwill delegation, though possibly dangerous, is valid method for GOI to stall Soviets and present self to Iran public as willing explore possibilities easing tension and as not being adamantly hostile to Sovs on US instigation. Commerce Minister would be preferable to FonMin as alternate to head delegation. We must take care not to give Iranians impression we have positive interest in Sov-Iran hostility in itself. For this reason and in order avoid any impression we distrust motives and capacity of PriMin, you should convey our views in low key without indicating great US concern over outcome of mission. Inform British Embassy. End FYI.

Herter

[2] In telegram 764 from Tehran, November 3, Rockwell reported that he had made the suggested points to Sharif-Emami. The Iranian Prime Minister agreed to brief Iran's allies in detail, feared that he was committed to head the mission although he would prefer not to, reiterated that he would make absolutely no concessions to the Soviets that would infringe on Iranian sovereignty, and promised not to engage in political discussions. (*Ibid.*, 661.88/11–360)

303. Memorandum From the Officer in Charge of Iranian Affairs (Bowling) to the Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs (Hart)

Washington, November 21, 1960.

SUBJECT

United States Military Assistance to Iran

REF

Your memorandum to me[1]

Note: The information and opinions given below are simplified synopses of very complicated situations which even the experts can't keep up with at times. I will be glad to amplify them in any particular direction which you might desire. The opinions given are my own personal views, and do not reflect the considered judgment of either GTI or Ambassador Wailes.

Background

U.S. Obligations

Our tenuous U.S. connection with CENTO does not in itself represent an obligation to Iran to provide military equipment of any particular quality or quantity. The same can be said of our Bilateral Agreement with Iran. Despite the Shah's contentions to the contrary, we have no direct obligation to help the CENTO countries reach the Strategic Force Goals set up in the PMDG. There may be a strain of truth in the argument that before the Shah joined the BP, we knew that he expected greatly increased military aid from the U.S. as a result, and that the Turks had persuaded him to cross the Rubicon by telling him that the U.S. would do for the Shah's army what it had done for the Turks. We knew all this at the time, but permitted the Shah to adhere without setting forth the truth to him. He took our silence for approval. To this extent, we did morally commit ourselves.

In July, 1958, in a panic over the Iraqi coup, we committed ourselves specifically through the Presidential letter of that month[2] to (a) bring MAP–supported Iranian military units (95% of the total) up to full levels of strength and efficiency through equipment and training, (b) To consider the activation and support of additional units if and when the

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Source: Department of State, NEA/GTI Files: Lot 66 D 173, U.S. Military Assistance to Iran 1960. Secret.

[1] Not found.

[2] See Document 243.

primary goals were attained, and (c) to provide economic assistance (with the usual qualifications) in case the agreed military program should strain the Iranian economy.

Plan Counterbalance

The concrete outgrowth of the July, 1958 letter was Plan Counterbalance, agreed to as a method of implementing the goal implied in (a) of the preceding paragraph. A tentative time schedule was set up for the accomplishment of the plan, and the plan was divided into phases. The U.S. contribution to the plan was in terms of equipment and training. The five major objectives of the plan are as follows:

1. To improve the Replacement Training System in the Imperial Iranian Army.
2. To expand the capability of armor in the Imperial Iranian Army and establish an Armor Center.
3. To expand the capability of artillery in the Imperial Iranian Army and establish an Artillery Center.
4. To expand the capability of the combat divisions of the Imperial Iranian Army.
5. To insure the timely provision of equipment required to accomplish the above objectives.

The Plan was to be accomplished in three major phases:

Phase One, to the Spring of 1959, was based on an increase in Iranian military strength by 32,000 additional officers and men. All armored units were brought to 85% of strength. An artillery and armor training center were established.

Phase Two, to the end of March 1960, included the bringing of six infantry divisions and four infantry brigades to 85% strength. This Phase was not completed on time, due to the financial inability of the Iranian government to meet its own responsibilities under the program.

The operation of the Plan is now in Phase Three, which includes improvement of logistical capabilities and the correcting of various other deficiencies. No manpower increase is involved.

In review, the training portion of Plan Counterbalance has been carried out, although in my opinion without the resounding success claimed for it. The equipment side still has large gaps, as witness the unserviceability of ancient vehicles which should be replaced. The Iranian government has not been able to afford manpower increases and other expenses incident to the Plan, and the Plan has therefore fallen short. To carry out our commitment of July 1958, we should logically provide DS to make up this shortfall. We obviously cannot do so.

Construction

In 1958 we brought in a U.S. army engineer unit to begin the construction of a major military airfield and a complex of other military

installations generally along the Elborz Mountains (the Iranians had raised a public hue and cry over initial plans to base the defense of the area along the Zagros, a much sounder military concept). The U.S. agreed to assume about 80% of the costs of this construction. Later on, to placate the Shah, another airfield, at Hamadan, was begun. This construction was intended to improve morale, get units out of big city areas and thereby improve training capabilities, and also put units near the areas where they would be called upon to fight. The total cost of this program to the U.S. was to be well over $300 million. It is about one-third complete and is far behind schedule, due to shortage of U.S. funds.

The Five Year Plan

In accordance with the report of the Draper Committee,[3] the Tehran Country Team drew up a voluminous Five-Year Plan for MAP to Iran. Without going into voluminous details, the Plan can be summarized as providing for a small decrease in MAP, the discontinuance of DS, and a heavy increase (from $130 to $220 million) in Iranian annual defense expenditures. The five-year plan does not envisage any important new unit activation, but does envisage a manpower increase to 255,000 in filling out existing units and logistic trains. The Plan envisages a shortfall against what *we* think Iran needs by FY 1966 of one Infantry Division, one Hawk battalion, three air squadrons and two naval vessels. The shortfall against CENTO planning is about four times as great. These shortfalls are necessary in view of budgetary planning restrictions.

This plan was not approved by Washington in either its original or in an amended version. I suspect it will probably be approved in the next few months, more or less in desperation.

The Country Team desires to "discuss" this plan with the Shah. Defense and U/MSC have prevented this, on the grounds that the plan would be a disappointment to the Shah but that as far as it goes, he would take it as a commitment. I personally rather agree with the Washington position.

Political Background

The Shah wants large and very modern armed forces. Is this desire primarily practical and logical, from the point of view of national defense and internal stability, or is it primarily personal and psychological? I believe that the latter motive predominates, as witness his current willingness to allow cuts in his own army outlays but his order that some of the saved funds will be utilized to buy radar for the Air Force. It

[3] The Draper Committee was appointed by Eisenhower on November 24, 1958, to undertake a "completely independent, objective, and non-partisan analysis" of the military assistance aspects of the U.S. Mutual Security Program. (Letter from Eisenhower to Draper, November 24, 1958; Department of State *Bulletin*, December 15, 1958, p. 954)

is very possible that the Shah's attachment to the West is primarily dependent on our military assistance programs, and that our failing to satisfy him might result in his abandoning his throne or moving toward a rapprochement with the Soviets.

At the same time, it must be recognized that while loyal armed forces are necessary to the Shah's power, increases in the size of the armed forces and relative increases in military as against civil expenditures are positively harmful to internal security and probably increase the possibility of his overthrow.

Economic Background

The President's letter of 1958 pretty well commits us to supply DS, or a substitute therefor to Iran. But we are forced by Congress to eliminate DS, and we must view the Iranian armed forces as against the capacity of Iran to support them. Even the projections in the 5-year Plan, which fall so far short of PMDG planning and the Shah's ambitions, are to my mind unrealistic. Let us simplify by projecting a 5% GNP rise for Iran over the next five or six years. This projection is very optimistic—this year the GNP will rise by not more than two percent. The population is increasing at a rate of 2-1/2 or 3 percent a year. This leaves per capita GNP increase at less than 3%. Yet even the five-year plan, a graveyard for the Shah's ambitions, projects Iranian real military expenditures almost doubled over five years! All of this means that Iranian economic development will be slowed to a walk with the enormous growth of local military expenditures. The political results would be obvious.

Mission of the Iranian Armed Forces

It should be assumed that in case of general nuclear war the capacity of the Iranian armed forces is relatively unimportant. There is a slight possibility of tactical nuclear weapons being used in Iran in case of limited war there, but in such an event U.S. forces would carry a great part of the load and the U.S. would be directly involved. The main objective of the Iranian armed forces is to defend the country in case of limited non-nuclear war and to provide for internal security. The present armed forces are quite capable of performing the latter function, and are probably even a bit cumbersome and unwieldy to do the job as well as a smaller, simpler, and lighter army could do it. The Shah's arguments about preparation for simultaneous Soviet-supported attack from a satellite Iraq and a satellite Afghanistan are so plausibly flimsy and ridiculous that it is not necessary to list the arguments against the idea. It was never more than a rationalization to cover a basic desire for bigger and more modern armed forces per se.

We come down to a defense against the USSR. Iran itself refuses to consider a defense based on the Zagros. U.S. and Iranian plans (with

millions in U.S. construction commitments) are tied to a defense in the Elborz. While a trip line and demolition function in the Zagros is certainly justified, and while a Yugoslav-type guerrilla plan (which the Shah would never buy) is justifiable, no one can seriously consider that even a 400,000 man army with a billion dollars worth of new equipment, would do more than delay the USSR for a few days, and would be chewed to bits in the process. Common sense and experience would indicate that most units would put up only a token resistance.

I personally believe that the mission of the armed forces should therefore be defined as internal security, trip-wire, demolition, and guerrilla. The internal security function would allow for forces capable of dealing with attack from a non-communist neighbor. Internal political and economic limitations could be respected.

In practical terms, this would mean armed forces modelled on the lines recommended in Rand study 2416 (see attached memo).[4] The Shah would probably never accept it, and would knock over the bucket politically.

For about $500 million a year in DS and MAP, we could build a Turk-type armed force, over a period of 5 or 10 years, which could give the Russians a real fight, if morale were to improve and if the attendant political strains did not result in a change in the regime. But we'll never get that kind of money out of the new administration and Congress, and it is foolish to think of it. The only course which could really satisfy the Shah and still make any kind of military sense is therefore out the window.

There are, broadly speaking, two remaining basic approaches to the problem of the Iranian military mission and our military assistance to Iran which are possible and which avoid the worst of the consequences which threaten us.

One approach is essentially the present one. We go along with the five-year plan idea, which is essentially Plan Counterbalance Plus, with the realization that through DS or some substitute I can't now imagine, we will help the Iranians in their rial expenditure problem. Additionally, we would have to be prepared here in State to obtain on political grounds about once a year a sweetening package of esoteric military equipment, training, or installations for the Shah at an average cost of $5 to $15 million. With some luck, we could get the necessary funds for this stance; the economic and political consequences in Iran would be bad but not unbearable, and the Shah would probably stay on the reservation, though he would be very restive and his blackmailing tendencies

[4] Not found.

would be encouraged. It would be difficult to maintain this stance toward Iran, but it is possible that we could do so.

I myself would prefer a fourth approach, which could only be taken by the new administration. In essence, it would require a complete political, military, and economic restudy of the Iranian defense problem here in Washington, and the emergence therefrom of a picture similar to that envisaged in the first approach mentioned above. No less a person than the Chairman of the Joint Chiefs would then proceed to Iran under direct orders of the President and lay before the Shah our considered judgment of what his defense forces and posture should be, along with the attendant reasoning. The Shah would be told that the U.S., realizing that the Shah did not agree with this military concept, would be willing, within overall funds limitations, to provide the Shah, against its best military judgment, with full support for a few plus items such as perhaps two highly modernized armored brigades, a squadron of very modern jet fighters, a Hawk battalion to protect the capital, and a destroyer. The July 1958 letter and PMDG planning goals would be disavowed as the acts of a previous administration not binding on the new one. The Shah would be informed that the new administration did not intend to request the Congress for more than, say, $100 million a year for MAP and DS to Iran.

Simultaneously the Shah would be invited to pay a state visit to the United States. The President, backed by a hard-headed Defense Department team, would proceed to re-argue the whole thing with the Shah. I feel fairly certain that the Shah would grumblingly accept the basic change in U.S. approach. Provided we did not give in to fresh importunings on his part, and stuck by our guns, we would have accomplished

(a) Increased internal security capability
(b) Good trip line and demolition capability
(c) Increased morale and reliability
(d) Improvement of the internal political situation
(e) Improvement of the internal economic situation
(f) Important guerrilla capability
(g) Increased capability for U.S. forces to assist Iran.

All these things could be accomplished without requiring increased funds from Congress. One would have to take a sizeable but still acceptable risk that the Shah would turn to the Russians or even abdicate.

304. Editorial Note

On December 19, John S.D. Eisenhower prepared a "Synopsis of State and Intelligence material reported to the President" that included the following extract on future elections for the Iranian Majlis:

"The Shah hopes to hold elections in the next 10 days. He plans to select the candidates himself—at least two for each office—and has urged the local officials not to stuff the ballot boxes. It is considered unlikely that local officials will comply with this request." (Eisenhower Library, Whitman File, Eisenhower Diaries)

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305. Telegram From the Embassy in Iran to the Department of State

Tehran, December 29, 1960, 5 p.m.

908. Plan Org Min Hedayat today briefed EMB/USOM re recent Washington financial discussions.[1] Said repeatedly he very pleased at warmth of reception and cooperative attitude US officials involved. Felt discussions outstanding example closeness Irano-American relations and willingness US help Iranian people realize their economic objectives. Said discussions had also strengthened his belief that new administration will maintain most friendly relations with Iran.

Stated DLF and Ex-Im loans will be most helpful in carrying out second seven year plan. While problems involved in utilizing proceeds these loans and DS grants which are tied to import US goods are compli-

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Source: Department of State, Central Files, 888.00/12–2960. Confidential.

[1] Deputy Prime Minister Khosro Hedayat accompanied by Ahmad Majidian, Governor of the Bank of Melli; Reza Moqadam, Deputy Governor of the Central Bank of Iran; and Cyrus Samii of the Plan Organization met with Assistant Secretary of State Edwin Martin; Vance Brand, Managing Director of the Development Loan Fund; and officials of the Exim Bank and ICA to discuss U.S. loan and grant assistance to Iran. The talks were to reinforce the economic stabilization program designed to prevent Iran's external bankruptcy and check inflation. As a result of the talks, the DLF loaned Iran $26.2 million, the Exim Bank authorized a loan of $15 million, and the ICA authorized Iran a $22 million defense support grant for FY 1961. In addition, the IMF acted to make available to Iran $50 million for its current fiscal year (March 1960–March 1961). (Memorandum from Miner to Kerr, December 19 and telegrams 870 and 876 to Tehran, December 21 and 22; *ibid.*, 811.0088/12–1960, 888.10/12–2160, and 033.8811/12–2260, respectively)

cated, he confident that rial generation will be sufficiently rapid meet cash requirements Plan Org and Min War without undue conflict with stabilization program. Noting that substantial financing gap still remains in second plan, he expressed confidence further US assistance will be forthcoming in 1961.

Said he had thoroughly briefed Shah and Cabinet re Washington discussions, emphasizing cooperative attitude USG, significance US loan assistance, and importance carrying out stabilization program. Also had made same points in interview which given wide and favorable coverage Iranian press. Said Shah and Cabinet shared his feeling warm appreciation.

Comment: Hedayat's enthusiasm over his reception in Washington, his genuine pleasure at cooperation provided by Washington agencies for solution outstanding economic and financial problems, and his seeming conviction derived from Washington trip that desire help Iran will carry over into new US administration, all should be helpful in counter-acting prevailing concern in high circles GOI arising from widespread speculation here that new administration not sympathetic to this regime and likely reduce aid to Iran.

Rockwell

SAUDI ARABIA

U.S. RELATIONS WITH SAUDI ARABIA; INTERNAL SAUDI REFORMS

306. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, March 3, 1958, 8:18 p.m.

1195. Embtel 833.[1] You are requested deliver orally, if you can do so on completely secure basis and without occasioning undue notice, following message either directly to King or to Tubaishi.

Tubaishi's message has been delivered Washington which appreciates confidence King has demonstrated. We assume project King refers to now in progress [*1-1/2 lines of source text not declassified*]. While we not satisfied current situation in Syria, such information as is available to us indicates little organized opposition to present Syrian development at this time. [*5-1/2 lines of source text not declassified*][2]

Dulles

Source: Department of State, Central Files, 786.A.11/3–358. Top Secret; Eyes Only Ambassador. Drafted by Newsom, cleared by Rountree, and approved by Dulles.

[1] According to telegram 833, March 3, Saudi Keeper of the Privy Purse Tubaishi drew Ambassador Heath aside after an audience between Heath and King Saud on March 3 and told him on the King's instructions that "a successful military revolution would take place within a few days in Syria, [*2 lines of source text not declassified*]." The King asked that this information be conveyed to the Secretary of State and President and hoped for a response from Washington within the shortest possible time. (*Ibid.*)

[*text not declassified*]

[2] In telegram 838 from Jidda, March 4, Heath reported that he passed the substance of telegram 1195 to Jidda to Tubaishi, who stated that Saud was convinced the revolution would succeed [*text not declassified*]. (*Ibid.*, 786.00/3–458)

[3] In telegram 2471 from Damascus, March 3, Consul General Yost expressed "serious doubts bona fides" of the Syrian plot [*less than 1 line of source text not declassified*]. Yost feared that the plot was a provocation to discredit Saud. (*Ibid.*, 786.00/3–358)

307. Editorial Note

At the 357th Meeting of the National Security Council, March 6, Allen Dulles reported on Saudi-UAR relations and the abortive plot in Syria as part of his briefing on "Significant Developments Affecting U.S. Security" as follows:

"In the Near East, said Mr. Dulles, a dramatic development had occurred over the course of last night. Nasser was now fully engaged in an all-out battle with the remaining pro-Western Arab leaders. [*8 lines of source text not declassified*]

"In any event, said Mr. Dulles, King Saud's position is gravely endangered by these developments. Egypt, some days ago, after learning of the plot, had withdrawn their military mission from Saudi Arabia, and this might well lead to a complete break in relations between the United Arab Republic and Saudi Arabia. Turning to the President, Mr. Dulles stated that this current weakening of King Saud's position, together with other developments, constituted so serious a trend that unless the trend were reversed the pro-Western regimes in Iraq, Jordan, and elsewhere in the Near East may well collapse, and we may find that the USSR will take over control of this whole oil-rich area. The situation was extremely grave." (Eisenhower Library, Whitman File, NSC Records)

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308. Draft Paper From Director of Central Intelligence Dulles to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree)

Washington, March 10, 1958.

[Source: Department of State, Central Files, 786.00/3–1058. Secret. 5 pages of source text not declassified.]

309. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, March 10, 1958, 8:02 p.m.

1245. Department desires you urgently convey orally preferably to King if not to Tubaishi following comments:

USG has followed closely recent events in area and is deeply disturbed at attacks by UAR against His Majesty. USG, recognizing important role of HM throughout Moslem world and reiterating its support independence Saudi Arabia, is confident His Majesty will continue meet such attacks with courage and fortitude.

US, as King knows, has preserved correct attitude toward UAR. We have consistently stipulated to Nasser, however, that our attitude would in part be governed by degree to which Nasser might seek undermine other states in area. Nasser it would now appear has decided to extend his attacks on other independent Arab states to SA. Both radio attacks and reports of withdrawal Egyptian advisers bear this out.

During this period we believe it important King stand firm. If UAR turns out not be in best interests Arabs and, particularly Syrians, naturally divisive forces may well work restore independence Syria. Firm attitude on part King and other like-minded states in area will thwart attempts to subvert independence these states during critical days ahead. Demonstration of weakness in face these insulting attacks or efforts to appease Nasser thru personal contacts or otherwise would be widely interpreted as capitulation to him. Such capitulation in any form could mean ultimate end independence peoples and dynasties in area.

In this same spirit we have firmly encouraged Iraq-Jordan Federation and are now hoping present constitutional consultations will result in genuine unity these states. We would, of course, welcome King's full support this Federation and Federation, itself, has not been unmindful possibility King might ultimately affiliate. We do not wish urge King contemplate any action which he would consider contrary his traditional policies or best interests his country, but we inclined believe time may have come when strong close association like-minded states of area may be best method preserving their identities and true independence.[1]

Source: Department of State, Central Files, 786A.11/3–1058. Top Secret; Niact; Limit Distribution; Eyes Only Ambassador. Drafted by Dorman and Newsom, cleared in substance with Acting Secretary Herter, and approved by Rountree.

[1] According to telegram 888 from Jidda, March 13, Heath communicated the above points to Tubaishi that day. Tubaishi had not discussed the issue with King Saud, but he informed Heath that he favored breaking diplomatic relations with Egypt. Before he recommended this to the King, Tubaishi asked for Washington's advice. (*Ibid.*, 786A.11/3–1358)

FYI. Department has grave apprehensions concerning possible results to Saud and in area of failure [*less than 1 line of source text not declassified*] coup in Syria.[2] We fear desperation which may have led to attempt instigate coup as planned may lead other rash measures which would pose additional danger Saud's continued reign. Not unlikely Saud [*less than 1 line of source text not declassified*] might seek meeting with Nasser. We believe every effort should be made strengthen Saud's resolution against any inclination capitulate to Nasser at this point. End FYI.

Herter

[2] In a subsequent message to Jidda, telegram 1270, March 13, the Department of State informed Heath of the concern in Washington [*text not declassified*] over Saud's position. (*Ibid.*)

310. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, March 14, 1958, 6:36 p.m.

1281. Embtels eyes only 888,[1] 889,[2] 891.[3] You may inform Tubaishi and King if he should inquire Department considers decision on continuance diplomatic relations with UAR one for King to make in light circumstances as he sees them. For our part, we have considered main-

Source: Department of State, Central Files, 786A.11/3–1358. Top Secret; Niact; Eyes Only Ambassador. Drafted by Newsom and approved by Rountree.

[1] See footnote 1, Document 309.

[2] Telegram 889, March 13, reported that Tubaishi had asked Heath if the United States had any information on Nasser's claims of additional "documentary evidence"—other than cancelled checks and tape recordings that Nasser had already produced—on the [*text not declassified*] plot. (Department of State, Central Files, 786A.11/3–1358)

[3] In telegram 891, March 14, Heath reported that he hoped to see the King in the next few days and, if asked, he would suggest that rather than severing diplomatic relations with the UAR, Saudi Arabia should recall its Ambassador from Cairo. If Egypt continued to incite the Saudi people to disaffection, then Heath would suggest that Saud should declare the UAR diplomatic staff in Saudi Arabia "non grata" while retaining Saudi consular officials in Egypt and Syria. Heath expected Saud to limit Saudi trade with and travel to the UAR. Heath also planned to suggest to Saud that he and other moderate Arabs attempt to contest Nasser for the loyalty of Arab youth. In the unlikely event that Nasser closed the Suez Canal or that portion of the pipeline in Syria to transportation of Saudi oil, Heath recommended pledging U.S. support for restoration of legitimate Saudi commerce and transit rights. (*Ibid.*)

taining relations UAR under present circumstances was wisest course, although we too have fundamental reservations concerning future course UAR policies.

In your discretion, you may add while we appreciate King's desire maintain firm defense his independence in face propaganda attacks by UAR, we wonder whether dramatic gesture such as break in relations at this time might not feed propaganda fires without appreciably strengthening King's hand. On the other hand, as indicated Deptel eyes only 1245[4] demonstration of weakness in face these insulting attacks or efforts to appease Nasser thru personal contacts or otherwise would be widely interpreted as capitulation to him. King might therefore in our view appropriately consider withdrawing his Ambassador Cairo for consultation.

(FYI—We do not at this time wish suggest further measures outlined Embtel eyes only 891 to King. Should King raise question pipeline or Suez guarantees you should indicate that while this raises difficult legal problems for US and US unable make any commitments on basis hypothetical situation, US could of course be prepared take appropriate action designed fulfill previous commitments to King and to protect US interests. End FYI)

Re Embtel eyes only 889 while we have recently obtained copies photostats of checks we do not have any copies other alleged documentary evidence re plot. We appreciate learning of King's interest in general intelligence this situation and hope to be able provide further report in near future.

Herter

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[4] Document 309.

311. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to Secretary of State Dulles

Washington, March 14, 1958.

SUBJECT

Saudi Arabian Plot Against Nasser

You will recall that on March 3 word was received from King Saud that [*less than 1 line of source text not declassified*] a coup d'état in Syria would bring in a new government [*3-1/2 lines of source text not declassified*]. On March 5, in a preface to a speech in Damascus, President Nasser stated that a plot had been uncovered against the United Arab Republic. Major Serraj elaborated on this at a press conference on the following day and implicated King Saud as the source of three checks paid to Serraj for the purpose of overthrowing the Nasser control of Syria and establishing a new regime under Serraj. The United States was implicated by Serraj's report that he had been informed that the United States knew of the plot and had agreed to recognize the new government.

Evidence released by Serraj and by the United Arab Republic Government in succeeding days built up a case against Saud which was widely believed, even in Saudi Arabia. There can be little doubt that the King's prestige in the Arab world has been lessened by this event. While the report of the plot appears also to have some impact in Saudi Arabia, there is little evidence that the impact has been great enough to threaten seriously the King's present position.

We have denied any involvement in the plot and have protested to the United Arab Republic Government on its continuing insinuations that the United States is seeking to overthrow that government. We have had evidence that at one point Saud was so alarmed [*1 line of source text not declassified*] that he considered attempting a rapprochement with Nasser. We have expressed to him our view that he should remain firm in the face of the United Arab Republic propaganda campaign and that any gesture toward Nasser would be considered a serious sign of weakness. We have subsequently heard that he is now considering the possibility of severing diplomatic relations with the United Arab Republic. In our reply, we have not lent encouragement to so dramatic a move at this time.

Meanwhile Egyptian press and radio attacks against the King continue and the Egyptians have withdrawn 250 military and civilian advisers from Saudi Arabia.

Source: Department of State, Central Files, 611.8A/3–1458. Top Secret. Eyes Only the Secretary. Drafted by Newsom and cleared in draft by Dorman. A note on the memorandum indicates that the Secretary saw it on March 18.

312. Memorandum of Conversation

Washington, March 26, 1958.

SUBJECT

U.S. Assistance to Saudi Arabia

PARTICIPANTS

The Secretary
Abdul Rahman Azzam, Special Representative of King Saud

Mr. William M. Rountree, NEA
Mr. David D. Newsom, NE

Azzam Pasha referred to an earlier luncheon meeting with Mr. Allen Dulles[1] at which time he had put forward certain informal proposals for possible U.S. assistance to Saudi Arabia. He said he had since obtained King Saud's authority to present these proposals formally to the Secretary.

Two problems were of immediate concern: the decline in the value of the riyal and the rise in food prices. He said both of these were of immediate concern because the advent of the pilgrimage would bring more than 600,000 persons from outside Saudi Arabia into the country. When there is so much adverse propaganda against Saudi Arabia, it would be unfortunate, he said, if the food situation was such that people went away from the pilgrimage with an impression of a serious economic situation in the country.

Azzam, in presenting these problems, reiterated that the problems of Aqaba and Buraimi also remained of importance. He stressed that King Saud still needed a major political victory in the area.

In answer to a question from the Secretary on recent events in Saudi Arabia, Azzam replied that while it might appear that something dangerous was happening, he personally believed that Saudi Arabia is the most stable country in the area although there may be a continuing possibility of upsets within the country. He did not believe the monarchy was in danger. Saudi Arabia, he said, was not a country where a coup d'état could take place "in a night." The tribes remain important and loyal to the King and he doubted that the army could defeat the tribes in a civil war.

Azzam said he was worried, however, at King's moral position in the Arab world and the Moslem world where he had held a position of

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Source: Department of State, Central Files, 786A.5-MSP/3-2658. Secret. Drafted by Newsom and cleared by Rountree.

[1] No record of this meeting has been found.

arbiter and adviser. The UAR was now seeking to put the King in a bad light through their extensive propaganda campaign against him.

Faisal's assumption of powers,[2] he said, was undoubtedly brought about by pressures on the King. Under the circumstances, he believed it to be the best way out. The King, he said, has to adapt himself to the new circumstances in the country of increased responsibilities and a larger bureaucracy which make the former concentration of power impracticable. Faisal, he said, has in the past been polite to his brother and for this reason and because of his health has not pressed for power. Others in the family had undoubtedly pressed the King to spread the power for the good of the King and the country. This should not be considered a coup d'état. The King retained full authority [*1 line of source text not declassified*] Azzam said he was generally pleased that the family had banded together and chosen the present move as a way out.

Azzam added that the King still required strong support for his policy and that the recent events had not lessened the necessity for some actions by the United States to this end.

Turning to the financial situation, the Secretary asked if the International Monetary Fund was not working on this problem. Azzam replied that IMF advisers had gone to Saudi Arabia and believed they would be able to straighten out the temporary financial crisis. The country's debt was not overwhelming and, according to Zaki Saad, the IMF adviser, the country should be able to pull out of the present situation in 18 months. This period could be speeded up, however, if the United States could lend money to Saudi Arabia for a riyal stabilization fund. Zaki Saad had mentioned a figure of $50,000,000 as being required. If, at the same time, the United States could send some surplus food to arrive during the pilgrimage, the two matters would have a markedly beneficial effect.

In reply to a question from the Secretary as to whether these were Azzam's personal ideas, the latter replied that he had been given authority by the King to express them officially.

Azzam then turned to a discussion of the Buraimi issue, explaining that he had, over the past several months, talked with Selwyn Lloyd, with representatives of the Baghdad Pact powers, and with Sir Pierson Dixon in New York.

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[2] On March 22 King Saud delegated major responsibilities for formulating internal, external, and financial policy of Saudi Arabia to his brother, Crown Prince Faisal, who was already Prime Minister and Foreign Minister. King Saud gave Faisal [*text not declassified*] instructions, [*text not declassified*] which made it clear, [*text not declassified*] that Faisal would remain a loyal assistant under supervision of the King. (Despatch 196 from Jidda, March 31; Department of State, Central Files, 786A.00/3–3158)

The Secretary commented that he now understood the Saudis wished to discuss this matter with the British rather than with the Sultan of Muscat.

Azzam said the King did not believe a meeting with the Sultan would be useful without some previous understanding on the basic issues. He said the British had now suggested further talks through the Pakistanis. This was all right, he said, but the two parties were already in contact and his talks with Dixon had produced little. The British, he said, had killed his talks by inaction.

Mr. Rountree said it was the Department's hope that the British might come up with some new idea on the matter. The suggestion for further talks, he said, might imply that they had a new idea.

Azzam said he did not believe the United States, if it could do nothing on this matter, should continue to give the King the impression that something might be done. The United States, he said, should be frank with the King and, if nothing could be done, say so.

Referring to the Aqaba matter, he said the removal of the Israeli warships from the Gulf was of pressing importance in view of the advent of the pilgrimage season.

The Secretary said that the United States had been successful in keeping these ships tied up. Azzam acknowledged this and said that he was grateful but that as long as the ships were in the Gulf, they represented potential threats. He said he believed the ships were of little real military value to Israel.

Mr. Rountree commented that the Department may have attached more importance to the ships being tied up than had the Saudis. He said the United States had pointed out to the Israelis the application of the armistice agreement with Egypt to any movement of these warships.

Azzam replied that the entrance of these ships into the Gulf was in violation of the armistice agreement. The ships' presence represented profit from aggression; they should have been removed when the Israeli troops withdrew from Sinai. This would have brought about a true restoration of the status quo. Merely tieing the ships up has satisfied neither Moslem nor Arab, particularly as the pilgrimage approaches.

The Secretary commented that having them tied up was better than having them maneuvering. Azzam agreed, but pointed out that the Gulf was a small place and that the presence of the ships, besides being a direct threat, gave propaganda opportunities to the King's enemies. The King, he said, has lost the propaganda battle on every issue with which he has been connected: Buraimi, Aqaba, Oman. He took a position based on friendship with the United States and this position has gotten him nothing. Nasser is laughing at Saud's inability to do anything. Azzam said the King may have been wrong to accept responsibility for these

issues, but whether right or wrong, the fact remained that he had suffered a psychological defeat.

Azzam pointed out that Aqaba had always been of interest to Saud and that in assuming responsibility for this issue, he was merely taking back responsibility he had previously given to Egypt. He acted under the assumption that the status quo would be re-established in the Gulf.

The Secretary said he could assure Azzam that, if there was any way the United States could help in this situation, it was prepared to do so. There were certain things, however, which the United States did not feel it could properly do. It was willing to exert influence on the British and the Israelis, but not willing to coerce. A lot of states, he said, wish the United States to coerce third states, but they did not wish to be coerced themselves. The United States did not wish to start on a course which could make other states fearful of relations with the United States.

Azzam repeated that he believed the United States should also be frank with the King on Aqaba. However, he said, while the King might understand the United States relations with the British, he would find it harder to understand that the United States, on whom Israel depended for its very life, could not exert greater influence on the Israelis.

The Secretary, in concluding, said that he would look into the economic suggestions to see if there were any steps which could be taken quickly.[3]

Azzam stressed the necessity for doing something, particularly with surplus food, to bring down prices. He said he would also discuss this and the stabilization fund matter with others in the United States Government, including, possibly, Secretary of the Treasury Anderson. The Secretary said he had no objection to Azzam's doing this.

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[3] In telegram 1374 to Jidda, March 28, which summarized this Dulles–Azzam conversation, the Department instructed the Embassy to contact Faisal or an appropriate Foreign Office official to ascertain why the special food problem connected with the pilgrimage to Mecca had not been mentioned in earlier U.S.-Saudi discussions on PL–480. Should the Saudis request PL–480 food, they would have to provide supporting justification to fulfill Congressional legislative requirements. The Department was sending a U.S. Department of Agriculture official already in the area to assist the Embassy and the Saudi Government in meeting this problem. (*Ibid.*, 411.86A41/3–2858)

313. Editorial Note

At the 360th Meeting of the National Security Council, March 27, Director of Central Intelligence Allen Dulles reported on the change of power in Saudi Arabia as follows:

"According to quite good information, said Mr. Dulles, King Saud's brothers had got together recently [*1-1/2 lines of source text not declassified*] Feisal is alleged to be taking complete control of foreign affairs, and will allegedly arrange some kind of tie-up with Syria and Egypt. Mr. Dulles also provided a brief character sketch of Feisal, which indicated that he should not be put down as anti-American. He was definitely anti-Communist.

"The President commented that Feisal had been extremely pleasant in his contacts in Washington. The Secretary of State also thought that Feisal had mellowed, as did the Vice President, who described Feisal as pro-American and smart as hell." (Memorandum of discussion by Gleason, March 27; Eisenhower Library, Whitman Files, NSC Records)

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314. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, April 1, 1958, 6 p.m.

1396. Embtels Eyes Only 926, 927, 976.[1] FYI—As indicated our Eyes Only 1348[2] we had not anticipated that we would make full reply King's comments Eyes Only Embtels 926, 927 at this time. We had in mind not only situation created by March 22 decree but also fact we have little of

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Source: Department of State, Central Files, 786A.11/3–2158. Top Secret; Eyes Only Ambassador. Drafted by Newsom and approved by Rountree.

[1] In these telegrams, dated March 21 and 27, the Embassy reported on private talks between King Saud and Heath on March 19 and Stoltzfus on March 25. In the first conversation Saud stated that Syria represented the greatest danger in the Middle East [*text not declassified*]. Saud and Heath also discussed events in Yemen, the Arab Federation, and the requirement of not appeasing Nasser. In the second conversation, Stoltzfus, who acted as Heath's intermediary, asked Saud specific questions about his delegation of powers to Faisal, whether this would change the relationship between Saudi Arabia and the United States, the Arab Union (Iraq and Jordan), and Nasser, and whether the King perceived an internal threat to the kingdom. Saud replied that he still retained final authority, Saudi foreign policy would remain unchanged, and there was no serious internal threat to his rule. The King agreed to keep open the private channel through Stoltzfus. (*Ibid.*, 786A.11/3–2158 and 786A.11/3–2758)

[2] In telegram 1348, March 25, the Department approved the Stoltzfus visits to Riyadh, found the private audiences with the King interesting, but suggested awaiting further clarification of the internal situation before getting in touch with him again. (*Ibid.*, 611.86A/3–2558)

substance to pass King at present. In event you believe we are obligated speak further to King these matters and you consider following helpful, you may convey to King. End FYI

Secretary most appreciative privilege King accorded us in form recent private audiences Ambassador and Stoltzfus. Substance King's comments these audiences closely studied by top levels USG. We also pleased King had consented receive special mission from Ambassador with messages particular importance and sensitivity.

Re Syria: We continue believe course of events in Syria matter primarily for Arabs to determine in accordance desires of Syrian people. Arab states seeking maintain their independence against international communism can increase their ability do so by close cooperation among themselves. US has provided assistance to strengthen independence certain Arab states, and is continuing do so.

Re Jordan: In interests assisting Arab cooperation for defense independence Arab World we have informed Iraq and Jordan of our willingness continue our assistance to Jordan. We believe new Arab Union constitution is constructive step. In this connection, while we appreciate SAG financial situation, we hope any moves made in withdrawing from commitments to Jordan might take place in such manner that withdrawal gradual and thus less subject exploitation by detractors of Union. Naturally we would prefer see SAG continue contribute financial support Jordan.

Re Aqaba: On this and on Buraimi issue, Department in close touch with King's representatives in the United States. We hope forthcoming talks between UK and Saudi representatives may reveal means for making progress re Buraimi.

Re Yemen: As in Syrian case, we believe solution must be Arab solution. We will pass on to King any significant information which we may obtain re developments in Yemen.[3]

Dulles

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[3] On April 7, Stoltzfus received a message from Saud to Dulles that "served notice" to the United States that if something was not done in Syria and Yemen, Saud could not be responsible for the consequences. If the Syrian and Yemeni regimes continued under Nasser's influence, Saud feared that Saudi Arabia would have to "go along" with the federation of Egypt, Syria and Yemen (United Arab States). Saud expressed disappointment with the substance of telegram 1396, which he saw as procrastination rather than action. (*Ibid.*, 786A.00/4–858)

Telegram 1453 to Jidda, April 10, drafted by Newsom and Rockwell, cleared by Rountree, and approved by Dulles, transmitted the following message to be conveyed to Saud: "While we continue believe possibilities of constructive action surrounded by great difficulties, in view of His Majesty's request, USG is reconsidering matter. In meantime, we believe every effort should be made to strengthen Kingdom internally and we are prepared discuss with His Majesty or other appropriate authorities various means by which USG might assist to this end." (*Ibid.*, 786A.11/4–1058)

315. Special National Intelligence Estimate

SNIE 30–1–58 Washington, April 8, 1958.

IMPLICATIONS OF RECENT GOVERNMENTAL CHANGES IN SAUDI ARABIA

The Problem

To estimate the implications of recent governmental changes in Saudi Arabia.

The Estimate

1. Crown Prince Feisal's recent assumption of increased authority represents an important shift within the dominant group in Saudi Arabia. However, neither the fundamental outlook of the governing class nor the basic power structure within the country has significantly changed [*3 lines of 2-column source text not declassified*]. We believe that in the near future, the most important consequences of Feisal's elevation will be felt in Saudi Arabia's policies relating to the Middle East area.

Internal Affairs

2. The events leading up to the royal decree of 22 March, which turned over key powers to Prince Feisal, President of the Council of Ministers, are not fully known. However, it appears most likely that a number of Saudi princes, including Feisal, long dissatisfied with Saud's conduct of governmental affairs and recently distressed by the country's financial problems which were affecting their emoluments, seized upon [*less than 1 line of 2-column source text not declassified*] the Sarraj affair as the occasion to demand a major share of authority for Feisal. There is no indication that the King, who implicitly acknowledged the failure of his own policy in the decree, made any significant attempt to resist the demands, although as far as is known he still retains paramount personal influence over the Bedouin tribes and control over the Royal Guard Regiment and the fanatic "White Army."[1] In addition, Saud's eldest son, Prince Fahd, remains Minister of Defense. The King

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Source: Department of State, INR–NIE Files. Secret. Submitted by the Director of Central Intelligence with an indication that CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff participated in its preparation. All members of the Intelligence Advisory Board concurred with this estimate on April 8, with the exception of the representatives of the AEC and the FBI who abstained on the grounds that the subject was outside their jurisdiction.

[1] In telegram 1024 from Jidda, April 9, Heath concluded that the position of King Saud "is still one of sovereign control over professedly loyal Prince Faisal." [*text not declassified*] (*Ibid.*, Central Files, 786A.00/4–958)

therefore could command important elements of power in the event of a fundamental disagreement between him and Feisal. Meanwhile, the King's apparent acquiescence may result in a temporary unification of the royal family, but [*2 lines of 2-column source text not declassified*] may be compounded by growing differences over the conduct of policy relating to the Middle East area. [*3-1/2 lines of 2-column source text not declassified*]

3. For the immediate future, re-emergence of the relatively capable and respected Feisal will probably lead to some improvement in administration and some financial reforms which do not seriously affect the existing prerogatives of the princes. The influence of the King's non-Saudi advisers, such as the Syrian Yusuf Yassin and the Palestinian Jamal Bey Hussaini, will almost certainly be reduced and they may be totally removed from policy making. Certain pro-Nasser and anti-Western elements, notably portions of the Hejazi merchant community and the Egyptianized army officers, will initially at least be favorably disposed toward Feisal. All such developments would probably tend to restrict Nasser's opportunities to subvert the Saudi regime.

Foreign Policy

4. In regional affairs, Feisal will almost certainly seek to maintain a position of neutrality between the quarreling Arab groups, [*3-1/2 lines of 2-column source text not declassified*]. Improvement in Egyptian-Saudi relations is likely and may lead to some kind of formal cooperation between Saudi Arabia and the United Arab States—notably in military matters. However, Feisal's outlook remains that of a traditional Saudi prince, and he is almost certainly aware that there is no secure place for the Saudi royal family in Nasser's United Arab States. In general he will probably seek to retain as much independence of Nasser as he can without renewing King Saud's open quarrel with the Egyptian leader.

5. Under Feisal's guidance, Saudi Arabia will probably seek to bring its relations with the great powers into more even balance. Establishment of relations with some Bloc countries is likely and eventual acceptance of some Bloc assistance may occur. Feisal will probably attempt to increase pressure on the US for support in his differences with the UK in the Persian Gulf—especially in regard to the Buraimi problem. Increased pressure on Aramco for a greater share of the profits and more participation in management and control of the country's oil resources is almost inevitable. Feisal will probably not seek early or sweeping modifications of the Dhahran Airfield Agreement of 2 April 1957, which he approved in advance of signature. [*2-1/2 lines of 2-column source text not declassified*] Outright expropriation of the oil company or complete denial of the air base to the US appears unlikely in the near future unless Feisal becomes convinced that Aramco and the US are actively attempting to undermine his position and his policies.

Israel

6. Feisal's intense antagonism toward Israel will probably result in the Israeli problem becoming more than ever the touchstone by which the intentions of other powers are judged. Feisal will probably use the Gulf of Aqaba question as a test of what he can expect from the US. If he becomes convinced that he cannot obtain what he feels to be adequate support from the US, he may move toward closer relations with the Soviet Bloc. [*7-1/2 lines of 2-column source text not declassified*] Renewed and closer coordination with UAR military forces may be established. In an area crisis involving Israel, Feisal would be disposed to act more impulsively than King Saud. However, we do not believe he will deliberately provoke a war with Israel in the near future.

Impact on the Area

7. The chief impact of a new Saudi policy of the kind described above would be the elimination of one of the major indigenous elements hostile to Nasser and the devitalization and isolation of the newly formed Arab Union of Iraq and Jordan. Regardless of Feisal's actual intentions in regard to the UAR, his coming to power will be construed throughout the area as a repudiation of Saud's open anti-Nasser, pro-West policy, and as a victory for Nasserism.

8. Feisal will probably abandon the Saudi subsidy to Jordan and withdraw Saudi troops stationed there—moves already initiated by King Saud for financial reasons. In these circumstances Jordan and Iraq, and Lebanon as well, will probably greatly increase their demands for more US support. If these states fail to obtain from the West the support which they consider essential to protect their security, the present pro-Western governments may be replaced by regimes which will seek an accommodation with Nasser.

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316. Editorial Note

At the 363d Meeting of the National Security Council, April 24, Director of Central Intelligence Allen Dulles reported on Saudi foreign policy and possible nationalization of Saudi oil as follows:

"Feisal had recently broadcast a statement in which he proclaimed a policy of "positive neutrality" for Saudi Arabia, but in which he had also come out strongly against Communism. He had likewise requested the United States to cease to fly the U.S. flag at the Dhahran air base.

"[*1 paragraph (5 lines of source text) not declassified*]" (Memorandum of discussion by Gleason, April 24; Eisenhower Library, Whitman File, NSC Records)

317. White House Staff Notes Prepared for President Eisenhower

No. 375 Washington, May 28, 1958.

1. *Saudi Arabia.*—State sees recent developments in Saudi Arabia as important changes in the direction of a cabinet system,[1] modernization and reform. Faisal, who seems to have full authority, will probably continue the traditional Saudi neutrality toward competing Arab groupings, and so far no pronounced drift toward the UAR is evident. The Saudis will probably continue to press Aramco for an increased share in oil revenues.

[Here follow items 2–4.]

Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Secret.

[1] An assessment of the introduction of a cabinet system is in a memorandum from Rockwell to Rountree, May 16. (Department of State, Central Files, 786A.13/5–1358)

318. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, June 6, 1958, 3:51 p.m.

1673. Embtel 1176.[1] When King next in Jidda you authorized have Stoltzfus arrange meeting and state orally:

Source: Department of State, Central Files, 786.00/5–3158. Top Secret; Limit Distribution. Drafted by Newsom and approved by Rockwell.

[1] Telegram 1176, May 31, reported on Stoltzfus' meeting with Saud in Damman on May 30. Saud stated that as a result of Nasser's official trip to Moscow, April 29–May 15, the USSR agreed to further assist Nasser to align all Arab countries with the Soviet Bloc. According to Saud, Syria would be the headquarters for a Soviet-Egyptian propaganda and subversive campaign because of its central location. Saud also claimed that Nasser and Serraj were using Soviet funds to finance the Lebanese opposition with an eventual aim of annexing Lebanon to the UAR. Saud reiterated his deep concern over the Egyptian-Soviet danger from Syria, "the heart and soul of the Arab world." Saud recommended a coordinated campaign "to deliver sufficient surprise shock to Syrian regime" so as to cause a popular uprising and topple the government. Saud stated that unlike Syria, events in Yemen were less urgent with the Iman moving away from Communist and pro-Egyptian policies. (*Ibid.*)

1. USG has received King's oral message of May 30 and is appreciative of important information re Nasser's talks in USSR.

2. As King knows US keenly desires see preservation independence Arab states. At present major threat comes from influence USSR and those who may slavishly follow Communist policies. US has long appreciated significance events in Syria in this connection. At same time we agree with His Majesty that solution problem is essentially matter for Arabs. We cannot see on basis our current assessment that Syrian situation suitable for action. In absence clear recognition by substantial portion of Arabs of threat to them developing through close UAR-Soviet relations any effort on part US or UK stimulate or assist action likely not only be unsuccessful but damaging to our position and that of our friends. We also believe that Syrian people have not abandoned their traditional spirit of independence. There are some reports already of dissatisfaction re new role of Syria. Lebanese situation is also pertinent. Support given established government of Lebanon to restore order, maintain Lebanese independence, and frustrate outside efforts to interfere should in itself assist in restricting advances of destructive elements in Syria. This perhaps most important action anyone can take at present time.

3. We appreciate King's assessment Yemen situation. We too are watching new developments closely and continue hope that agreement on US aid and legation may give us some opportunity increased influence in Yemen.

Dulles

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319. Telegram From the Embassy in Saudi Arabia to the Department of State

Jidda, July 25, 1958, 2 p.m.

125. I called on Prince Faisal yesterday afternoon (July 24) and for nearly an hour, listened to an almost unadulterated Nasserian exposition of the situation in the Arab Near East.

Source: Department of State, Central Files, 786.00/7–2558. Secret; Priority. Transmitted in two sections and repeated to Beirut, Cairo, Damascus, Khartoum, Amman and Baghdad.

Faisal said he hoped the whole region would be governed on basis justice and peace; unfortunately current troubles in the area rendered difficult execution of constructive internal action. I asserted that local belief in likelihood of Russian military intervention was unfounded; Russia was at present militarily weaker than the US and the rest of the western powers, knew it and therefore would not take ill-advised action. Of course if local military action were undertaken against US troops in Lebanon, or British troops in Jordan battles would develop. If Nasser, however, did not cause further trouble conditions throughout the Middle East would improve.

Faisal remarked that, in general, sending troops to other countries was dangerous. I replied it was Syrian troops who had intervened in Lebanon and as soon as it was clear that this outside invasion would stop we would promptly withdraw our forces. Faisal countered that UAR interference had not been confirmed officially and he asserted that Jordan and Iraq had sent troops to support Lebanese Government. I denied that Jordanian and Iraqi troops had been sent into Lebanon and said decisively that there could be no doubt of substantial Syrian military intervention in Lebanon. In his last talk with the Secretary Hammarskjold had admitted that fact and it was a matter of common knowledge.

Faisal said that he was not denying that there had been Syrian intervention, but that there had been no official UN confirmation of its occurrence. He felt that "formal dispatch" of foreign troops was the cause of the trouble. I replied that US was as interested as HRH in establishing peace in the area. To this end we had not sent troops to Jordan and we were using our influence to discourage entry of troops of other countries into Lebanon or Iraq.

Prince Faisal said Saudi Government had basic objections to foreign interference in any country; it believed such interference was a principal cause of international tension and disorder, and involved consequences which no one could predict. I replied that the US worked for the cause of peace and was doing so in the Lebanese case as well. US troops had been requested by a legitimate government and we were prepared to withdraw our forces as soon as it was certain that interference in Lebanon's internal affairs would cease. Faisal remarked that the sending of troops to Iraq would lead to results that everyone would wish to avoid; the US would have to "win over Iraq to your side" before it was too late. I expressed the hope that the new government in Baghdad would be a responsible one.

Faisal said that before, during, and after his talks with officials in the US last year he had always advised the US not to base its policies on its friendship with individuals, but to base them rather on the desire of the people involved and the national "trend" they were following. I

replied that the elections in Lebanon last year had produced results that certain groups within and without the country had been unwilling to accept. Faisal asserted the elections in Lebanon had not been honest, to which I replied that while these elections had not been perfect—there had been vote-buying in the Biqa and wealthy men frequently spent their money to insure their election—the voting had been quite honest in the mountain area and in the south. Faisal countered that, as he had often told American officials, they were being given misleading reports. "We Arabs", he said, "know the people themselves and how they think and I can confirm to you that the Lebanese elections last year were not honest". [Here follows unrelated discussion.]

As we say in Arabic "when unwise people stir the fire it is wise people who get burned". My reply was that it was sad event that the Iraqi Government had been overthrown by a small group of relatively junior officers. Faisal propounded the proposition that revolutions could not occur where the government acted in the light of the welfare and will of the people. Though Iraqi Government, he alleged, had not consulted popular welfare, and that while the coup was initiated by military officers it was really a popular revolt reflecting popular hatred. Underlying Faisal's criticism of the late Iraqi Government was a tacit assertion that the present Government of Saudi Arabia was responsive to the will and needs of the people and thus free from the danger of revolution. At this stage I decided not to prolong the argument by defending Nuri Said's regime which had spent 70% of its oil revenue for public works and welfare as compared to trifling expenditures of the Saudi Government for such purposes. I remarked however that it was not the people who had killed King Feisal of Iraq, but insubordinates army officers. Faisal replied this might be true but the action "reflected real feelings of people who had taken over with a vengeance". He added that "people of every nation normally opposed violence. The Iraqi people would not have descended to the street to fight it unless they had been destitute".

I concluded the interview by asking to see the King to present my respects, saying that I bore oral messages of friendship and best wishes from the President and Secretary to both the King and Prince Faisal.

Comment: Faisal's manner was very friendly at the beginning and end of the interview but less so in the middle portion when he was defending the Iraq revolution and criticizing our counter intervention in Lebanon. I have the impression that while Faisal is fully conscious of the danger Nasser represents to the monarchical regime in Saudi Arabia he is determined on reconciliation with Nasser in order to buy temporary relief from radio attacks and, he hopes, defer an Egyptian plot to overthrow the present Saudi regime. I believe in order to buy time and possibly temporary security against an Egyptian-guided coup he is willing to put Saudi Arabia, like Yemen, into the UAS.

[*less than 1 line of source text not declassified*] had report this morning that Saudi Cabinet last night decided to recognize Iraqi revolutionary regime.

When I see King which I hope will be Sunday or Monday (July 28–29) I plain to give him full account of my interview with Faisal.

Heath

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320. White House Staff Notes Prepared for President Eisenhower

No. 402 Washington, August 6, 1958.

[Here follows item 1.]

2. *Saudi Arabia*—The general situation in Saudi Arabia appears quiet with the Faisal government concentrating on internal and financial reforms and avoiding involvement in intra-Arab disputes. While the Iraqi revolt has increase Saudi attachment to Arab nationalism and possibly increased the risk of assassination or coup by a small pro-UAR group, neither Faisal nor the King has indicated any threat to the ruling family. [*2-1/2 lines of source text not declassified*] The King's opposition and Faisal's preoccupation with internal matters argue against early establishment of close, formal ties with the UAR, although Saudi policy will be increasingly oriented toward Cairo.

[Here follow items 3–6.]

Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Secret. Eisenhower's initials are in the margin.

321. Editorial Note

At the 377th Meeting of the National Security Council, August 21, Director of Central Intelligence Allen Dulles reported on UAR-Saudi relations and internal developments in Saudi Arabia as follows:

"Crown Prince Faisal had returned to Saudi Arabia after a four-day visit with Nasser in Cairo. Faisal was a wily character, and in these negotiations with Nasser had gone only as far as he thought necessary in order to save the Saudi dynasty. Faisal had made no written commitments that we know about, but had of course made public statements favorable to the United Arab Republic and unfavorable to the West.

"Mr. Dulles again emphasized the possibility that Nasser would try to submit all the Arab states to some degree of control through the instrumentality of a revivified Arab League. King Saud, meanwhile, was not in sympathy with what Faisal was doing, [*1-1/2 lines of source text not declassified*]." (Memorandum of discussion by Gleason, August 21; Eisenhower Library, Whitman File, NSC Records)

The Embassy in Saudi Arabia reported on King Saud's account of Faisal's visit to Cairo in telegram 236 from Jidda, August 17. (Department of State, Central Files, 686A.86B/8–1758) Other extracts of this meeting are printed as Documents 43 and 248.

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322. Special National Intelligence Estimate

SNIE 36.6–58 Washington, September 9, 1958.

THE OUTLOOK IN SAUDI ARABIA AND THE CONSEQUENCES OF POSSIBLE US COURSES OF ACTION[1]

The Problem

To estimate the likelihood of various possible developments in Saudi Arabia and the probable consequences of alternate US policies for dealing with them.

Source: Department of State, OCB Files: Lot 61 D 385, Saudi Arabia Documents. Secret. A note on the cover sheet indicates that this estimate, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the Intelligence Advisory Committee concurred in this estimate on September 9 except the FBI representative who abstained on the grounds that subject was outside his jurisdiction.

[1] For earlier estimates on Saudi Arabia, see NIE 36.5–56, "The Outlook for Saudi Arabia," dated 24 April 1956, and SNIE 30–1–58, "Implications of Recent Government Changes in Saudi Arabia," dated 8 April 1958. [Footnote in the source text. NIE 36.6 is not printed; SNIE 30–1–58 is printed as Document 315.]

Conclusions

1. Recent events have increased the already heavy pressures upon the Saudi dynasty in Saudi Arabia, and the outlook is for a further accumulation of opposition from within and revolutionary stimulus from without the country. The dynasty faces these challenges [*1-1/2 lines of 2-column source text not declassified*] lacking in resources with which to combat any effort that might be made against it. (Paras. 5–11)

2. Crown Prince Feisal's assumption of power, his policies of financial retrenchment and reform, and his efforts to come to terms with the UAR are likely for a time to moderate the force of the opposition with Saudi Arabia as well as to delay action by Nasser to overthrow the dynasty. Moreover, to our knowledge none of the opposition elements is effectively organized. There may be some cells which have been brought together for subversion and sabotage. There are probably groups of army officers which have plans for future oppositionist activity. In general, however, we believe that opposition to the dynasty is amorphous, and that it lacks leadership. (Paras. 13–19)

3. Nevertheless, the forces of radical Arab nationalism within and without Saudi Arabia will continue to build up [*8-1/2 lines of 2-column source text not declassified*]. (Paras. 20–26)

4. Barring unpredictable events elsewhere in the Arab world which would radically alter the present situation, the Saudi trend toward accommodation with the UAR and a policy of non-alignment will continue. At most, Saudi Arabia might be assisted diplomatically to preserve its independence of Egypt, to remain detached in the Cold War, and to continue arrangements with Aramco on the basis of mutual interests. [*7 lines of 2-column source text not declassified*] (Paras. 27–38)

[Here follow the "Discussion" portion of the estimate with sections headed "The Present Situation," "Possible Developments," "US Courses of Action," "Consequences of Courses of Action in Certain Specific Contingencies," and "Reactions to US Courses of Action With Regard to Saudi Arabia in Other Parts of the World," and a map of Saudi Arabia.]

323. Editorial Note

At the 380th Meeting of the National Security Council, September 25, Acting Director of Central Intelligence General Cabell gave the intelligence briefing on "Significant Developments Affecting U.S. Security." In his report, Cabell characterized Faisal's current attitude to the United States as follows:

"In Saudi Arabia Crown Prince Faisal has taken a noticeably harsher line toward the U.S. in recent conversations with the U.S. Ambassador. Faisal may be considering a curtailing of Aramco's exisiting rights as well as possible improvement in Saudi Arabia's relations with the USSR and the UAR."

At the 381st Meeting of the National Security Council, October 2, Director of Central Intelligence Allen Dulles briefed the Council on Faisal's economic problems and his relations with Saud as follows:

"In Saudi Arabia, Crown Prince Faisal was encountering a very difficult fiscal and budgetary problem. While Faisal wanted to economize, King Saud was opposed to this course of action and relations between Saud and Faisal appeared to be somewhat strained." (Memoranda of discussion by Gleason, September 25 and October 3; Eisenhower Library, Whitman File, NSC Records)

Another extract of this meeting is printed as Document 136.

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324. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) to the Deputy Under Secretary of State for Political Affairs (Murphy)

Washington, December 22, 1958.

SUBJECT

British Relations with Saudi Arabia

Discussion:

Cairo's telegram 1807 of December 16 (Tab A)[1] reporting a memorandum which was given to me in Cairo appears accurately to represent the current Saudi Arabian position with respect to problems with the British in southeastern Arabia. Ambassador Heath's discussions on this

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Source: Department of State, Central Files, 641.86A/12–2258. Secret. Drafted by Newsom, cleared by BNA, and seen by Murphy.

[1] Not printed. (*Ibid.*, 641.8600/12–1658)

same issue in Saudi Arabia (Tab B)[2] reinforce the concern expressed in the memorandum.

On November 21 I spoke to Lord Hood (Tab C)[3] and indicated that we would not be unhappy if the British could persuade the Ruler of Abu Dhabi to withdraw his police from Khor al Udaid. We are apprehensive that this move by the Ruler which has already revived relatively dormant border questions could have wider repercussions. The British have replied orally to our approach by indicating their reluctance to ask the Ruler to withdraw. They fear a withdrawal might make it appear that they were yielding to threats from Saudi Arabia. The British have agreed to keep in mind the desirability of a restoration of the status quo should an opportunity arise which would not make it appear that a withdrawal was under pressure from Saudi Arabia.

We have, on several occasions over the past two years and quite recently, had exchanges with the British on the general problems of their relations with Saudi Arabia. They are frank to tell us that they see little prospect of a resolution to their problems with Saudi Arabia which would not risk undermining their position in the Persian Gulf. They believe also that there is little to be gained by trying to reestablish diplomatic relations with Saudi Arabia until diplomatic relations have been reestablished between the UK and the United Arab Republic. They appear to have reached a firm decision that no effort will be made for the present to seek any agreement with Saudi Arabia.

We recognize that the British are facing a serious problem in endeavoring to be responsive to Saudi Arabian claims without weakening their position in the Persian Gulf. We are of the opinion, however, that political benefits could be gained from a change in the British position in the direction of a willingness to consider possible solutions to UK-Saudi differences and perhaps to discuss such solutions in some way with Saudi Arabia. The submission of their outstanding problems to arbitration or to some other form of international negotiation would, we believe, be a step forward and would relieve certain of the pressures now being built up in Saudi Arabia.

We believe that a new factor has entered the situation in the very serious development of Communist influence in Iraq. The Baghdad

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[2] Apparent reference to telegram 579 from Jidda, December 19, not printed, reporting a discussion between Heath and Faisal on December 17 in which Faisal stated that by allowing Abu Dhabi to construct a police post at Khor Al-Udaid, territory claimed by Saudi Arabia, the British "seemed deliberately attempting to provoke trouble." Faisal stated that he wanted friendship with the British, but the desire was not reciprocated. Faisal complained that the United States was not supporting Saudi Arabia in this dispute. (*Ibid.*, 641.86A/12–1958)

[3] As reported in a memorandum of conversation dated November 21. (*Ibid.*, NEA/NE Files: Lot 61 D 472, Saudi Arabia–Khor al Udaid)

radio has already shown an interest in the British territories of the Persian Gulf. We believe it is now more than ever in British interest to reduce to the greatest extent possible other pressures upon their position in this area.

We do not agree that a restoration of relations between the UK and Saudi Arabia is contingent upon the restoration of relations between the UK and the UAR. It will, undoubtedly, however, be contingent upon some progress toward a solution of Buraimi and related questions.

We suggest, therefore, that you speak to the British Ambassador and indicate to him our regret that the British do not feel themselves in a position to press the Ruler of Abu Dhabi to withdraw his police from Khor al Udaid. Beyond that, we suggest that you tell the British Ambassador that we believe the serious situation developing in Iraq makes it of particular importance that the United Kingdom reconsider its position with respect to Saudi Arabia and restudy the possibility of relieving the tensions in southeastern Arabia.

Recommendations:[4]

1. That you express to the British Ambassador our regret that the British do not feel in a position to urge the ruler of Abu Dhabi to restore the status quo in the Khor al Udaid area.

2. That you emphasize to the British Ambassador that our reports from Saudi Arabia indicate a very genuine concern over the Khor al Udaid matter on the part of both the King and Faisal.

3. That you express to the Ambassador our hope that, particularly in the light of the situation in Iraq, with its area-wide implications, the British might reconsider their present policy with respect to outstanding problems with Saudi Arabia.

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[4] Murphy made the recommended points in a conversation with British Ambassador Caccia on December 29. (*Ibid.*, NEA/NE Files: Lot 60 D 548, Saudi Arabia-U.K. Relations, 1958)

325. Memorandum From the Special Assistant for Mutual Security (Bell) to the Under Secretary of State for Economic Affairs (Dillon)

Washington, February 3, 1959.

SUBJECT

Saudi Arabian Military Credit—Proposed Moratorium Extension

In the attached memorandum, Mr. Rountree recommends that the moratorium on repayments against the FY 1957 Saudi Arabian military credit be extended for another year (Red Tab A).[1] It is my view that such an extension is the only feasible course of action for the United States to take. This view is based on the following considerations:

1. NEA informs us that the relationships of our Embassy, military people (including operations at Dhahran) and Aramco with the present administration within Saudi Arabia are thoroughly satisfactory. Given the current overall situation in that area it would appear unwise for the U.S. to refuse to cooperate in a matter of this obvious importance to the present regime.

2. The second consideration is the evidence that Prince Faisel appears to be determined to establish and seriously adhere to a sound system of fiscal management, the total absence of such system in the past being the root of Saudi Arabia's present financial difficulties. The budget announced in January is the first authentic budget in Saudi history. Although as yet we do not have a comprehensive analysis of the new budget, the information we do have in hand (Red Tab B)[2] while indicating room for further improvement, supports the NEA view that Faisal is continuing to take actions to strengthen the austere trend he established last year with respect to Saudi finances. We understand that if the budget is successfully carried out it will balance at $325 million and would add $9 or $10 million to the small foreign exchange reserves created over the last six months, thereby further stabilizing Saudi currency which until recently has suffered serious fluctuations. The Saudi Arabian Government has a foreign debt incurred in the past of approximately $90,000,000, largely in New York banks and secured by claims against oil revenues accumulated but not paid. Faisal considers these as

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Source: Department of State, NEA/NE Files: Lot 61 D 472, Saudi Arabia, U.S. Military Assistance—1959. Secret. Drafted by Athol H. Ellis of W/MSC. Cleared in draft by Charles W. Adair, Jr., Director Office of International Finance and Development Affairs, and cleared with Parker T. Hart and Seymour Weiss of W/MSC.

[1] Dated January 19, not printed.

[2] Not further identified.

bona fide obligations of the Government on which he plans to pay interest in the coming year and to make provision in the next budget for payments against the principal amounts. There is, in addition, a Royal Family indebtedness estimated at at least $25,000,000. This has largely been incurred by the King and Faisal appears to be taking the position that the King must arrange payments out of his private resources. Under these circumstances I find it less difficult to concur in the course of action which NEA proposes.

3. Also in connection with 2 above, it is worthwhile to note that, contrary to the judgment of this office at the time you approved the first moratorium in April 1958, the U.S. admonishment to Saudi Arabia to the effect that approval of new military credits if requested by Saudi Arabia could not be certain during the moratorium period has proven to be effective. The Saudis have not requested any major military sales either on a cash or credit basis beyond the $50 million credit line. They did request the transfer of a boat to be financed from the small unused balance (less than $1 million) of the original credit line but subsequent to your approval of the transaction as an exception, the Saudis pursuant to their austerity program chose not yet to consummate the transaction. We are informed by NEA that the Saudis have not made any major purchases from other sources during this period.

4. The credit we are discussing was extended from FY 1957 MAP funds and repayments under it revert directly to the Treasury and are not eligible for reuse under the authority of Section 103(c) of the Act, which authority was not granted by Congress until 1958. This action would not therefore affect MAP availabilities.

5. Finally, NE informs us that it has for some time anticipated requests either directly from the Saudi Arabian Government or through the IMF advisers for loan assistance in stabilizing the country's financial situation. NEA believes that, from the political standpoint, some such assistance may be desirable but suggests that the proposed moratorium would, in effect, be a substantial form of assistance in lieu of other types of loans.

At the time the NEA memorandum at Red Tab A was written it was not clear that, in addition to another one-year moratorium, Faisal was also requesting a stretchout of the repayment period at the end of the moratorium beyond the terms of the original credit. These original terms require payments in equal monthly installments over three years. Under these terms the present unpaid balance is payable in twenty-six months after the moratorium period. The note handed Embassy Jidda, (a copy of which we now have in hand (Red Tab C)[3] includes a formal

[3] The text of this note, January 8, not printed, is in despatch 141 from Jidda, January 19. (Department of State, Central Files, 886A. 10/1–1959)

request for a revision of terms to permit repayment over four years after the moratorium period, a revision which would have the effect of extending the three-year credit to a five-year credit payable over seven years by virtue of a two-year moratorium. We believe there is merit in the U.S taking a negative position with respect to this aspect of Faisal's request.

You approved the first moratorium as a measure of relief to Saudi Arabia in lieu of its request for an extension of the repayment period. The U.S position would be, we believe, unduly loose and inconsistent if we now permit the extension of the repayment period, as well as the moratorium. There would seem to be advantages in insisting, at least for the time being, on adherence to the original terms of the credit, thereby encouraging a responsible attitude by Saudi Arabia toward this obligation. In addition, a revision of the original repayment terms beyond the moratorium proposed is a negotiating asset which may very well come in handy if it is determined that we need privileges at Dhahran Air Field beyond the current agreement which expires in 1961. With respect to the second aspect of Faisal's request, therefore, we believe longer range objectives might be better served at less expense to the U.S. if we retain for possible later use the technique of lengthening the repayment period of this credit.

A cable has been prepared for your approval which grants a further moratorium on the Saudi credit discussed herein to permit monthly payments to be resumed in February 1960 with the original terms to apply thereafter. A memorandum to Defense formally recording the moratorium extension has also been prepared for your signature. Should you sign these documents as recommended below they would not be despatched until we have solicited and received the necessary concurrence of the National Advisory Council in this proposal. Both NEA and DOD have concurred in the course of action as recommended.

Recommendation:

That you (a) approve the cable at Blue Tab A,[4] and (b) sign the memorandum to Defense at Red Tab D.[5]

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[4] Dillon signed the draft cable, Blue Tab A, on February 20 and the Department of State transmitted it that day in telegram 772 to Jidda, not printed. (*Ibid.*, 786A.56/1–1959)

[5] Red Tab D was a memorandum from Dillon to Irwin, March 3, not printed. (*Ibid.*, NEA Files: Lot 61 D 43, Dhahran)

326. Letter From the Ambassador to Saudi Arabia (Heath) to the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree)

Jidda, February 9, 1959.

DEAR BILL: I thought you might be interested in my reactions to the visit of Assistant Secretary of Defense Irwin to Dhahran January 31, his briefing by General Clark and his staff, and my subsequent political-military talk with him.

General Clark's briefing followed a standard form and he reviewed material that has been reported extensively by this Embassy and General Clark to the Departments of State and Defense. In sum, General Clark outlined the organization of the Second Air Division and the USMTM and his responsibilities as commander of both. He then proceeded to discuss the lack of progress of the USMTM due to defaults on the part of the Saudi Government, [*1-1/2 lines of source text not declassified*] and the Saudi Government's lack of support of the USMTM regarding housing, working facilities and transportation. My comment on this part of the presentation is that I felt the picture of "deplorable conditions" under which the USMTM was working was somewhat overdrawn by the General. However, one could hardly find fault with the complaints of Captain Paret, Chief of the Navy Section of the USMTM, since the new Saudi budget has provided no money for the navy, and in fact no progress whatsoever has been made towards the establishment of a Saudi Navy, although General Clark has finally come around to the position that Saudi Arabia should postpone consideration of a navy. The Saudis have suggested that part of the MAP funds originally earmarked for the Royal Saudi Air Force Academy in Riyadh ($8 to $10 million) be used instead to finance the purchase of the two 95-foot patrol vessels which, under the April 2, 1957 Agreement,[1] were to have been bought for the new Saudi Navy by the Saudi themselves. On the other hand General Clark, and apparently the Defense Department as well, consider this idea inappropriate and infeasible. General Clark feels strongly that whatever funds are available from the apparently defunct project for building in Riyadh should be diverted to other training facilities for the Saudi Air Force. The last major item for discussion was in connection with legal matters, that is, matters relating to status of forces, legal protection for USMTM personnel, definition of training areas, etc.

Source: Department of State, Central Files, 786B. 58/2–1959. Secret. Official–Informal.

[1] For texts of the exchange of notes, which made up the agreement, see 8 UST 403.

Thus far little or no progress has been made as a result of USMTM efforts to obtain Saudi approval for this type of protection.

Turing to the political aspects of the United Stages military effort in Saudi Arabia following the general meeting, Assistant Secretary Irwin, who appeared exceptionally well briefed, made as his central theme the point that United States Government decisions to train the Saudi military forces and to provide them with arms was basically a political one. Therefore, no matter what our military problems with the Saudis are they should be accepted up to the limit of our national interest. The main question, he thought, was whether the Mission should continue at present strength or retrench to provide the Saudis with a token, if showy, force. He also wished to know whether the over-all impression that the Mission was making on Saudis was favorable or unfavorable. He said one of the worries of Defense was that the Saudis might accuse us of failing to carry out our commitments.

I replied I thought that Faisal was coming around more to understanding the value of United States friendship. He had up to now been working very hard and long on the budget for the country, to the exclusion of other affairs. Faisal had said some months ago that he planned to take up defense matters only after the budget had been issued. While I could not be definite as to the timing, I said I thought that it might be several weeks or possibly even months before Faisal could be expected to give clear-cut answers regarding his views on the future role of our Mission and the Saudi Armed Forces. I said one clue we had so far to Faisal's feelings was his recent comment to me that, while it "would be nice" to have a large armed force, Saudi Arabia had more important things to do with its money at this stage of its development. I said I thought the Saudis on the whole appreciated the presence of the USMTM, and Mission Officers present at the meeting said that, in their experience, the reaction of the common Saudi to American military personnel ranged from indifferent to friendly. I said I thought it was worthwhile for the USMTM to continue its efforts in the country and I thought, where necessary, that the United States Government itself should pay for the support of USMTM and that, regarding the navy program, gradual removal of United States Navy personnel here was probably the best policy in view of the present apparent disinclination on the part of the Saudis to spend their own money on a navy program. I in turn also raised the possibility and desirability of giving Training Mission officers tours of two years in Saudi Arabia. This, I said, should entail permission for these officers to bring their families.

Irwin replied noncommittally to this last suggestion but indicated that Defense would probably want to see more progress made and a more constructive attitude on the part of the Saudis toward the problem of Mission support under existing arrangement before thinking in terms

of longer tours of duty. There was hearty agreement by all including myself to Irwin's question as to the feasibility of having Saudi drivers for all Mission vehicles. The purpose of this, of course, would be to minimize the chances of American Mission personnel getting into trouble with Saudi authorities as a result of traffic accidents without proper legal protection. Everyone naturally recalled the Morrison case in this connection.

In conclusion, Irwin stressed his view that, with due regard to political considerations, it was in United States military interests that Faisal and perhaps the King be approached as soon as possible to ascertain their general views on the USMTM. Regarding the particularly difficult problem of lack of Saudi support for the USMTM detachment at Al-Kharj, Irwin wondered whether a test of Saudi future intentions to improve the support picture might not be obtained by threatening to withdraw this detachment entirely from Al-Kharj if living and working conditions at this desert station have not been improved by the time the hot weather sets in this summer. I said I did not think this would be the best way of approaching the problem. Rather, I thought it would be better first to explore the broad subject of the USMTM in Saudi Arabia with Prince Faisal.[2]

That in brief gives you a bird's-eye view of our discussions with Irwin. I venture to add only the thought that you may wish to consider the role the Department might play in the selection of an effective successor to General Clark. The personality and ability of the Chief of the Military Training Mission are of comparable importance, in our relations with Saudi Arabia to that of the personality and ability of the Ambassador. General Clark represents a very great improvement over his heavy-footed predecessor. But his successor must be still better. I said to you, by no means jokingly, when we saw each other in Beirut that the Chief of the USMTM should have the personality and some of the qualities of President Eisenhower, General Maxwell Taylor and General Gruenther. That sounds like a tall order but he should be able to inspire friendship as well as respect in his Saudi contacts. Clark, while intelligent and courteous, is too cold and niggling ever to get on a really cordial basis with Saudis.

I am very glad that Irwin made his trip here because I think he would get our point of sending somebody to head the Military Mission with warmth, personality and ability. I suggest that somebody get in

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[2] In an official–informal letter to Heath, March 3, Rountree observed that when the Embassy discussed with Faisal the USMTM, it should avoid giving the impression that the mission's role was a matter for discussion. Rather, the discussion should concentrate on how the mission could do its job better. (Department of State, NEA/NE Files: Lot 61 D 472, DDN confirmation)

touch with Irwin at a very early date about Clark's successor. The tendency, I fear, would be for the Air Force to appoint a West Pointer of requisite seniority and availability rather than to make an effort to select someone capable of exerting a measure of influence on the senior echelons of the Saudi Officer Corps.

Sincerely yours,

Donald R. Heath

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327. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, March 4, 1959, 6:57 p.m.

808. Dhahran's 457, 459.[1] FYI—Department finds most interesting King's comments re budget and arms at Dhahran. While we appreciate King retains sovereign power [*less than 1 line of source text not declassified*] we have distinct apprehensions over his detailed approaches with respect governmental matters currently under actual control Faisal. From our understanding of situation, we would fear possible adverse reaction by Faisal if he should gain impression we are discussing such matters with King without his knowledge. While we agree with desirability maintaining closest friendship with King [*less than 1 line of source text not declassified*] we desire avoid situations in which King will seek [*1 line of source text not declassified*] discuss matters of which Faisal not aware. Your further comments these points would be helpful.

We appreciate it may not be possible suggest to King we do not feel in position discuss development financing with him. King should however be given absolute minimum of encouragement in any projects

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Source: Department of State, Central Files, 786A.00/2–2159. Secret; Priority; Limit Distribution. Drafted by Newsom, cleared in draft with Meyer and Louis E. Frechtling of W/MSC, and cleared in substance with Colonel French of Defense. Repeated to London by pouch.

[1] These telegrams, both February 21, reported a private discussion between Saud and Heath at Dhahran. Telegram 457 reported that Saud complained that the Saudi budget did not make enough provisions for development projects, would reduce the salaries of "useful" government employees, and asked Heath where and under what conditions Saudi Arabia could obtain loans for development. The King also observed that Faisal was only interested in economies and monetary reform and would resign if Saud insisted on development through foreign loans. In telegram 459, Heath reported that Saud was unaware of the agreement whereby arms and ammunition were stored at Dhahran and wanted to know who authorized it. Heath observed that Saud's just completed and successful tour in the Hejaz, as well as the dissatisfaction in army, business, and government circles with Faisal's economies and reforms, were encouraging the King once again to become his own prime minister. (*Ibid.*, 786A.00/2–2159 and 786A. 56/2–2159)

which would appear run counter efforts by Faisal and IMF stabilize Saudi finances.—End FYI.

In response King's inquiry you may at next opportunity reply that US unable speak for World Bank, that only two US agencies in position provide development loans are Export-Import Bank and Development Loan Fund. Former provides dollar repayable loans to governments and private firms involving US exports. Saudi Arabia has in past benefitted from such loans. DLF provides loans payable in dollars or local currency for development but no funds currently available.

US naturally sympathetic desire SA develop and prepared at appropriate time discuss sound economic projects with SAG. We believe SA will be in more favorable position secure loans from international or US lending organizations, however, when financial situation stabilized and repayment on current obligations. US assisting SA in present crisis by further moratorium on military purchase payments (Deptel 772)[2] and lend-lease silver problem[3] remains outstanding. These problems being worked out with SAG and US hopeful present endeavors will enhance Saudi Arabian financial position and ultimate credit possibilities.

Request also, when you inform Faisal re moratorium, you also indicate King raised in passing in conversation during visit COMIDEASTFOR possible development assistance and give substance your reply to King.[4]

With respect question arms and ammunition at Dhahran believe you should not pursue matter further until you have had opportunity discuss with Faisal. In this connection understanding here is that General Clark mentioned only ammunition to Saudis.

FYI—Your 749[5] and 757[6] received. We remain inclined inform King and Faisal as indicated above. We would hesitate give King or SAG

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[2] See footnote 4, Document 325.

[3] Reference is to the Saudi lend-lease silver debt to the United States incurred during World War II, which totaled approximately $20 million. (Memorandum from Francis T. Murphy, Chief of the Lend Lease and Surplus Property Division, to John F. Shaw, Officer in Charge of Economic Affairs, NEA/NE, January 23, 1959; Department of State, Central Files, 786A.56/1–2359)

[4] [*text of footnote not declassified*]

[5] In telegram 749, February 26, Heath recalled that during his discussion with King Saud in Dhahran, the King had said he needed "large sums" for development loans before he assumed the role of prime minister. In commenting to the Department, Heath did not recommend encouraging Saud "to take up the reins of government," but he did feel that the United States must give him an answer on development loans. (Department of State, Central Files, 786A.00/2–2659)

[6] In telegram 757, February 28, Heath discussed with a member of Prime Minister Faisal's office the Saud–Faisal relationship. The official argued that Faisal's policies of fiscal reform [*text not declassified*] were in Saudi Arabia's best interests, Faisal was not anti-American, and that although Faisal would never ask for development assistance, he would accept it if offered. (*Ibid.*, 786A.00/2–2859)

hope of US Government loans or other assistance which suggestion you look into matter when here might imply. Will look forward opportunity discuss these aspects in more detail when you arrive. We in general do not favor further grant or loan aid at present time. We understand from Zaki Saad he shares this view. End FYI.

Herter

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328. Telegram From the Embassy in Saudi Arabia to the Department of State

Jidda, April 22, 1959, 1 p.m.

888. On April 20 meeting with Faisal, I referred to numerous reports reaching Embassy of serious differences between King and Crown Prince,[1] I explained that during these critical times Embassy anxious report situation accurately and unable assess veracity these rumors which, if true, would have significant effect Saudi policy.

Crown Prince welcomed opportunity set record straight and in direct answer which his impressive presence made sound more effective than the words themselves, said: "I wish to assure you there are no differences between myself and King. As is case among friends we sometimes do not see eye to eye, but we are never at loggerheads with each other. Day will never come when I stand in one place and King in another."

Against background other reports on subject which Crown Prince attempted dismiss Embassy's considered judgment that:

1. Serious differences of opinion on state policy do exist between King and Faisal and Faisal unwilling reveal them to foreigner not because he dishonest but because he convinced he can resolve them before they cause trouble.
2. Faisal refuses let these differences develop into open split (in his view takes two to quarrel and he will not quarrel).

Source: Department of State, Central Files, 786A.00/4–2259. Secret. Limit Distribution.

[1] Such reports were contained in telegrams 875 and 877 from Jidda, both April 18 (*ibid.*, 786A.00/4–1859), and telegram 934 from Jidda, May 10 (*ibid.*, 786A.00/5–1059). In telegram 978 to Jidda, May 11, the Department instructed Heath to avoid pressure "to take sides or assume the mediator's role re Saud–Faisal relationship." (*Ibid.*)

3. Loyalty to King and dedication to safeguard dynasty preclude Faisal's plotting against King.

4. Faisal will work doggedly for internal economic reforms, governmental reorganization, and foreign nonentanglement until such time as King may choose act against him.

5. If King asked Faisal to leave he would do so without fuss.

6. Best outlook for Saudi Arabia is for King continue as nominal monarch with Faisal in effective control.

Sweeney

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329. Editorial Note

At the 406th Meeting of the National Security Council, May 13, Acting Director of Central Intelligence General Cabell reported on the Saud–Faisal differences in his intelligence briefing, "Significant World Developments Affecting U.S. Security." Cabell's report reads as follows:

"Turning to Saudi Arabia, General Cabell noted that the longstanding differences between King Saud and Crown Prince Faisal were coming to a head. The reform program espoused by the Crown Prince had been obstructed by the King and the Crown Prince was reported to be ready to resign. The Crown Prince is not in good health and is unlikely to challenge the King to an all-out struggle. The current crisis appears to be an outgrowth of Faisal's refusal to accept the King's personal debts as governmental obligations. The attitude of the Saudi Arabian princes toward the struggle between the Crown Prince and the King is not clear. [3 *lines of source text not declassified*]." (Memorandum of discussion by Boggs, May 5; Eisenhower Library, Whitman File, NSC Records)

Other extracts of this meeting are printed as Documents 65 and 184.

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330. Despatch 268 From the Embassy in Saudi Arabia to the Department of State

Jidda, June 1, 1959.

[Source: Department of State, Central Files, 786A.00/6–159. Secret. 3 pages of source text not declassified.]

331. Editorial Note

From August 31 to September 4, King Saud visited Cairo and held private discussions with President of the United Arab Republic Gamal Abdul Nasser. A text of the joint communiqué of their discussions is in Airgram G–16, September 10. (Department of State, Central Files, 686A.86B/9–1059). In despatch 104 from Jidda, October 14, the Embassy summarized the meeting as follows:

"Under the guise of seeking to improve inter-Arab relations, King Saud engineered his recent meeting with President Nasser. He succeeded in improving Saudi-UAR relations, but failed in the alleged main objective to build himself up as an international leader [*2-1/2 lines of source text not declassified*]." (*Ibid.*, 686A.86B/10–1459)

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332. Telegram From the Embassy in Saudi Arabia to the Department of State

Jidda, November 26, 1959, 9 p.m.

348. During private audience with King Saud November 24 economic situation in Saudi Arabia and Saudi oil policy came up for discussion.

King said economic situation in country bad, salary payments in arrears, business poor, debts unpaid, and complaints coming to him from all classes society. He acknowledged policy economic retrenchment had strengthened riyal, but said need for development projects. Noted SAMA reserves had risen to $80 million and part should be allocated for development purposes to stimulate rise in standard living.

He asked for my views. I said that speaking personally, not having coordinated the matter with Washington, I thought that the monetary and austerity program had been absolutely necessary and well executed. Then asking if I could speak frankly I said that Saudi Arabia had not, I felt, pursued an equally effective or [garble] a policy in attempting to obtain the new increased income which would be necessary for the

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Source: Department of State, Central Files, 886A.00/11–2659. Secret; Limit Distribution. Repeated to Dhahran.

King's program of national economic, educational and social development and which could only substantially come at this time from increased oil production. I had great admiration for the honesty and ideals of his director for petroleum affairs, Abdullah Tariki, but in his oil policy Tariki was obviously not thinking in first line of the immediate financial returns to Saudi Arabia but rather as a political reformer. I told him that Tariki had mentioned to a member of my staff his admiration for Mossadegh and his regrets that latter had not succeeded in his nationalization plans (King burst into scornful laughter at mention Mossadegh). No one doubted Mossadegh's honesty or ideals but he had cost his country huge sums and political turmoil. Tariki, who quite frankly was pointing toward eventual nationalization or Arabization of oil production in Saudi Arabia had caused several potential concessionaires and crude oil offtakers to take their business elsewhere. Speeches of Tariki's American aide Frank Hendryx attacking sanctity concessionary contracts did not inspire confidence potential concessionaires. One specific example probable loss revenue to SAG caused by Tariki was his recent refusal accept a "third party trading company" arrangement for increased sale 50,000 barrels crude oil per day over ten-year period which would have netted SAG 130 to 165 million dollars increased revenue over period contract. I repeated I was speaking personally and Aramco was not informed I might be discussing this latter matter.

King much interested and said completely uninformed about this development. Speaking generally, he said relations with ARAMCO excellent, based upon mutual understanding and respect mutual interests. Nationalization out of question and impossible since he would not permit it. He wondered about possibility getting ARAMCO relinquish parts of concession area which might be attractive to other potential bidders, thus indicating no awareness ARAMCO voluntary relinquishment proposals as yet unanswered by SAG.

King concluded audience saying he [*less than 1 line of source text not declassified*] appreciated my frankness and sincerity remarking I could rely entirely upon his discretion and that he hoped a month from now we could have another general frank discussion.

Comment: It was noteworthy that in view of reports of King's intention to replace Faisal and resume control of government not a single mention was made of Faisal nor did I in my discussion refer to him. I had the impression, which, however, I would be unable to substantiate, that [*1-1/2 lines of source text not declassified*] he does not expect to make any decisive move in the next few weeks at least.

Heath

333. Telegram From Department of State to the Embassy in Saudi Arabia

Washington, December 28, 1959, 5:58 p.m.

499. Cairo's 1852[1] and Embtel 413.[2] Realizing and regretting that Faisal continues to hold certain unpleasant memories affecting his attitude toward U.S., we nevertheless wish continue patient efforts to strengthen such goodwill as he does hold for us. In this connection, [*1 line of source text not declassified*] you should take appropriate opportunities stress to Faisal and those around him USG's confidence in him and our admiration for constructive program he is pursuing. You may wish to note that such differing viewpoints as may occasionally arise are differences between friends and we always ready to talk them out.

If Faisal should raise subject of Tariki's oil policies with you (but only if he does so), we have no objection your speaking to him along lines outlined third para urtel but with following modifications: While we have no illusions re Tariki's responsibility for shortsighted oil policies SAG is pursuing, we believe you should avoid any direct attacks on Tariki personally. [*1 line of source text not declassified*] Further you should exercise caution in use of figures re alleged losses stressing these are estimates given to us, since USG not technically competent make meaningful assessment this sort. Also encourage as appropriate direct talks between Faisal and Aramco to resolve outstanding problems.

In view considerable Saudi economic potential if its house is set fully in order and criticism here of SAG's discriminatory practices against Americans on grounds religion, grant aid project for SA extremely difficult justify and we do not think present time is propitious actively explore matter.

Herter

Source: Department of State, Central Files, 611.86A./12–2459. Secret; Priority. Repeated to Dhahran and pouched to Cairo. Drafted by Eilts and approved by Jones.

[1] In telegram 1852, December 16, Ambassador Hare reported on a conversation with Faisal in Cairo in which the Saudi replayed his grievances against the United States—lack of support for Palestine, exploitation by oil companies, and Washington's inability to understand the Arab mentality. When Faisal characterized Washington as "Arab enemy number one," Hare felt compelled to say that he hoped such an assessment was based on past misunderstandings. Faisal agreed that he had been referring to the past and only to certain people in Washington. (*Ibid.*, 786.00/12–1659)

[2] In telegram 413, December 24, Heath commented on Faisal's "rancorous resentments" as expressed to Hare. Heath noted that Faisal learned from experience. Iraq had alerted him to the dangers of communism and he was gradually realizing that Saudi Arabia's xenophobic and anti-Aramco oil policy as developed by Tariki was costing Saudi Arabia large sums of lost revenue. Heath proposed to inform Faisal, if he brought up the subject in their next discussion, that Tariki had cost Saudi Arabia "several hundred million dollars in revenues," several years in developing new Saudi oil production, and generally had an adverse effect on new foreign investment in Saudi Arabia. (*Ibid.*, 611.86A/12–2459)

334. Telegram From the Consulate in Dhahran to the Department of State

Dhahran, January 24, 1960, 3 p.m.

340. From Ambassador Heath. I saw Faisal January 23, in Riyadh. I told him I had been asked to stay another year. He replied with some appearance of warmth he hoped my connection with Saudi Arabia would continue many years. I had written him my congratulations on his budget and told him these were not only my personal sentiments that the Department had specifically instructed me to express USG admiration for his fiscal and financial reforms and its confidence in his conduct of Saudi Affairs. I added the Secretary had expressly wired me to express gratification that his recent medical checkup in Europe had revealed his health was good. Faisal thanked me for these expressions. He said his health was fundamentally good but for his difficulty in extracting sufficient nourishment from his food. As regards fiscal and monetary progress made, Saudi Arabia had done this by its own efforts. Progress had been gradual and accomplished without foreign assistance. It is better not to go too fast and better to work without external aid which some times "makes things bog down".

I remarked that his program for public works and social services required an expanded national income and that contrary to surrounding oil producing countries, which had been increasing under oil concessions and commitments, Saudi Arabia had given no concession since the one to the Japanese. Faisal said SAG had by no means closed the door to new concessions. I said, speaking purely personally, it was of no concern to me to what nation concessions were given. However, Saudi Arabia had been falling behind in the oil race and losing business to Kuwait, Libya and Iran, etc. As a friend of Saudi Arabia I regretted this. I did not mention the name Tariki but said the Office of Petroleum and Min Affairs was staffed by enthusiastic, honest but young and inexperienced men and it seemed to me the office's policy had lacked realism and, according to better experts than I, had caused losses of revenue to the state of many millions of dollars. I thought he should get some reliable outside expert to appraise Petroleum Ministry policies.[1]

Source: Department of State, Central Files, 123–Heath, Donald A. Confidential. Transmitted in two sections.

[1] In telegram 630 from Jidda, April 7, Heath referred to this discussion with Faisal about lost oil revenues. Heath estimated that since 1957 Saudi Arabia had lost $30–40 million per year because of Tariki's unrealistic policies and would continue to do so for 10 years. The Ambassador also reported rumors that Tariki believed Heath had "attacked" him in the conversation with Faisal on January 23. (*Ibid.*, 886A.2553/4–760)

As regards new concessions the office had hired an American at Borney (Hendryx)[2] who had made speeches in Cairo and more recently in Jidda at oil conferences at which he had attacked the sanctity of concessionary agreements and the principle of 50–50 division of profits. Everyone realized, of course, that long term concessions were subject to negotiated changes to correspond with new developments, but in his Jidda speech this attorney had uttered the astounding proposition that it was offensive to the principle of sovereignty for a nation to negotiate such changes; it must impose them unilaterally.

Faisal replied that Hendryx, of course, was not speaking for the government, there had been other pronouncements showing the fair intent of SAG toward concessionaires. I replied that the attorney's assertions had never been corrected by the office of Petroleum Minister or higher governmental authority and had, I thought, a discouraging effect on potential oil investment in Saudi Arabia. Faisal said it was, of course, not equitable and certainly not the policy of SAG to impose changes in concessions unilaterally. He remarked SAG had obtained several changes of the original Aramco concession favorable to itself by negotiations satisfactory to the company.

He volunteered the only real difficulty with ARAMCO "was one of principle." Aramco held that its partnership with the Government ceased at the water's edge. SAG held that this partnership continued in parent company sales abroad. ARAMCO was only a facade for the four parent companies. Once this principle was recognized there should be no further difficulties. The parent companies and Aramco should realize the government is under great pressure. The youth of SA were almost in a "frenzy" in demanding a better deal from Aramco. He could not disregard this movement. He had to have something into which to channel the exuberance of the nation's youth. He realized perfectly that "Arabization" of the company was impossible nor was it one of the aims of SAG.

I referred to the policies of Petroleum Minister saying that it cost large revenues to SAG. I had heard that it was on Petroleum Ministers recommendation the government had turned down a proposal to form a third party company for a special deal which might have returned from up to a $150 million or more in new revenues for SAG over a ten year period. Faisal said it was refused on a question of principle. I said speaking personally I failed to see the principle and had I been in SAG's place would certainly have taken the money.

I emphasized I had been speaking purely as a friend of SAG and that I had not been instructed to make any such observations by my gov-

[2] Frank Hendryx.

ernment and certainly not by Aramco, which knew nothing of my talk and preferred to iron out by itself any differences with the government. Faisal said he quite understood this. When he had suggested last fall that I advise the company to endeavor to understand SAG's position he had made that suggestion to me as a person not as Ambassador.

I found Faisal very friendly but was appalled to the extent which he has been infected by Tariki's hatred of ARAMCO and by Tariki's misrepresentations. There is nothing in the ARAMCO concessions nor in the concessions and practices of other foreign oil companies that the producing country should share in the profits of wholesale and retail transactions of marketing companies abroad. Nor is any principle violated by the third-party trading company device proposed by the parent companies to enhance Aramco sales in an international market which has become highly competitive, in the last couple of years and bids fair to continue that way for some time as a result of output's outstripping demand. However, Faisal believes this and it will take some clever presentation by Aramco to change his ideas. I believe my talk, however, has at least sowed some seeds of doubt in his mind as to the wisdom and equity of Tariki's policies.

Schwinn

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335. Memorandum From William R. Crawford, Jr., of the Office of Near Eastern Affairs to the Director (Meyer)

Washington, March 3, 1960.

SUBJECT

Problems of U.S. Military and Petroleum Relations with Saudi Arabia

A. Military

Background: Since late in World War II, the U.S. has been granted valuable air staging and MATS terminal rights by Saudi Arabia at Dhahran Airfield (DAF). In April 1957 these rights were renewed for a period which expires in 1962. In broad outline, the renewal agreement included: a U.S. commitment to sell Saudi Arabia sufficient arms to equip

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Source: Department of State, NEA/NE Files: Lot 63 D 89, Saudi Arabia: U.S.- Saudi Relations, 1960. Confidential.

two divisions and an armored unit at an estimated cost of $110 million; extension of a $50 million credit to be applied to these purchases; and $70 million in grant aid. The grant aid is divided as follows: $20 million "Richards Mission" funds for improvement of the Dammam Port, $5 million ICA funds for construction of a civil air terminal at Dhahran, $10 million DOD salaries to provide personnel for a U.S. military training mission (USMTM), and $35 million from MAP funds.

Problems:

1.(a) *Renewal of U.S. Rights at DAF.* The primary problem of U.S. military relations with Saudi Arabia lies in renewal of U.S. rights at DAF in 1962. Well before the expiration of the present agreement, U.S. military authorities should arrive at a determination of the strategic importance of DAF. What rights do we wish to maintain? For how long? How much are we prepared to pay?

(b) *Meeting the 1957 Commitment.* Closely related to (a) is the problem of the rate at which we meet our 1957 commitment. Our grant economic projects are well underway and will be completed, or nearly so, by 1962. Our annual level of MAP expenditure for military training and training equipment, however, is running slightly behind what is required if our commitment in this regard is to have been completed by 1962. Partly, of course, this has been due to Saudi Arabian indecisiveness and administrative inefficiency. In general, we have operated on the theory that the more nearly we have completed our 1957 commitment by 1962, the lower the price for renewal will be at that time.

2. *The Status of Forces:* Existing agreements provide for special jurisdiction for US military personnel stationed at Dhahran and for joint US-SAG determination of other areas to which this special jurisdiction shall be extended when USMTM personnel conduct training outside the Dhahran area. These other areas have not been precisely defined. The Saudi Arabian Government has been sensitive on this problem and a precise definition may not be possible. Our Ambassador has been instructed to make one more effort in this direction. Failing this, a joint State–Defense determination that the continued presence of US military personnel in Saudi Arabia is desirable, even in the absence of a satisfactory status of forces agreement, will be required. Mr. Irwin of Defense has indicated that he would be prepared to make a recommendation to the Secretary of Defense to this effect if required.

3. *USMTM Tours of Duty:* Our Ambassador in Saudi Arabia has strongly recommended that a limited number of USMTM officers who come in direct contact with Saudis in a training context remain in Saudi Arabia for a minimum of 18 months and preferably two years, if they are to perform their missions satisfactorily. This would require that these officers, whose number would be somewhat less than 24, be permitted

to bring dependents with them to Saudi Arabia. This, in turn, would require the rental or construction of some dependent housing units probably in Dhahran and Jidda. The Department of State has concurred in the Ambassador's recommendation regarding longer tours of duty, but to date DOD has been opposed.

4. *Civilian Contractors:* The Air Force has sought to obtain tax exemptions for civilian contractors at DAF (Fluor and Vinnell) on the grounds that these contractors are a part of the USMTM. The Saudi Arabian Government has challenged this view and we are inclined to feel that the Pentagon does not have a good case in this matter. The SAG is pressing our Embassy for payment of the back taxes which it claims are owed by these contractors.

5. *SAG Administrative Support:* The SAG has been generally delinquent in its support of our military training program and a number of problems exist with respect to this support. These, however, are generally worked out on an ad hoc basis by the Chief USMTM.

B. Petroleum

Background: Aramco is almost certainly in for a rough time in the months ahead in its relations with SAG. Abdullah Tariki, SAG's American-educated highly nationalistic and energetic Director General of Petroleum Affairs, seems determined to bring about a major alteration in the pattern of the Company's relations with his Government. He is a difficult man to deal with, as far as Aramco is concerned, because he is less interested in more money than in winning acceptance of his theories. Fundamentally he is opposed to the continued "foreigness" of Aramco and believes Saudi Arabia should share in the company's profits from all operations from "well-head" to gasoline tank, a theory now known as "integration". He is also violently opposed to anything which smacks of U.S. Government interference in Saudi oil affairs. From his far-reaching attempt to put his theories into effect have come a variety of complex problems. Fuel has been added to the fire by the public pronouncement of an American working in Tariki's office (Hendryx) who has proclaimed the right of any Government to revise oil concessions unilaterally at any time. Among the more critical of these manifold problems are:

(1) *The Sidon claim.* Tariki claims that Aramco, on a retroactive basis, should be sharing profits of oil sales at the Tapline terminal at Sidon on the Mediterranean. He will not accept a division of profits based on Saudi Arabian border prices. The amount of this claim now considerably exceeds $100 million. Again, however, Tariki seems less interested in financial compromises offered by Aramco than in winning acceptance of the principle involved in the Sidon claim as a first step towards "integration".

(2) *Registration of Aramco.* Tariki has announced that effective January 1, 1960, he will regard Aramco as a Saudi Arabian Company ineligi-

ble to deduct the expenses of its offices maintained outside Saudi Arabia from its tax payments to the Government. Aramco has refused.

(3) *Oil Marketing.* Tariki is seeking to force Aramco to market its own oil rather than selling to its parent companies. This the company refuses to do. It claims it has no experience in the marketing field and would lose its existing markets by complying with Tariki's demand. The company has told us privately that it is prohibited by the Department of Justice's anti-trust rules from doing its own marketing.

(4) *Tapline.* Tariki is threatening to levy a transit tax against Tapline.

(5) *Relinquishment.* Aramco has offered to expedite the relinquishment program set forth in its concession. For purposes of his own, Tariki has said that SAG is not interested at the present time.

(6) *Revision of 50–50 Profit Split.* Tariki has on several occasions threatened Aramco with unilateral SAG action to revise the 50–50 profit sharing arrangement now in effect in the event that the company does not comply promptly with his other demands.[1]

[1] Handwritten on the source text is the following breakdown: "Aramco—Calif 30[%], Caltex 30, Jersey 30, Socony 10."

336. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, April 13, 1960, 7:30 p.m.

829. Embtels 653, 654, 655 and 659;[1] Deptel 822.[2] Dept has misgivings re [*less than 1 line of source text not declassified*] means King Saud has employed ask you call on him which tends cast American Ambassador in conspiratorial role. [*1 line of source text not declassified*] Dept would prefer that you not proceed Dhahran while King is there if reasonable grounds can be found excuse your failure do so. If you think this not feasible and that you must proceed Dhahran, you should exercise ex-

Source: Department of State, Central Files, 786A.00/4–1460. Top Secret; Niact. Drafted by Eilts, cleared by Meyer and in substance with Hare, and approved by Lewis Jones.

[1] In these four telegrams, April 13 and 14, Heath reported that Saud had contacted him through intermediaries with certain requests and information. First, Saud wanted Heath to meet secretly with him in Dhahran. Next, Saud confided to Heath through an intermediary, Ali Reza, that since Faisal's ill-health required surgery, Faisal would have to take a leave of absence. [*text not declassified*] (*Ibid.*, 611.86A/4–1360, 786A.00/4–1360, 786A.00/4–1360, and 611.86A/4–1460, respectively)

[2] Dated April 14. (*Ibid.*, 786A.00/4–1460)

treme caution to avoid any suggestion USG, through your call on King, desires intervene in Saud–Faisal power struggle in support of either person. It should be made clear to all, including King, that USG has great respect for Faisal and is firmly convinced financial reforms he has instituted are in best interests of Saudi Arabia. Re support for either party, you should stress as appropriate that USG does not as matter of policy intervene in internal affairs other countries and that questions of authority within Saudi government are for decision by Saudis. Should you make visit to Dhahran and see King there, believe it desirable in interests maintaining balanced public image USG impartiality in Saud–Faisal struggle [*less than 1 line of source text not declassified*] that you take initiative pay early call on Faisal. In view extreme sensitivity these matters, believe utmost caution also necessary in Smith's talks with Mohammed Ali Reza to avoid giving latter or others impression Ali Reza enjoys any special relationship with USG.

Faisal's illness (re which would like know more) could pose very real problems re future US relationship with Saudi Arabia and we recognize possibility [*less than 1 line of source text not declassified*] reassert his authority if Faisal should be incapacitated for any length of time. [*less than 1 line of source text not declassified*] efforts by King to do so however could have serious unsettling political effects in Saudi Arabia and could disrupt progress toward financial stability which Faisal has been able achieve. Nor can possibility be excluded that [*less than 1 line of source text not declassified*] efforts by King to reassert control could trigger as yet unidentified [*less than 1 line of source text not declassified*] elements in Saudi Arabia to oppose such move and perhaps organize political action of their own. In these circumstances we believe it essential that we show absolute impartiality in Saudi power struggle and maintain friendly relations with all major protagonists.[3]

Herter

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[3] In telegram 663 from Jidda, April 15, Heath reported that he shared the Department's misgivings about being cast "in a somewhat conspiratorial role" by Saud, but believed that his refusal to see Saud would cause great speculation. Heath suggested that after the discussion with Saud, he should meet with Faisal for a personal visit. (*Ibid.*, 611.86A/4–1560)

Heath met with Saud on April 20 and with Faisal on April 21. (Telegrams 684 and 698 from Jidda, April 22 and 26; *ibid.*, 786A.11/4–2260 and 786A.00/4–2660)

337. National Intelligence Estimate

NIE 36.6–60 Washington, April 19, 1960.

THE OUTLOOK FOR SAUDI ARABIA

The Problem

To estimate probable developments within Saudi Arabia and in its foreign relations during the next year or two.

The Estimate

1. Saudi Arabia has had a relatively tranquil time during the past year and a half. The 1958 Iraqi revolt and its aftermath, including fears of increased Communist influence, have diverted the interest of Arab Nationalists in general, and of Nasser in particular, away from the traditionalist and conservative states. In addition, King Saud's brother, Crown Prince Feisal, who has been the principal architect of Saudi policy since March 1958, has taken care to prevent his country's involvement in regional disputes.

Internal Stability

2. As a result, Feisal has been able to devote much of his time and effort to internal matters. He has succeeded in stabilizing the Saudi currency, has established the first real national budget, and has effected some improvement in the administrative machinery of the government. However, the country's archaic social and political structure remains virtually unchanged and Feisal has shown little inclination to modify it.

3. It appears to be generally recognized, even by King Saud, that Feisal's achievements have helped to preserve the dynasty and that the Crown Prince is not out to depose his brother. Nonetheless, Saud is irked by Feisal's increased stature [*2 lines of 2-column source text not declassified*]. During the past year, the King appears to have had some success in consolidating his influence among religious leaders and the central and eastern tribes. He has sought to gain the support of various small but influential urban elements by repeated hints of his desire to create a council of advisers on which they would be represented. He has also sought popularity by outbidding Feisal in protestations of interest in economic development schemes.

Source: Department of State, OCB Files: Lot 61 D 385, Saudi Arabia Documents. Secret. A note on the cover sheet indicates that this estimate, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the USIB concurred with the estimate on April 19 except the AEC and FBI representatives who abstained on the grounds that the subject was outside their jurisdiction.

4. Sooner or later Feisal's chronic illness and known willingness to resign if subjected to undue interference will provide the King with an opportunity to try to reassert himself. This could provoke a crisis [*4 lines of source text not declassified*]. If Feisal simply withdrew, however, it would be difficult [*less than 1 line of 2-column source text not declassified*] to find another leader to support, [*2 lines of 2-column source text not declassified*]. Even so, there would almost certainly be an increase in tensions between various groups. This, [*1-1/2 lines of 2-column source text not declassified*] would probably result in a sharp reduction in political and economic stability.

5. A serious challenge to the status quo originating outside the ruling group does not appear likely during the period. There is much dissatisfaction among literate urban and labor elements, including younger officers of the army, air force, and civil service. No clear evidence exists, however, that among these malcontents there has developed any organized movement against the regime. Nor are we aware of any reformist group plotting against the regime from outside the country. The more obvious and articulate pro-Nasser nationalists are few in number and have limited influence beyond their own small circles. In any event, all these people are finding at least a degree of satisfaction in Feisal's acceptance of some of their own views. Finally, Nasser, to whom the reformists look for leadership, is not likely to encourage any political upheaval in Saudi Arabia at least as long as he remains preoccupied with Iraq, with communism in the area, and with internal problems of the UAR, or as long as Saudi regime does not actively seek to undermine his position in the area.

[*1 paragraph (10 lines of 2-column source text) not declassified*]

Foreign Relations

7. It is unlikely that the next year or so will see much change in the broad outlines of Saudi foreign policy, particularly if Feisal remains at the helm. The regime will probably continue a limited participation in world and regional affairs based on a qualified neutralism, and on common Arab objectives as propounded by the Arab League. It will probably continue to refrain from interference in the internal affairs of other League members—[*2-1/2 lines of 2-column source text not declassified*]. Opposition to Israel will remain unabated.

8. Even if Saudi-British diplomatic relations are resumed, the relationship between the two countries will continue to be clouded by conflicts of interest between Saudi Arabia and British-protected states on its borders. As a means of expressing support for Arab League policies, the Saudis will probably continue to defer resuming diplomatic relations with France. Both the King and Feisal probably regard the US presence in the area as a safeguard for the position of the dynasty. Hence, despite

aspirations toward neutralism, the regime will probably seek to preserve reasonably good relations with the US and continue to permit US access to Dhahran Airfield. Events in Iraq have heightened Saudi apprehensions of communism and the regime is unlikely to enter into relations with any Bloc country during the period.

Oil

9. Saudi oil is likely in the future to pose problems both within Saudi Arabia and in that country's relationship with the US. There is a widespread belief that the policies of Aramco (Arabian American Oil Company) and the US are closely associated, and the Saudi Government's relationship with Aramco, once among the most harmonious in the Middle East, has deteriorated badly in recent years. Abdullah Tariki, Saudi Arabia's energetic Director of Petroleum, insists that Aramco must become an integrated company, so that Saudi Arabia will share in revenues from refining, transporting, and marketing, as well as from the production of crude oil. Feisal has given Tariki considerable support. Aramco and its parent companies are unwilling even to consider integration, and have assumed a stiffer attitude toward the Saudis in recent months. This has probably resulted in part at least from the discovery of large new sources of oil in Libya and elsewhere, much of which will be available to Aramco's parent companies.

10. Considering the virtually nonnegotiable nature of the main issue, Saudi-Aramco relations are unlikely to improve. However, Saudi Arabia is almost completely dependent on oil revenue to finance governmental expenditures, and neither Feisal nor any other member of the royal family is likely to [*less than 1 line of 2-column source text not declassified*] bring about a shutdown. The American companies, despite the availability of oil elsewhere, are unlikely to write off their heavy investment in Saudi Arabia as long as profitable operations remain possible. Thus, the present situation, while unsatisfactory to both sides, will probably continue for some time. At the same time, nationalist feeling will continue to be irritated by substantial foreign control over Saudi Arabia's basic source of wealth.

338. Editorial Note

[1 paragraph from the Memorandum of Discussion at the 452d Meeting of the National Security Council on July 21 and 6-1/2 lines from the Memorandum of Discussion at the 453d Meeting of the National Security Council on July 25 not declassified. (Eisenhower Library, Whitman File, NSC Records)]

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339. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, July 22, 1960, 9:32 p.m.

44. Dhahran pass General McGehee for info. Embtels 27, 33, 36, 37 and 38 now received.[1] Dept continues doubt wisdom sending Hawkins [*less than 1 line of source text not declassified*] to search out and probe [*less than 1 line of source text not declassified*].[2] We frankly not persuaded of reliability [*less than 1 line of source text not declassified*]. Nor do we think he likely to be privy military coup plans.

Those American personnel in Saudi Arabia, civilian and military, who are aware of current plotting, should be cautioned in manner you deem most appropriate and on need-to-know basis that matter is

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Source: Department of State, Central Files, 786A.00/7–2060. Top Secret; Priority; Limit Distribution. Repeated to Dhahran. Drafted by Eilts, cleared by Meyer and Cumming, cleared in draft by CIA and in substance by Defense, and approved by Hart.

[1] In these telegrams, July 15, 18, and 20, the Embassy reported conversations [*text not declassified*] military coup to overthrow the Saudi Government and kill Prince Faisal and his entourage. Although Heath realized that he was under general instructions to remain neutral in Saudi power politics, he believed that he had a moral obligation to warn Faisal and other Saudi princes that they were possible assassination targets and to discover more about the plot. To that end, Heath wished to send the Counselor of the Embassy, Richard H. Hawkins, Jr., [*text not declassified*] to talk discreetly with [*text not declassified*] and might have some knowledge of the plot. In telegrams 36, 37, and 38 from Jidda, all July 20, Heath reported that USMTM officers [*text not declassified*] were sufficiently concerned about the coup possibility to update their evacuation plans. (*Ibid.*, 786A.11/7–1860; 786A.11/7–1860; and 786A.00/7–2060)

[2] In telegram 29 to Jidda, July 16, based on preliminary accounts of the [*text not declassified*] plot [*text not declassified*] the Department of State responded that Hawkins could not meet with [*text not declassified*] without Faisal becoming aware of it and increasing his suspicions that "some Americans were out to get him." The Department suggested that Heath maintain "strict neutrality in Saudi power conflicts both within and without royal family," although the Embassy should continue its efforts to discover possible emerging power groups and anti-government activities. (*Ibid.*, 786A.11/7–1660)

one of extreme sensitivity requiring most careful handling. We do not wish US reps in Saudi Arabia take further initiative in probing for details re alleged military plot, especially view comment in Embtel 36 that Saudi intelligence on lookout and may be associating US with rumors of possible coup activities.

When and if subject raised again with US personnel, [*less than 1 line of source text not declassified*] person approached should discreetly seek discourage any coup action through expression of personal views a long following lines: Experience has shown evolutionary approach to solution outstanding national problems is far sounder and more durable than revolutionary approach. Latter simply perpetuates state of uncertain authority or chronic political and economic malaise as evidenced by Syria, Iraq and Sudan. General good of Saudi people not likely be effectively served by coup which will only turn group against group and class against class and, by fragmenting Saudi Arabia, will in long run only weaken country's great potential for progress. Present authorities increasingly aware of need for reform and appear to be genuinely seeking improve lot of Saudi Arabian people. All elements in Saudi Arabia can more effectively further interests of Saudi people by encouraging, lending their assistance or even exerting strong pressure by petitions, etc. to constructive reform program in context monarchical regime. [2 *lines of source text not declassified*]

Concur your assessment that military coup in Saudi Arabia not likely further US interests and likely intensify pressures on USG and private American interests in country. In whatever manner you deem most appropriate you authorized advise Faisal (or King) orally and in strictest confidence that rumors of proposed military coup against Saudi regime have come to your attention and, while you have no details any such alleged plotting and are frankly unable to evaluate reliability such rumors, you feel it your duty as sincere friend King, Faisal and SAG to alert Faisal (or King) to those rumors in case they have not already been noted since SAG clearly better able assess their significance. [4-1/2 *lines of source text not declassified*][3]

If you consider it necessary postpone departure for home leave, Dept hopes postponement can be portrayed so as not to give grounds for further suspicions by one side or another of USG involvement some sort of coup plans or counter-plans.

Herter

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[3] Heath responded in telegram 51 from Jidda, July 25, that as he was incapacitated with a slipped disk, he could not go to Taif to see Faisal. Although he agreed that Faisal or the King should be warned by other Embassy personnel he doubted that [*text not declassified*] would be receptive to the idea of evolutionary change since [*text not declassified*] view was that Faisal's reforms were only window dressing. To suggest to [*text not declassified*] that he use petition to obtain his ends, seemed to Heath an invitation [*text not declassified*] "to stick his head in the noose." (*Ibid.*, 786A.00/7–2560)

340. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, July 26, 1960, 8:17 p.m.

59. Dhahran for Schwinn only for communication only to Acting CHUSMTM. Embtels 51,[1] and 56.[2] Dept leaves to your discretion best means conveying to Faisal (or King) substance Deptel 44.[3] Do not favor suggestion that source info be identified [*2-1/2 lines of source text not declassified*] Dept has no present evidence UAR behind current plot.

Dept recognizes difficulty persuading [*less than 1 line of source text not declassified*] abandon proposed coup in favor of more constructive approach to solution of Saudi Arabia's internal problems. Believe, however, that we have no alternative but to advise such constructive approach, whatever its acknowledged weaknesses. Recall Faisal himself some months ago invited Saudi press give responsible criticism and it is within context such constructive criticism that we feel Saudi dissidents might appropriately act. Suggestion re petitions intended be helpful proposal but may be dropped if you think it desirable do so.

Re Dhahran's 52 rptd Jidda 43[4] in absence General McGehee, Acting CHUSMTM should be briefed immediately and kept fully informed at all times re USG thinking on subject.

[*1 paragraph (10 lines of source text) not declassified*]

Herter

Source: Department of State, Central Files, 786A.00/7–2560. Top Secret; Niact; Limit Distribution. Repeated to Dhahran. Drafted by Eilts, cleared in draft by Meyer and Knight of Defense, cleared in substance with CIA, and approved by Hart.

[1] See footnote 3, Document 339.

[2] [*text not declassified*] (Department of State, Central Files, 786A.00/7–2560)

[3] Document 339.

[4] [*text not declassified*] (Department of State, Central Files, 786A.56311/7–2660)

341. Telegram From the Department of State to the Embassy in Saudi Arabia

Washington, August 18, 1960, 6:54 p.m.

128. Dhahran for Acting CHUSMTM. Paris for CINCEUR. Now that appropriate warnings have been conveyed to Faisal and King (Embtels 103 and 95)[1] Dept believes USG interests best served by disengaging from any further initiatives re reported military coup plans. All witting US officials, civilian and military, should be cautioned avoid being drawn into further discussion re [*less than 1 line of source text not declassified*] plans or expressing undue interest therein, although if queried they should continue to be guided by views set forth Deptel 44 rpt Dhahran 36[2] and should report fully pertinent conversations. We regard it as especially important that no US officials, civilian or otherwise, speculate on what USG might or might not do in event of coup. Lewis Jones discussed foregoing with General McGehee who will on his return to Dhahran next week take appropriate measures notify witting officers under his command re above instruction.

Contents Embtels 71 and 80[3] brought to General McGehee's attention who will take such steps as he feels necessary and will advise Embassy of action taken.

Dillon

Source: Department of State, Central Files, 786A.00/8–1160. Top Secret; Limit Distribution. Repeated to Dhahran and Paris. Drafted by Eilts; cleared by Henderson; cleared in draft with Defense, Thacher, and Howard Elting, Jr., of INR, and in substance with CIA; and approved by Jones.

[1] In telegrams 95 and 103, August 6 and 11, the Ambassador reported that he had sent Russell to Riyadh to inform King Saud that Heath himself told Faisal of the possible coup against them. In both cases, the details of the plot and the sources were omitted. Neither Saudi seemed unduly concerned; the King noted that he often learned of rumors of plots and as a matter of course took precautions to foil them. (*Ibid.*, 786A.00/8–660 and 786A.00/8–1160)

[2] Document 339.

[3] In telegrams 71 and 80, August 1 and 2, Heath recommended that the USMTM officers who had dealt with [*text not declassified*] should be reassigned discreetly. [*text not declassified*] Heath thought they had become too closely involved [*text not declassified*]. (Department of State, Central Files, 786A.00/8–160 and 786A.00/8–260)

342. Letter From the Acting Assistant Secretary of Defense for International Security Affairs (Williams) to the Deputy Under Secretary of State for Political Affairs (Hare)

I–13971/60 Washington, October 13, 1960.

DEAR MR. HARE: In your letter of May 12, 1960[1] you requested an indication of the position of the Department of Defense as to whether a military requirement for the Dhahran Airfield facilities will exist after 1962 and the significance, from a national security standpoint, of the retention of these facilities.

The views of the Joint Chiefs of Staff were requested in this matter. In their reply, the Joint Chiefs have advised that, although Dhahran Airfield is no longer required as a primary installation for Strategic Air Command operations, utilization of an airfield in the Middle East area by U.S. forces is considered essential in meeting Middle East logistic support requirements now and after 1962. In the circumstances, the Joint Chiefs have recommended that renewal of the Dhahran Agreement should be sought, if feasible, on more liberal terms than presently exist with respect to the types of military operations allowed at the airfield, or in any event under the most favorable terms possible.

The Joint Chiefs of Staff have indicated that if Dhahran Airfield cannot be retained after 1962, alternate facilities will be required elsewhere in the Middle East. With this contingency in mind, we have asked the Joint Chiefs of Staff for their advice as to specific locations which could satisfy their requirements.

Sincerely yours,

Hayden Williams

Source: Department of State, Central Files, 786A.56311/10–1360. Secret. A note by Eilts on this letter indicates that on October 20 he drafted a reply, but on November 15 he determined that no reply was necessary.

[1] A copy of the May 12 letter to Irwin is attached to another copy of this letter from Williams, *ibid.*, NEA/NE Files: Lot 63 D 89, Saudi Arabia, Military Assistance, 1960 General.

343. Despatch From the Embassy in Saudi Arabia to the Department of State

No. 157 Jidda, November 3, 1960.

REF

See attached list

SUBJECT

King Saud's Continuing Effort To Reassume Powers Delegated to Prince Faisal

Summary

Following his failure to reassert primary leadership in May 1959, King Saud began assiduously to mend his fences both at home and abroad. [*1 paragraph (11 lines of source text) not declassified*] Continuing clashes seem inevitable [*3 lines of source text not declassified*]. Prince Faisal's health is a key factor. So long as he is able to carry on, Saud lacks a publicly plausible reason for replacing him, [*2-1/2 lines of source text not declassified*].

[Here follow five and one-half pages and a list of 36 reference despatches, airgrams, and telegrams.]

Richard H. Hawkins, Jr.
Chargé d'Affaires a.i.

Source: Department of State, Central Files, 786A.11/11–360. Secret. Drafted by Russell.

344. Telegram From the Embassy in Saudi Arabia to the Department of State

Jidda, November 30, 1960, 5 p.m.

315. In my interview with Faisal on November 28[1] he waited until his uncle Prince Abdullah Bin Abdel Rahman who had stayed more than one hour of our interview had left the room and then drew his chair close to mine, paused dramatically, then said, "I want to tell you something which I have told absolutely no one else. In fact the three of us (including my interpreter, Pao Isa Sabbagh) will be the only persons who will have ever heard it." After another pause Faisal continued:

"In this modern world, with all the new inventions, the airfield at Dhahran is not of as much use or value to you as in the past. In any case, although it is an airfield, you people still call it an airbase and others regard it as an American airbase." Later on I interjected the remark that we had long ceased calling it a base and that we have for a long time made it clear it was a Saudi airfield where we are, by agreement, accorded certain facilities. I added that the late Secretary of State Dulles and his successor Herter made a point of clarifying that it was not an American airbase. Faisal insisted that "we waited a long time for a definite clarification but we heard of none. The clarifications Your Excellency speaks of must have been made just in passing and were not adequate to dispel the notion that Dhahran was a base." Before I could reply, Faisal added, "At any rate this is not important. We do not want to go into the past. The burden of my view which as I said is expressed here for the first time is that with all the eyes on us, with all the fingers pointing at the airfield, I find that its presence hampers cooperation between us. I want to cooperate, but I can only do so when this obstacle is removed. Of course, I know that the agreement between us regarding the airfield and USMTM has yet a year and half or two years to go. What I envision is to turn over the management of the airfield to some civil company, such as TWA, in a way similar to the arrangement we have regarding the Saudi Arabian Airlines."

I asked Faisal if what I understood his intention to be applied also to USMTM. Faisal replied: "No, training missions could train anywhere. They need not be attached to, or thought of in connection with, an

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Source: Department of State, Central Files, 786A.56311/11–3059. Top Secret; Priority.

[1] A report of that discussion, which lasted 1-1/2 hours, is in telegram 303 from Dhahran, November 29. Topics included the resumption of Saudi payments for U.S. arms purchases and American servicemen's PX privileges at Dhahran and their effect on the Saudi economy. (*Ibid.*, 786A.11/11–2960)

airfield. The presence of one or more training missions in our country is less of an eye-catcher or finger-pointer than the existence of what has come to be considered a foreign base."

I told Faisal I would convey his remarks to the Department but could promise no quick reply. To this Faisal said, "I am not expecting a quick reply, or any reply at all yet. My purpose in telling you this is so that your minds will be prepared for what we intend to do. [*5-1/2 lines of source text not declassified*]

He further asked that we make an Arabic version of this segment of the meeting and send it to him directly, not through the Foreign Office or any other intermediary.

Comment: Faisal's delay in talking to me about the Dhahran airfield when his uncle Abdullah had left is significant. Abdullah has considerable influence over Faisal, the King, and Royal family. Faisal obviously was afraid that "Uncle Abdullah" would tell the King of this conversation. I feel rather certain that the King has no desire to terminate the airfield agreement since he probably regards the presence of American troops there, even though, technically, they do not bear arms, as a deterrent against any revolution against the Throne.

I thought it well, without going into details, to inform General McGehee that I had received an intimation from Faisal that he would be opposed to the extension of the Dhahran airfield agreement.

Heath

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345. Memorandum From the Director of Intelligence and Research (Cumming) to Secretary of State Herter

Washington, December 22, 1960.

SUBJECT

Intelligence Note: *Possible Implications of the Resignation of Prime Minister Prince Faysal in Saudi Arabia*

On December 21 King Saud accepted the resignation of Prime Minister Prince Faysal and Faysal's cabinet and assumed the duties of Prime

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Source: Department of State, Central Files, 786A.00/12–2260. Herter's initials appear on the memorandum.

Minister himself. He also appointed a new ten-member cabinet composed of four royal princes and six commoners. The latter are all experienced in the functioning of their ministries. Although the timing of the King's move came with little or no warning, it was not unexpected since the King had resented the delegation of authority to Prince Faysal which had been forced upon him more than two years ago and had been waiting for an opportunity to regain full royal powers.

The King's new cabinet contains men of some competence and relatively liberal views. The most noteworthy appointments seem to be those of Princes Talal (Finance) and 'Abd al-Muhsin (Interior), both brothers of the King; Prince Muhammad (Defense), probably the King's ablest son; and Abdallah Turayqi (Oil and Mineral Resources), the country's radical expert on oil matters. Talal and 'Abd al-Muhsin are known as "liberal princes" favoring reforms. Turayqi has been openly critical of the dynasty and has an appeal to the Arab nationalist element in Saudi Arabia.

The reasons for Faysal's sudden fall are not yet clear. It may have been precipitated by a dispute over the new 1961 budget and Faysal, whose restrictions on spending have been resented by the royal family, may have lost the support of those princes which so far had barred the King from moving against him. The assumption of the post of Prime Minister by the King himself shows this intention to return to an active role. However, the composition of the cabinet seems to indicate that the King felt it advisable to appoint to cabinet posts personalities representative of reformist elements both inside and outside the royal family. Should the King attempt to re-establish full personal rule, it is likely that differences between him and his ministers will become apparent relatively soon.

Faysal's removal from the office of Prime Minister (he remains Crown Prince) clouds the outlook for political stability in the country. The King has a certain shrewdness in dealing with internal problems of a traditional nature, but he is ignorant of sound fiscal management, has little understanding of and no sympathy for the forces of modern reformist Arab nationalism, and is prone to involve himself in inter-Arab conflicts.

346. Memorandum From the Director of the Office of Near Eastern Affairs (Meyer) to the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones)

Washington, December 23, 1960.

SUBJECT

Change of Government in Saudi Arabia

Today's messages on the change of government in Saudi Arabia have been somewhat inconclusive. Hence, the following random reflections may be of use:

Reasons. King Saud has long wanted to reassert his authority. Thrice earlier this year, he seemed on the verge of doing so. Each time, however, he lost his courage. On two of those occasions, Faisal submitted his resignation which was refused. This time, when the King apparently refused to sign the decree promulgating the new budget, Faisal submitted his resignation which was accepted. *Moral:* Don't submit your resignation unless you really want to quit.

Procedure and Form. In his efforts to court popularity, King Saud has spoken much of greater public participation in government. To him, this is essentially a question of form rather than substance. That he had these form aspects in mind is evidenced by: (a) when reasserting his authority, the King did so in the context of Article 8 of a 1958 decree which set up a Cabinet system and, rather than abolishing the Prime Minister's slot, simply vested its powers and responsibilities in his person and (b) whereas eight portfolios in the previous Cabinet (including four held by Faisal himself) were held by members of the royal family and only three commoners were included (two of them without portfolio), the new cabinet allots five portfolios to members of the royal family and six to commoners. [*3 lines of source text not declassified*]

New Cabinet.

A. *Princes.* Three of the new Cabinet Ministers are younger brothers of the King. Talal (Finance) and Badr (Communications) have been identified with the so-called "liberal" princes, who have opposed Faisal [*less than 1 line of source text not declassified*] Abdul Muhsin (Interior) is something of a nonentity. Muhammad bin Saud (Defense) is, of course, the King's third and favorite son and is quite able. At present, he should be somewhere in Europe.

Source: Department of State, NEA/NE Files: Lot 63 D 89, Saudi Arabia, Cabinet and Key Personalities, 1960. Confidential. Drafted by Eilts. Jones wrote on the source text: "Excellent paper."

B. *Commoners.* The six commoners are competent technicians. Four of them, Abdul Aziz bin Hassan (Education), Dr. Hasan Naif (Health), Ahmad Shatta (Commerce) and Abdullah Dabbagh (Agriculture) were former Deputy Ministers and, indeed, did all the work. Ibrahim Suwayyil, the new Foreign Minister, was Ambassador to Iraq, formerly Director General of the Foreign Office [*less than 1 line of source text not declassified*]. Tariki gained, at least nominally, in two ways: (1) his office has been elevated from a Directorate General to a Ministry and (2) he, personally, has been raised to Minister.

C. *Those Replaced.* All but one of the replaced princes were strong Faisal men. Prince Musa'ad bin Abdul Rahman, the King's uncle and former Minister of Interior, has long been a thorn in the King's side. He was Acting Prime Minister during Faisal's absence in late 1959–early 1960 and kept Saud from taking over at that time. Prince Fahad bin Abdul Aziz, a younger brother of the King and former Minister of Education [*less than 1 line of source text not declassified*] has also been bruited as a possible [*less than 1 line of source text not declassified*] candidate for the Saudi throne if Faisal or Saud were out. Prince Fahad bin Saud (the King's son and former Minister of Defense) is probably out [*less than 1 line of source text not declassified*] because he wanted to be out. Fahad [*less than 1 line of source text not declassified*] has never cared for his job. [*less than 1 line of source text not declassified*]

D. *Those Not Included.* Conspicuous by his absence, at least thus far, is Shaikh Muhammad Ali Reza, former Minister of Commerce, [*1 line of source text not declassified*].

E. *Continuing Faisal Influence on Cabinet.* Although Faisal's direct participation in the government is now stopped, he will not be without influence. He is still the Crown Prince and the commoners, in particular, will take care not to offend him since his return to power at some future time is a distinct possibility.

Faisal also retains some indirect influence in the new Cabinet through (a) his daughter who is married to Prince Muhammad bin Saud (Defense) and (b) the new Minister of Education, Shaikh Abdul Aziz bin Hassan, who is of the famous Nejdi religious family of Al al-Shaikh, which was Faisal's mother's line.

Saudi Policy. Likely Saudi policies in three special spheres require brief mention:

A. *Financial.* The King may be expected to want more money as will the Princes. Thus, there is a real danger that the sound fiscal policy that Faisal pursued may be eroded. Talal knows little about finances [*less than 1 line of source text not declassified*]. Perhaps men like Anwar Ali and Zaki Saad can stem the tide. However, if necessary and appropriate, we,

too, may want to say a word of caution at some future time in the interest of maintaining continued Saudi solvency.

B. *Foreign Policy.* Saudi foreign policy is unlikely to change. The King is well disposed toward us, but it is doubtful that he would run the risk of abandoning Faisal's policy of neutrality. The King may well turn to us quite frequently on other things, including perhaps economic aid.

[*less than 1 line of source text not declassified*] nominally at least Saud has made his peace with Nasser. For the moment, therefore, the UAR will probably watch Saudi developments somewhat cautiously and in a noncommittal fashion. In the long run Saudi-UAR rubs may be expected.

The British may have a hard time since the King feels very strongly on Buraimi and on Inner Oman.

C. *Petroleum Matters.* In petroleum policy, a conflict of will—the King vs. Tariki—is likely to develop. Nominally, Tariki now has new prestige and a higher office from which he may pursue his ideas. In practice, however, he has probably been weakened since: (a) he [*less than 1 line of source text not declassified*] is now directly accountable to the King; (b) the King may be expected to have views of his own, developed from anti-Tariki advisers, and will want his say in oil matters; and (c) Tariki's doctrinaire approach which has often been pursued at the expense of increased revenue will run squarely into the King's very practical desire to pursue policies that will derive more money. Thus, Tariki may not have an easy time of it.

General. The King has satisfied his ego by this action. [*2 lines of source text not declassified*] Moreover, the King is now directly exposed and will have to take the credit or blame for the success or failure of Saudi policy. For the moment, spending will help keep his popularity. Ultimately, however, his policies will have to prove themselves and, if found wanting, will cause public dissatisfaction to focus on his person.

BRITISH PROTECTORATES AND MUSCAT AND OMAN

U.S. RELATIONS WITH THE BRITISH-PROTECTED STATES OF THE PERSIAN GULF REGION AND WITH MUSCAT AND OMAN; CONTINGENCY PLANNING FOR KUWAIT AND THE PERSIAN GULF REGION

347. Memorandum From the Officer in Charge of Arabian Peninsula-Iraq Affairs (Newsom) to the Director of the Office of Near Eastern Affairs (Rockwell)

Washington, March 31, 1958.

SUBJECT

List of Reforms U.S. Might Support for Persian Gulf States

The Western position in the Persian Gulf may be strengthened by encouraging the states concerned to undertake internal reforms and to deal directly with their Arab neighbors on questions of mutual interest. As the protecting power for the shaikhdoms of the Gulf, the U.K. has in recent months followed a policy of encouraging such inter-Arab contacts as an evolutionary step which can be comprehended within the existing British treaty framework. Regarding internal reforms, aside from the minor shaikhdoms on the Trucial Coast which still possess only rudimentary administrations, the three major Persian Gulf states—Kuwait, Bahrein and Qatar—are fast developing modern educational, health and social facilities on the basis of their unparalleled oil income. As a result, Western efforts should be directed at stimulating modest political reforms to satisfy the demands of public opinion which have been generated by the rapid economic progress. Local British officials are generally aware of this situation but have found it impossible to offer more than mild counsel in recent years in view of (a) the U.K.'s lack of responsibility for the internal affairs of the shaikhdoms; and (b) the vulnerability of British advisers which was brought to a head by the Suez crisis. As appropriate, however, encouragement should continue to be given along the following specific lines:

1. *Increased Popular Participation in Government:*

Patriarchal rule in the three shaikhdoms should be modified by (a) establishing advisory councils of responsible merchants, as appar-

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Source: Department of State, Central Files, 780.022/3–3159. Secret. Drafted by Brewer.

ently was done in February in Kuwait, out of which perhaps legislative bodies could grow; and (b) increasing emphasis on non-shaikhly direction of the government departments. It is worth noting that increased popular participation in the governments of Kuwait and Qatar, if not Bahrein, might well not endanger stability or pro-Western interests to the same extent as would be true, for example, in the AU, since the local populations in the shaikhdoms have profited more directly from the oil revenues and, having a greater economic stake, have more to lose in any radical governmental changes.

2. *Governmental Modernization:*

Efforts should be continued to inaugurate modern legal and administrative systems which would safeguard the rights of the common people against shaikhly whim. The recently-introduced Bahrein labor code, fostered by the U.K., is an example.

3. *Wise Use of Oil Revenues:*

Much has already been done to provide schools, hospitals and other public facilities. Caution should in some cases now be exercised to avoid the creation of overly lavish facilities which will prove too costly to maintain, while there will be a growing need to find suitable investment opportunities for the income expected in ensuing decades.

4. *Development of Professional Class:*

Following natural predilection and easy profits, most younger citizens of these shaikhdoms have turned to commerce. Efforts should be intensified to give advanced training to doctors, teachers and other professional men who should then be encouraged to assume responsible positions in their local communities.

The foregoing suggestions, if properly carried out, would facilitate the gradual development and modernization of the Persian Gulf shaikhdoms without imperiling internal stability or the fundamental authority of the ruling groups. Over the long term, moreover, such modest measures may well prove the only way in which more violent changes may be avoided. It would appear in the Western interest to stimulate recognition of this fact on the part of the ruling groups concerned, but the foregoing review would serve to indicate the relatively limited extent of Western capabilities in this regard.

348. Memorandum of Conversation

Washington, July 17, 1958, 2:30 p.m.

SUBJECT

Kuwait and the Persian Gulf Area

PARTICIPANTS

UK	*US*
Foreign Secretary Selwyn Lloyd	Secretary of State
Admiral Denny, NATO Standing Group	Secretary of Defense
Marshal of the RAF Dickson	General Nathan Twining
Sir William Hayter, Foreign Office	Mr. Allen Dulles
Lord Hood, British Chargé d'Affaires	General W. Wisenand
Mr. Roger Jackling, British Embassy	Under Secretary Herter
Mr. Willie Morris, British Embassy	C—Mr. Frederick Reinhardt
Mr. Denis Laskey, Private Secretary to FM	NEA—Mr. William M. Rountree
Mr. Donald Logan, Foreign Office	EUR—Mr. C. Burke Elbrick
	IO—Mr. Francis Wilcox
	NE—Mr. Stuart Rockwell
	NE—Mr. David Newsom

Mr. Lloyd said he wished to come to an understanding with the United States on the situation in Kuwait. He pointed out that, at the moment, the ruling family appeared to be in control and there was an adequate security force. The events in Iraq had happened very quickly,[1] however, and the U.K. had never imagined that all three of the principal figures in Iraqi political life would be killed at the same time. It was even more necessary now to consider what was to be done to prevent a similar occurrence in Kuwait. It would not be impossible, he said, for the Ruler to abdicate, for Abdullah Mubarak to be killed and for Shaikh Fahad to become the Ruler after which he might seek to join the UAR.

Mr. Logan outlined the treaty relationship which made the United Kingdom responsible for Kuwait's foreign affairs. Mr. Allen Dulles confirmed that the United States was also apprehensive of the situation in Kuwait.

Mr. Lloyd commented that the situation in Iraq would undoubtedly have an adverse effect on Kuwait. He added that the attitude of the Ruler[2] was one of cynicism toward the course of events and it was not impossible that he might voluntarily abdicate. In response to a question

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Source: Department of State, Central Files, 786D.00/7–1758. Drafted by Newsom. Lloyd was in Washington for consultations on the Middle East crises July 16–19.

[1] For documentation on the Iraqi coup of July 14, see Documents 109 ff.

[2] Shaikh Abdullah ibn Salim Al Sabah.

from Mr. Allen Dulles Mr. Lloyd said that while it might be possible to block the bank accounts of the Ruler of Kuwait in London this would seriously jeopardize the good standing of British banking.

[*4 paragraphs (17-1/2 lines of source text) not declassified*]

Secretary Dulles conjectured that a viable arrangement with the new group in Baghdad might be possible but there was a serious question about the nature and dependability of arrangements worked out with them. The success of such arrangements, he said, depends to a considerable extent on possible alternatives. If the whole oil area was under the control of the UAR their bargaining position would be too great with a resultant adverse effect on the economy of Western Europe and the rest of the world. There were no adequate alternatives elsewhere. It would seem to him, he said, that the British legal position with respect to Kuwait and Kuwait's own geographic position made it both possible and desirable to hold it.

Mr. Lloyd added that on the basis of the Suez experience Western Europe could probably manage without the Suez Canal.

The Secretary added that he believed it would be foolish for the U.S. and the U.K. to move into Lebanon and Jordan and not plan at the same time to hold other areas of greater intrinsic value. There was nothing in Lebanon and Jordan, he said, of significant value to either the U.S. or the U.K. The U.S. operation in Lebanon was not done with the hope of salvaging a position but was done to show other nations of Asia and Africa that the United States is prepared to respond to appeals from its friends. It was done to save the honor and reputation of the United States. He reiterated that the U.S. and the U.K. should agree in principle on the holding of Kuwait and the Dhahran area.

[*2 paragraphs (9-1/2 lines of source text not declassified*]

The Secretary said that he did not believe Nasser would stop until he was actually stopped. The Secretary said the U.S. and the U.K. would be deluding themselves if they believed Nasser would be content with taking over Iraq without also taking over Kuwait and Saudi Arabia. He questioned whether it would be desirable to wait in Kuwait for the kind of thing that happened in Iraq. It may, he said, be more tolerable to move now before the sympathizers with the UAR have consolidated their position.

It was agreed that there would be a joint working group to examine immediately the military and political problems posed by the situation in Kuwait. Secretary Dulles said he felt that it should be possible to consider this matter within a week's time. Mr. Lloyd said he would consider

suggestions as to where this consultation should take place and give the Secretary his views the next day.[3]

[3] Lloyd and his British colleagues met again with Dulles and his group on July 18 at 10:30 a.m. to discuss Iraq (see Document 123). After Secretary Dulles and others left the meeting, Lloyd informed the remaining Americans—Reinhardt, Twining, Elbrick, and Newsom that the British had received assurances from the Acting Ruler of Kuwait that the situation was under control and that he would not hesitate to ask for British help if it was needed. [*text not declassified*] (Department of State, Central Files, 786D.5/7–1858)

349. Editorial Note

At the 373d Meeting of the National Security Council on July 24, Secretary Dulles briefed the Council on his discussions with the British on Kuwait. For the memorandum of discussion of this meeting, see Document 31.

350. Telegram From the Consulate in Kuwait to the Department of State

Kuwait, August 3, 1958, 5 p.m.

33. Despite somewhat alarmist foreign press reports, Kuwait three weeks after Iraqi coup d'état gives every indication being able safely survive latest ME upheaval for indefinite period with only minor changes in its internal and external policies. Prevailing mood is one of relaxation and business-as-usual with exception continued though less intense popular enthusiasm for new Iraqi regime and mild anxieties over their future harbored by at least two senior Subah Shaykhs.

Source: Department of State, Central Files, 786D.00/8–358. Secret; Noforn. Also sent to London.

Cornerstone of Kuwait's tranquillity is an internal stability founded firmly on widespread prosperity and on munificence and unchallenged longevity of Subah rule. Result is absence any substantial or cohesive opposition to government, potential troublemakers are deterred by Shaykhly law.

Leading figure in reformist-nationalist movement, Jassim Al-Qitami, informed Consulate two days ago he foresaw no important changes in Kuwait over next five years. He also disassociated himself and most Kuwaitis from group he characterized as minority of extremists. In this category he placed editors two local weeklies whose pronouncements, he said, are only "howa" (wind). Press is only local element reacting strongly to US landings in Lebanon.

Young Shaykhs privately expressing view Kuwait must sooner or later somehow pledge funds to Nasser cause but they share hopes of elder Subahs for keeping Kuwait neutral in intra-Arab politics. Kuwaitis formerly advocating Kuwait entry into UAR now appear less interested in UAR than in new Iraq. For moment eyes are on Baghdad and Abdul Qasim is currently stealing some of Nasser's thunder.

By proposing Kuwait join Arab League (Consulate telegram 27),[1] Ruler has taken initiative to alter Kuwait foreign policy in direction closer relationships with other Arab countries, especially Egypt. Whether he will make similar internal adjustments depends upon his advisors but Consulate has taken liberty suggest Political Agency encourage him at least partially satisfy erstwhile minor grievances of local reformist-nationalists (such as administrative reform) before in exasperation they become extremist and turn against regime itself.

Although Ruler has expressed desire retain special treaty ties with UK, his Arab League proposal may force UK modify terms of treaty relationship to conform with realities. For instance, Political Agency admits UK no longer formulates Kuwait foreign policy but acts more as foreign policy "agents" for Ruler. This may require spelling out and clarification to enable Kuwait qualify for League membership. Meanwhile, incipient campaign under way in local press for "limitation" of relations with UK. Latest issue *Al-Fajr* writes, "Our relations with Britain should be purely commercial."

Today Political Agent informed me political Resident has reacted negatively to Ruler's League proposal.

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[1] In telegram 27, August 1, [*text not declassified*]. In addition, the Ruler proposed that Kuwait and perhaps Bahrein should join the Arab League. (*Ibid.*, 786D.00/8–158)

According to London Embassy, so has Foreign Office. If this type response persists, UK may be inviting eventual less palatable alternatives.[2]

Seelye

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[2] In telegram 1448 to London, repeated to Kuwait, August 4, the Department suggested for British consideration the alternate plan of encouraging Kuwait to establish better relations with Iraq as a means of demonstrating that Kuwait supported intra-Arab ties. This might avert Kuwaiti attention from the appeal of Nasser to the more "natural relationship" with Iraq. (*Ibid.*, 786D.00/8–358)

In telegram 54 from Kuwait, August 19, Consul Seelye reported that the Ruler agreed to drop his proposal to join the Arab League in return for British reaffirmation of its intention to protect Kuwait and to exchange advice and consult with Kuwait on its relations with neighboring states. The Ruler planned to strengthen Arab ties by an exchange of visits with certain Arab states. (*Ibid.*, 686.86D/8–1958)

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351. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs' Special Assistant (Symmes) to the Director of the Office of Near Eastern Affairs (Rockwell)

Washington, September 23, 1958.

[Source: Department of State, Central Files, 611.80/9–2358. Top Secret. 2-1/2 pages of source text not declassified.]

352. Special National Intelligence Estimate

SNIE 30–5–58 Washington, October 28, 1958.

THE BRITISH POSITION IN THE PERSIAN GULF-ARABIAN PENINSULA AREA[1]

The Problem

To estimate the outlook for the special British position in the Persian Gulf-Arabian Peninsula area.[2]

Summary and Conclusions

1. The UK and indirectly Western Europe as a whole derive major benefits from the special economic, strategic, and political position which the British have in the Persian Gulf-Arabian Peninsula area. This position is being increasingly jeopardized by radical Arab nationalism symbolized by UAR President Nasser, by reformist-nationalist opposition within the area, and by the hostile attitudes and activities of [*1 line of 2-column source text not declassified*] certain local notables. (Paras. 5–13)

2. For some time to come the UK will probably try to retain intact the substance of its present position in the area through tactical adjustments and compromises, though remaining ready, as it has frequently asserted, to employ force. We believe that for the next year or so, the British will be successful in achieving this end, although the pressures on the British position in the area are likely to increase and could seriously undermine the British position in specific areas even before the end of the period. (Paras. 14–16, 19)

3. Over the longer run, the British will probably be compelled to accept elimination of their political control and curtailment of their economic prerogatives as well. However, any adjustment that they make to Pan-Arab nationalism will be reluctant, slow, and piecemeal. There is a possibility that an eventual agreement between the Arabs and the UK will be reached which will be based exclusively on their common dependence on oil. Such a solution would be difficult to achieve and

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Source: Department of State, INR–NIE Files. Secret. This Special Estimate, submitted by the CIA, was prepared by CIA, INR, and the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. All members of the United States Intelligence Board concurred in it on October 28 except the representatives of the AEC and FBI who abstained on the grounds that the subject was outside their jurisdiction.

[1] Supplements and brings up-to-date NIE 30–57, "The British Position in the Persian Gulf and Arabian Peninsula," dated 19 February 1957. [Footnote in the source text. NIE 30–57 is *ibid.*]

[2] i.e., in Aden, the Aden Protectorate, Kuwait, Qatar, Bahrein, Muscat, Oman, and the Trucial Sheikhdoms. [Footnote in the source text.]

would at best take years because of the UK's reluctance to give up control and because of the erratic and emotional nature of the Arab nationalist challenge. (Paras. 17, 20–25)

4. Any serious impairment in the availability of Persian Gulf oil on terms favorable to the UK and Western Europe would have important implications for the US. It would probably necessitate large-scale US economic assistance, adversely affect Free World defense arrangements, and create situations which the Soviets could readily exploit to their advantage. In the event of British use of force, the US might find itself confronted with a Soviet threat aimed at frustrating the British action. British use of force would also impair US efforts to come to terms with the Arab nationalists. In addition, US oil company operations and US Navy use of British facilities in the area, as well as US Air Force facilities in Saudi Arabia, would almost certainly be adversely affected by loss of the British position. (Paras. 31–32)

[Here follow the "Discussion" portion of the estimate with sections headed "The British Stake," "The Arab Challenge," "Probable British Policies," "The Outlook for the British Position," and "Implications for the US," and a table on Middle East oil reserves and the British share of production in 1958, and a map of the Arabian Peninsula.]

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353. Memorandum From the Director of the Office of Near Eastern Affairs (Rockwell) to the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree)

Washington, February 11, 1959.

SUBJECT

Situation in Kuwait

As of the morning of February 11, neither we nor the British Embassy have had any official comment on press reports of a state of emergency in Kuwait and of a possible shift in power to Sheikh Abdullah Mubarak.[1]

Source: Department of State, Central Files, 786D.00/2–1159. Confidential. Drafted by Newsom.

[1] On February 12, Allen Dulles briefed the NSC on "Significant World Developments Affecting U.S. Security," including the following: "In Kuwait Mr. Dulles said that the Iraqi developments had caused consternation and that some riots may well occur. The Kuwait ruler may decide to join the Arab League (with British acceptance) as a means of protecting himself from being overthrown by some of his own people." (Memorandum of Discussion at the 396th Meeting of the NSC, February 12; Eisenhower Library, Whitman File, NSC Records)

We have only these facts on the situation (as of the date of our last reports, February 8):

1. The Ruler, disturbed by attacks of nationalist elements in Kuwait on Iraq and by evidences of excessive sympathy for the UAR, on February 5 closed two weekly newspapers and four clubs and arrested a number of the younger reformists.

2. The Supreme Council of Subah Sheikhs met continuously thereafter for at least two days, reportedly to arrange a reshuffle of ministerial portfolios among the Sheikhs. One of the most significant changes reported from this meeting was the transfer of authority for the Police Department from Sheikh Sabah al Salim, brother of the Ruler, to Sheikh Abdullah Mubarak, uncle of the Ruler who is already head of the Public Security (Army) Forces. If this has taken place, it would put all of Kuwait's armed forces under Sheikh Abdullah Mubarak; this may be the basis for press reports that he had assumed power.

3. The possibility has long been considered that the Ruler, who has frequently stated he does not wish to be Ruler, might voluntarily relinquish his authority. Recently, Sheikh Abdullah Mubarak has been generally considered to be favored by the British (and probably by the Ruler) as successor. While a transfer of power to Sheikh Abdullah (age 44) would leave the Subah regime in power, it would not necessarily be a favorable omen for Kuwait's traditional relationships. Sheikh Abdullah, an opportunist, has of late been seeking to curry favor with the UAR and nationalist groups. Further, he lacks the restraining (though weak) hand which the Ruler has exercised upon the various factions within Kuwait's sheikhly family. [*8-1/2 lines of source text not declassified*]

354. Memorandum From the Board of National Estimates to Director of Central Intelligence Dulles

Washington, March 16, 1959.

SUBJECT

The Outlook for Kuwait[1]

1. While there is no evidence that a radical change in the status quo in Kuwait is imminent, the elements of an upheaval are clearly present. The real question is not whether, but when and how internal tensions and external pressures will alter an essentially anachronistic situation.[2]

2. Internally, nationalist-reformist grievances against the autocratic rule [*less than 1 line of source text not declassified*] the ruling Subah family will almost certainly continue to grow—especially among the younger, politically articulate urban elements. Their disgruntlement is shared by important members of the wealthy merchant class, who have long resented their exclusion from political power, and even by a coterie of junior members of the ruling family. Nearly half of the sheikhdom's population is made up of non-Kuwaiti Arabs—Iraqis, Palestinians, Egyptians and Syrians—whose sympathies are not with the present regime. Kuwait's huge oil revenues and welfare state policies have not stopped these trends and in some respects have accelerated them.

3. Developments will also depend upon the interaction of external forces, notably the struggle for influence in Kuwait and the Persian Gulf between the UAR and Iraq, as well as the UK. The British have apparently reconciled themselves to a gradual decline in their political position in the sheikhdom. They now hope to slow down trends unfavorable to their oil and financial interests,[3] by accepting and even encouraging certain gestures of appeasement to Pan-Arab nationalism on the Ruler's

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Source: Eisenhower Library, White House Office Files, Project Clean Up, Kuwait, 1959. Secret.

[1] This memorandum has been discussed with O/CI and DD/P. [Footnote in the source text.]

[2] At the 403d Meeting of the NSC, April 23, during a briefing by Allen Dulles on "Significant World Developments Affecting U.S. Security," Herter "expressed great anxiety about the ultimate fate of Kuwait. The President commented that he would certainly think that the British would fight in order to save Kuwait from Communist domination." (Memorandum of discussion by Gleason, April 23; Eisenhower Library, Whitman File, NSC Records)

[3] The UK is dependent on Kuwait for one-half of its total oil imports, one-third to one-half of British oil company profits, and $100 million annual new investment in London. The Kuwait Oil Company is jointly owned by the Gulf Oil Company and the British Petroleum Company. [Footnote in the source text.]

part i.e., joining the Arab League and diverting some of his income to investment in the Arab world. If, however, a sudden upheaval threatened British access to Kuwaiti oil, there is still a significant chance that the UK would intervene with troops.

4. The UAR and Iraq represent more dynamic external influences in the situation. While Nasser may temporarily moderate, he is unlikely to abandon his propaganda and subversive campaign to bring Kuwait under UAR control and to obtain a share in the sheikhdom's oil revenues. Indeed, in his developing struggle with Iraq, Nasser will probably increase efforts to build influence in Kuwait, and to exploit Kuwaiti fears of Iraq. At the same time, the Communist-oriented Iraqi regime can be expected to take an increasingly active hand in the game for Kuwait—in order to deny a victory to Nasser, to strike a blow at the West, and to fulfill traditional Iraqi aspirations for control of the sheikhdom.

5. In a contest for influence in Kuwait between the UAR and Iraq, the odds still appear to favor Nasser. While Iraq's proximity will enable it to exert strong pressure against Kuwait, Nasser already has a fairly well-developed apparatus in the sheikhdom, as well as more popular appeal than Qassem. Moreover, as a struggle between Nasser and a Communist-dominated Iraq regime develops, Kuwaiti authorities (and even the British) are likely to favor accommodation with Nasser's brand of Arab nationalism as the lesser of two threats. These advantages could be offset, however, if the UAR were to suffer serious internal trouble or external reverses.

6. In the face of prevailing trends, some kind of change in Kuwait's status appears almost inevitable within the next few years. While an internal revolt, with or without foreign backing, will remain a constant possibility, the chances of precipitate change will be greatest when the present Ruler leaves the scene. Although Sheikh Abdullah Mubarak, the most likely successor, controls the security forces, he does not enjoy even the limited popularity of the present Ruler. Thus, the Ruler's departure might precipitate a period of uncertainty and instability which would give radical opposition groups or outside forces their best chance to move.

7. A change, gradual or sudden, in Kuwait's Government will not necessarily threaten Western access to Kuwaiti oil. Even if nationalist-reformist elements gained full power, or if Kuwait fell wholly under UAR hegemony, those in control would continue to want Western markets for the oil. However, Western control over, and profits from, oil production would be reduced, and eventually some form of nationalization would be likely. The outlook would be much more serious if Kuwait should come under the influence of a Communist-dominated Iraq

and control of two of the major sources of Middle East oil were thereby given to the Bloc as a weapon against the West.

For the Board of National Estimates:
Sherman Kent
Assistant Director
Office of National Estimates

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355. Memorandum From the Legal Adviser (Becker) to Secretary of State Herter

Geneva, May 15, 1959.

SUBJECT

Iraqi attack upon Kuwait: effect of Middle East Resolution

It is my opinion that if Iraq attacked Kuwait and Kuwait requested military assistance from the United States, the granting of such assistance by the United States would be covered by the Middle East Resolution (Public Law 85–7, 85th Cong., H.J. Res. 117, March 9, 1957). In Section 2 of that Resolution it is stated in part:

"... the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any such nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism: *Provided,* That such employment shall be consonant with the treaty obligations of the United States and with the Constitution of the United States."

You will note that there are two requirements under this resolution, namely, (1) that the nation being subjected to armed aggression request assistance, and (2) that the armed aggression emanates from a country

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Source: Department of State, Central Files, 786D.5–MSP/5–1559. Confidential. Herter and Becker were in Geneva for the Foreign Ministers Meeting on Germany and Berlin. Merchant wrote the following note at the top of this memorandum: "Mr. Secretary (per your request this morning)." A note attached to this memorandum by Max V. Krebs, May 22, indicates that the Secretary found this memorandum "extremely interesting" and asked that it be sent to Washington for appropriate distribution.

controlled by international Communism. I believe that such a finding could, under existing circumstances, be made with respect to Iraq.[1]

A request by the UK would not conform to the first requirement of the Middle East Resolution. In the Lebanon situation, the use of troops was authorized not under the Middle East Resolution, but rather under the President's constitutional authority as President and Commander in Chief to give aid to a country, the independence and integrity of which were regarded as vital to the national interests and world peace. In that case, however, Lebanon requested military assistance. If we were to send troops to Kuwait, solely on the basis of a request from the British (and particularly if the Government of Kuwait objected), our position would be doubtful, to say the least, under international law.

The question of whether the UK did or did not collaborate in military operations in Kuwait would not affect the position of the United States under international law. I am not aware of any treaty or agreement committing us to assist the UK in such military operations.[2]

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[1] Merchant wrote the following comments next to this sentence: "I doubt whether this finding could be conclusively supported and even so whether under present circumstances it would be wise to make it [?] public. LTM."

[2] On May 14, Harold Macmillan sent Eisenhower a letter reminding him that during their Camp David talks (see Document 62), they agreed that a potentially dangerous situation might arise in Iraq, Kuwait, and Iran. Macmillan wrote that the British Chiefs of Staff were engaged in reviewing plans to meet a threat to Kuwait from Iraq and hoped that Eisenhower would agree to initiate joint U.S.-U.K. planning for Kuwait along the lines of joint planning done for Lebanon. (Eisenhower Library, Whitman File, International File, Macmillan)

356. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Rountree) and the Assistant Secretary of State for Policy Planning (Smith) to Acting Secretary of State Dillon

Washington, June 30, 1959.

SUBJECT

Use of Force to Maintain Access to Persian Gulf Oil

1. For the past several months an intra-Departmental committee chaired by S/P and consisting of representatives of C, NEA, E and INR has studied the practicability of maintaining access to essential requirements of Near Eastern oil by the use of military force within the purview of (Tab II) NSC 5820/1[1]—the latest statement of US policy on the Near East. Paragraph 23 of this document, which was approved last fall, provides that the US should be prepared to use force as a last resort, either alone or in support of the UK, to insure that the quantity of oil available from the Near East on reasonable terms is sufficient, together with oil from other sources, to meet Western Europe's requirements. The criterion relates the use of force, as a "last resort", only to the supply of Western Europe's essential oil requirements. This is the only test of the use of force established in NSC 5820/1.

2. The study (Tab I),[2] of which we suggest that you read only the covering memorandum of conclusions and recommendations, is transmitted herewith. It reaches three broad conclusions: That (a) the criterion for the use of force unilaterally or in support of the UK, as provided in paragraph 23 of NSC 5820/1, is unrealistic since (i) "last resort" situations are unlikely to occur and (ii) the criterion does not cover situations short of a "last resort" under which the British might invoke force in the Persian Gulf area to protect what are considered to be vital national interests; (b) the adverse consequences of the use of force to maintain access to Near Eastern oil on reasonable terms would be such as to make military force impracticable in the long-term; and (c) serious divergencies exist between the British and ourselves on the issues and situations which might justify the use of force in the Persian Gulf area, especially in respect of Kuwait.

3. The study recommends that (a) paragraph 23 of NSC 5820/1 be reviewed for purposes of developing, if possible, more realistic policy

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Source: Department of State, PPS Files: Lot 67 D 548, NEA and Middle East. Top Secret. Drafted by Henry C. Ramsey of S/P and cleared with Merchant and Reinhardt.

[1] Document 51.

[2] The study, June 9, was attached, but is not printed.

guidance on the circumstances under which force might be invoked in the Persian Gulf area (this would not require the reopening of the whole of NSC 5820/1 to review, which we would oppose at this time); (b) an effort be made to determine whether divergent US-UK views on the use of force in the Persian Gulf area can be reconciled; (c) the US-UK study adjustments which may be required in the area to insure continued peaceful access to essential oil requirements on reasonable terms; and (d) US-UK contingency military planning continue against the possibility that situations may arise requiring the use of force to prevent an expansion of Soviet influence in the area.

4. Certain of these recommendations—(c) and (d)—are being implemented at present. You are of course aware of the contingency military planning which continues in London. We have also recently received a voluminous UK study, presented by the British Embassy, on Middle East oil concessions which an inter-Departmental committee is now studying. Thus no further action is called for at present under these recommendations.

5. We believe that recommendations (a) and (b) should be activated, though we do not at this time believe that it would be productive to discuss further with the British our differing approach to the use of force in the Persian Gulf area. Rather, we recommend that the proposed review of paragraph 23 should examine whether these divergent US-UK views can be reconciled and whether it is in our interest to make the effort. We also believe this study might well be forwarded to the Secretary of Defense for his information and that he also be informed of what further action we propose to take on the study's recommendations.

Recommendations:[3]

1. That you authorize review of paragraph 23 of NSC 5820/1 along the lines proposed herein.

2. That you authorize forwarding of the study to the Secretary of Defense as proposed.

[3] Dillon approved both recommendations on July 20. The letter to the Assistant Secretary of Defense forwarding the study is Document 68.

357. Memorandum From the Secretary of State for Near Eastern and South Asian Affairs (Jones) to Secretary of State Herter

Washington, September 17, 1959.

SUBJECT

Reply to British Embassy Concerning Possible Diversion to Omani Rebels of U.S. Arms Delivered to SAG

Discussion:

On April 1, the British Ambassador presented to the Acting Secretary a letter (Tab B)[1] requesting that the U.S. raise with SAG the fact that arms of American origin from Saudi Arabia were apparently being given to the Omani rebels. By Deptel 896 of April 7 (Tab C),[2] we instructed Ambassador Heath upon his return to Saudi Arabia to approach Crown Prince Faisal. An interim reply was sent to the British Ambassador by the Acting Secretary on April 7, 1959 (Tab D).[3] This reply said that the Department had instructed the Embassy in Jidda to raise the matter with the Saudi Arabian Foreign Office and that the diversion of U.S. arms had been discussed with Ambassador Heath, who was then on home leave, with the intention that he should raise this matter with Prince Faisal in person upon his return to Saudi Arabia.

The Ambassador approached Faisal on May 17 (Embtel 954, Tab E).[4] Faisal said he was not aware that any U.S. arms had been sent to Oman from Saudi Arabia. He stated, however, that SAG was obliged to aid its "downtrodden brethren in Oman".

On June 5 the Department informed the British Embassy informally that Ambassador Heath had taken the matter up with Prince Faisal (Tab F),[5] and that the Department had sent to Jidda further instructions (letter from Mr. Rountree to Ambassador dated June 5)[6] emphasizing the seriousness with which the U.S. regarded diversions of arms, and instructing the Embassy to raise the matter again in appropriate fashion in the event that further evidence of such diversions came to its attention. In

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Source: Department of State, Central Files, 786E.56/9–1759. Secret. Drafted by Stookey and Crawford and cleared by Swihart.

[1] Dated April 1, not printed. (*Ibid.*)

[2] Not printed. (*Ibid.*, 786E.56/4–759)

[3] Not printed. (*Ibid.*, 786E.56/9–1759)

[4] Dated May 18. (*Ibid.*, 786E.56/5–1859)

[5] Memorandum of conversation between Michael Weir of the British Embassy and David Newsom, not printed. (*Ibid.*)

[6] Not found.

Jidda's Despatch 15 of July 14 (Tab G)[7] in reply to Mr. Rountree's letter, Ambassador Heath states his belief that any further approach to Prince Faisal would be unwise at this time, would be likely to anger the Crown Prince, and might drive him to act against his better judgment. According to the Ambassador, our concern over possible diversions of U.S. arms has been firmly registered with the Crown Prince and will be borne in mind by him. The Embassy will make a repeated and forceful approach to the Crown Prince should any further indications of arms diversions come to its attention.

Judging by the deliberations of the Arab League Council's recent meeting in Casablanca, the Oman question may be agitated in the current General Assembly session.[8] A definitive reply to the British on arms diversion might have the disadvantage of reminding them of a very sensitive issue which is quiet for the moment. On balance, however, we feel that our interest would be best served by making it a matter of record that we have followed through on the British Ambassador's letter by taking up the matter with Prince Faisal; that we have stressed our continuing concern to our Embassy in Jidda; and that we have instructed the Embassy to watch for any evidence of diversions and raise the matter again with the Saudis should there be any indication that such diversions are occurring. Furthermore, an answer at this time might well forestall a possible British accusation, in case of a recrudescence of rebel activity in Oman, that we had contributed to such activity by having failed to register with the Saudis, as suggested by the British Ambassador's letter, sufficient concern over the diversion of arms.

Recommendation:

That you sign the attached letter to the British Ambassador. (Tab A)[9]

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[7] Not printed. (Department of State, Central Files, 786E.56/7–1459)

[8] See Document 359.

[9] Dated September 24. (Department of State, Central Files, 786E.56/9–1759)

358. Memorandum From the Director of the Office of Near Eastern Affairs (Meyer) to the Executive Director of the Bureau of Near Eastern and South Asian Affairs (Washburn)

Washington, October 22, 1959.

SUBJECT

Re-opening of U.S. Consulate at Muscat

The Sultan of Muscat and Oman agreed, in 1956, to the re-opening of our post at Muscat subject to the prior modification and modernization of our Treaty of 1833.[1] Our study of the matter indicated that it would be desirable to negotiate a new treaty rather than revise the 1833 text; accordingly, negotiations were entered into, which concluded with the signing of a Treaty of Amity, Economic Relations, and Consular Rights, on December 20, 1958.[2] Instruments of ratification have yet to be exchanged; the Sultan, however, has indicated that he would have no objection to our making arrangements for Consular premises in Muscat before this exchange.

During the negotiations, an FBO representative visited Muscat to examine possibilities for housing the Consulate. His investigation indicated that there is no suitable property available for lease commercially, and that, consequently, a complete compound would have to be constructed. A plot of land suggested by the local authorities was inspected in May, 1958 by our Consul from Dhahran, who was additionally accredited to Muscat, and a description thereof forwarded to the Department. Further progress would involve negotiations for purchase of the land, construction of buildings and installation of the somewhat elaborate equipment necessitated by the extremely severe climate and the virtual absence of public utilities and services.

Our attention, meanwhile, has been focused on a nearby area of the Arabian Peninsula: the Yemen. In March, 1959, it became possible, after several years of negotiations, to establish a resident post at Taiz.[3] In view of the growing penetration of the Sino-Soviet bloc in this country, it was found imperative to devote all possible resources of funds and personnel to meeting this immediate threat to U.S. and Western strategic and political interests.

Source: Department of State, NEA Files: Lot 61 D 43, Arabian Peninsula, General. Official Use Only. Drafted by Stookey.

[1] Text in Charles I. Bevans, *Treaties and Other International Agreements of the United States of America, 1776–1949*, vol. IX (Washington: Government Printing Office, 1972), pp. 1291–1293.

[2] 11 UST 1835.

[3] See the source note, Document 368.

The original basic reasons for re-opening the Muscat Consulate remain valid: the political unrest in inner Oman, the strategic location of the Sultanate on the flank of the tanker route to and from the Persian Gulf; continuing oil exploration activities by the American-owned Cities Service Company and by Petroleum Development, Oman, Ltd., in which U.S. interests are associated; and the apparently developing interest of the Sultan in trade and economic cooperation with the U.S. We have taken steps to strengthen our non-resident representation in Muscat by transferring this function from Dhahran to Aden; Muscat is more accessible from the latter post; Aden is the British information-gathering center for Muscat and Oman; and the transfer has the additional advantage of eliminating the accreditation to the Sultan of U.S. officers who are also accredited to the Saudi Government, with which the Sultan is at odds and which, in his eyes, is lending at least moral support to his rebellious subjects in inner Oman.

Review of recent developments in this area has led us to a reexamination of the urgency of establishing a resident post at Muscat. The disturbances in Inner Oman have been brought under control, at least for the time being. The oil explorations in the Sultanate have not so far revealed commercially exploitable deposits, and in any case the scene of Cities Service operations, Dhofar Province, is more accessible from Aden than from Muscat itself. Representation in the form of visits to Muscat by officers of our Consulate in Aden appears to be working satisfactorily. As Aden has recently been relieved of primary responsibility for Yemen, and as its responsibility for areas in the Horn of Africa will terminate when a post is opened at Hargeisa, anticipated in FY 1961, the Consulate is in a position to undertake representation in Muscat, at least as a provisional measure. We therefore believe that we should continue for the present the practice of accrediting officers of our Consulate at Aden to the Sultan of Muscat, while keeping a close watch on developments in the area to determine whether changing circumstances will at some time require the establishment of a resident post in order adequately to protect and further U.S. national interests.

359. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to the Deputy Assistant Secretary of State for International Organization Affairs (Wallner)

Washington, September 24, 1960.

SUBJECT

Inscription of Oman Item at United Nations General Assembly[1]

Discussion:

We understand that the Arab delegations in New York have decided to ask for inscription of the Oman issue at the General Committee meeting, but only after the General Committee has disposed of all items previously proposed. This raises the question of the United States position on the Oman issue.

As you know, quiet Saudi Arabian–United Kingdom–Hammarskjold talks have been taking place for some time with a view to bridging Saudi Arabian–United Kingdom differences, including resumption of diplomatic relations, resolution of certain disputed territory problems in southeastern Arabia, etc. Sufficient progress has been made to prompt Mr. Hammarskjold, with Saudi and United Kingdom concurrence, to send Mr. Herbert de Ribbing to southeastern Arabia on a fact-finding, exploratory mission. The Secretary General is expected shortly to circularize the Security Council on the de Ribbing mission.

The British are endeavoring to encourage the Sultan of Muscat and Oman and the Shaikh of Abu Dhabi to cooperate. In the circumstances, a protracted United Nations General Assembly debate on the Oman issue

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Source: Department of State, IO/UNP Files: Lot 72 D 1960, Arabia, South, 1959–1960. Confidential. Drafted by Eilts and cleared by Meyer and Ludlow in draft.

[1] Ten Arab members of the United Nations (Iraq, Jordan, Lebanon, Libya, Morocco, Saudi Arabia, Sudan, Tunisia, United Arab Republic, and Yemen) requested inscription of an item entitled "The Question of Oman" on the 15th UNGA agenda. The sponsors stated that the "Imamate of Oman" was a sovereign and independent state that the United Kingdom invaded in 1955 and in which it continued its "military intervention." On October 25 the General Committee of the UNGA took up the question of inscription. The British representative was opposed on grounds that inner Oman was not a political entity, but rather part of the Sultanate of Muscat and Oman, in addition to the fact that the U.N. Secretary-General was engaged in mediation of disputes in the Arabian Peninsula and inscription would hinder ongoing efforts. When inscription came to a vote, the U.S. representative abstained citing the latter British argument. Nonetheless, the "Question of Oman" was accepted as an item by the General Committee and although it was placed on the agenda of the Special Political Committee of the General Assembly, it was not taken up at the fall session and was rescheduled for March 1961. (*United States Participation in the United Nations, 1960*, Department of State Publication 7341, 1962, pp. 70–71)

would scarcely be helpful. Instead, it would more likely set back the cause of a Saudi Arabian–United Kingdom rapprochement and make both the Sultan of Muscat and Oman and the Shaikh of Abu Dhabi more intractable and suspicious of the good offices of the United Nations. We understand that Azzam Pasha, the chief Saudi negotiator, is also unhappy about the Arab effort to inscribe the Oman issue, which seems to be spearheaded by the Iraqis. However, he does not feel he can actively oppose it in the face of other Arab pressure lest this be taken to suggest Saudi disinterest.

Of more direct concern to the United States, we recently concluded with the Sultan of Muscat and Oman—with whom we have enjoyed treaty relations since 1833—a new Treaty of Amity, Economic, and Consular relations. Ratifications were exchanged in May 1959, and the President proclaimed the Treaty as being in effect from June 11, 1960.[2] Our relations with the Sultan of Muscat and Oman would be adversely affected if we now voted for inscription. The Sultan would undoubtedly interpret such action as acknowledgement by the United States of the substance of the Arab claim re Oman.

Recommendation:

While I understand that the United States has traditionally not opposed inscription of any item, I believe that United States interest in insuring the continuing tranquility of southeastern Arabia would be best served if the Omani item were not debated in the General Assembly. NEA recommends, therefore, that the United States *abstain* on the issue of inscribing an Omani item. The United States delegation might explain that, without seeking to enter into the merits of the issue, we believe that General Assembly debate on this item at this time might adversely affect the objectives of the Secretary General's initiative in sending his personal representative on an exploratory mission to the area. Moreover, since the matter seems to be being handled to the satisfaction of the parties directly concerned, it would scarcely appear to be an "important and urgent" matter within the meaning of Rule 15.[3]

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[2] See footnotes 1 and 2, Document 358.

[3] For text of the Rules of the United Nations, see U.N. doc. A/520.Rev 15.

YEMEN

U.S. CONCERN OVER SOVIET BLOC INFLUENCE; INCREASED U.S. ECONOMIC ASSISTANCE

360. Memorandum From the Director of the Office of Near Eastern Affairs (Rockwell) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree)

Washington, February 21, 1958.

SUBJECT

Yemen Developments Since Your Departure

Increasing Yemeni ties with the Soviet bloc and Yemen's association with the United Arab Republic have been the most dramatic developments in Yemen since your departure. Soviet Ambassador Kisselev, who visited Yemen from January 13–30 to present letters of credence as Minister, reportedly offered the Imam a 100 million rouble (about $25 million) development loan for construction projects together with unconditional aid in other fields including an aerial survey of all "natural Yemen". There has so far been no confirmation that the loan offer has been accepted, but additional satellite technicians have arrived, while a Soviet Legation under an Arabic-speaking Chargé d'Affaires is being organized.[1]

Following the proclamation of the UAR, Yemen announced that it would form a "federal union" with the new state. However, negotiations in Cairo between the Egyptians and a Yemeni delegation under Crown Prince Badr appear to have produced considerably less. Nasser has informed Ambassador Hare that a UAR–Yemen "confederation" will be set up with Nasser and the Imam alternately presiding over a

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Source: Department of State, Central Files, 786H.00/2–2158. Secret. Drafted by William D. Brewer of NEA/NE.

[1] At the 352d Meeting of the National Security Council, January 22, Allen Dulles reported on events in Yemen in his intelligence briefing as follows: "In Yemen, Mr. Dulles emphasized that the Soviet bloc countries were making a strong drive. The Soviets have made an economic offer of $35 million. The Chinese Communists have offered Yemen a loan of $16 million with no interest. Mr. Dulles expressed the view that a dangerous situation, from the U.S. point of view, existed in Yemen." (Memorandum of discussion by Gleason, January 23; Eisenhower Library, Whitman File, NSC Records)

In an unnumbered telegram from Taiz, February 25, Consul Crawford argued that the West was in a better position in Yemen "than apparent on surface." (Department of State, Central Files, 786H.00/2–2558)

council of six representatives each from the UAR and Yemen with responsibility for "different areas of coordinate activity". Yemen will retain its international status, but the UAR will probably be delegated to represent Yemen abroad as a matter of general practice. Prince Badr returned to Yemen on January 17 to submit the proposed confederation plan to the Imam.

An abortive plot by conservative elements, including minor supporters of Prince Hassan, to assassinate the Imam and overthrow the government on January 22–23 seems to have been first encouraged and then betrayed by pro-Egyptian elements in an apparent effort to justify to wavering pro-Western elements in Yemen the need to adhere to pro-Egyptian and pro-Soviet policies. Twelve of the leaders were executed on January 26. Amid public allegations of his implication in the plot, the British Chargé was declared persona non grata on January 27 but the U.K. Legation remains open. However, there has been increasing Anglo-Yemeni tension along the disputed frontier with both sides strengthening their border forces. The Yemen Chargé protested the latest of a series of British "attacks" in a call on Mr. Berry on February 18.

Our Consul has been in Taiz since January 19, but there has been no progress with respect to the U.S. aid and legation proposals because of Yemeni preoccupation with the above developments and the Imam's continuing indisposition. Representatives of Jersey Standard who arrived in Taiz on January 23 finally were received for a cordial half-hour meeting with the Imam on February 17, during which they emphasized Jersey's primary interest in the coastal and offshore areas provided these are legally free. Yemen subsequently offered Jersey its choice of areas in the country except the northern two-thirds of the coastal strip, which is "reserved for a European firm".[2] The Jersey representatives have agreed to return to New York to discuss this proposal with the company before giving a final answer and are planning to leave Yemen on February 24. We have instructed our Consul to make a further effort after the departure of the Jersey team to obtain a formal Yemeni response to our aid and legation proposals. If it appears that Yemen's association with the UAR will end foreign diplomatic representation in Yemen, our Consul has been authorized to indicate that we would desire to open an appropriate consular establishment.

On February 13, the British Embassy formally proposed to the Department that some joint consultative procedure be established to consider future courses of action with respect to Yemen. We are with-

[2] We believe this phrase may refer to an ENI concession proposal made to the Yemen authorities in January, 1958 apparently through the Italian Chargé in Taiz. [Footnote in the source text.]

holding a reply in order to ascertain the views of U.S. intelligence agencies as to the desirability of preparing a joint intelligence estimate of the Yemen situation with the U.K.

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361. Background Paper From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Under Secretary of State (Herter)

Washington, March 4, 1958.

SIGNIFICANCE OF IMPENDING
YEMENI ASSOCIATION WITH UAR

Following preliminary negotiations in Cairo during February, 1957 and subsequent discussion of a draft agreement in Yemen, Crown Prince Badr, Yemen's Foreign Minister, arrived in Damascus on March 2 and announced that a "federal union" between his country and the United Arab Republic would be proclaimed within the next few days. According to the Damascus press, the agreement will become effective as soon as signed by Prince Badr and UAR President Nasser. This formal act has not yet, as far as we know, taken place.[1]

While the extent of Yemen's ultimate association with the UAR cannot be finally determined until the Yemen–UAR proclamation has been issued, preliminary information available to the Department indicates that the new agreement will fall considerably short of the "federal union" described by Prince Badr, since it will apparently not modify Yemen's sovereignty or independence. Nasser informed Ambassador Hare on February 17 that the Yemen–UAR association would not be a real union but rather some sort of confederation, with Yemen retaining its international status. Nasser's description of the association was confirmed and amplified by Qadhi al-Amri, Yemeni Deputy Foreign Minister, in conversation with our Consul in Taiz on February 22. According to both Nasser and al-Amri, the principle elements of the Yemen–UAR

Source: Department of State, OCB Files: Lot 62 D 430, Near East. Secret. Rountree sent this paper to the Under Secretary at Herter's request for use during OCB discussions.

[1] On March 8 Yemen federated with the United Arab Republic forming the United Arab States.

agreement are: (a) a "High Council" consisting of Nasser and the Imam of Yemen which must approve all recommendations of other bodies; (b) a "federal council" consisting of 6 Yemenis and 6 UAR representatives which will be in permanent session in Yemen. This council will have *advisory duties* with respect to foreign, military, economic and educational affairs; and (c) a "Military Affairs Committee" with powers identical to those given the joint command under the 1955 Egyptian-Saudi-Yemeni pact (this joint command has never functioned). According to al-Amri, any UAR troops sent to Yemen will come under Yemeni command. While the UAR may by agreement represent Yemen abroad in certain countries where Yemen does not now have diplomatic representatives, al-Amri has informed our Consul that the Yemen delegation in Damascus has been instructed not to agree to the termination of foreign diplomatic representation in Yemen, and the Yemeni Chargé d'Affaires here has informally indicated to us that he believes there will be no change in his status.

With such information as is available to us as a guide, the Department intends to proceed in its relations with Yemen on the assumption that Yemen continues as a sovereign entity. We therefore consider that our offers to assist Yemen economically and to open a resident U.S. Legation should stand. Because of preoccupation with the Yemen-UAR negotiations, the Imam has so far made no formal reply to these proposals. According to al-Amri, the Imam is in favor of accepting the Legation and some economic aid, but a definite Yemeni reply cannot be expected for "at least one month". He has requested our Consul to stand by in Aden for further negotiations and we have asked our Consul to submit his recommendations on how to proceed.

The Department continues to regard the preservation of a pro-Western position in this strategic corner of the Arabian Peninsula as an important U.S. objective. U.S. economic aid was originally offered to Yemen in part to strengthen this over-all Western position and we, therefore, would regard any withdrawal of aid offers while they are under consideration by the Yemen Government as likely to have an adverse affect on over-all U.S. policy objectives in this area.

362. Editorial Note

During the 364th Meeting of the National Security Council, May 1, Director of Central Intelligence Allen Dulles briefed the Council on events on the Yemen–Aden protectorate border as part of his "Significant World Developments Affecting U.S. Security." According to the memorandum of discussion, Dulles' account [*text not declassified*] reads:

"Mr. Dulles pointed out that the British had been obliged to send substantial reinforcements to Aden to assist in resisting attacks from Yemen. Yemen had been supplied with a large number of modern Soviet weapons. Aden itself is not in immediate danger, but this massive Soviet aid will make for a dangerous situation in the future, and the British are quite concerned about the prospects.

"[1 *paragraph (2-1/2 lines of source text) not declassified*]" (Memorandum of discussion by Gleason, May 2; Eisenhower Library, Whitman File, NSC Records)

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363. Memorandum From the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Rountree) to the Deputy Under Secretary of State for Economic Affairs (Dillon)

Washington, May 24, 1958.

SUBJECT

Suggested Reply to ICA Regarding our Proposed Yemen Program

REFERENCE

Mr. Smith's memorandum to Mr. Dillon of May 7, 1958

Discussion:

The attached memorandum (Tab B)[1] to you from the Director of ICA requests advice regarding what ICA can now do to assist in the

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Source: Department of State, Central Files, 811.0086/5–758. Secret. Drafted by Brewer and cleared in draft by Robert G. Barnes, Dillon's Special Assistant for Mutual Security Coordination, and L. Wade Lathram, Director of the Office of Near Eastern, South Asian Regional Affairs.

[1] Dated May 7. (*Ibid.*)

proposed program of economic aid for Yemen and notes that ICA believes this matter is of urgent concern to all of us. I need hardly emphasize the extent to which NEA shares this sense of urgency. According to a despatch just received from our Consulate in Aden, recent agreements which Yemen has signed with both the Soviet Union and Communist China seem certain in the near future to increase to approximately 300 the number of Communist technicians in the country, while on its side the West can so far "point to not one tangible achievement that would result in a direct increase in the number of its representatives in Yemen". (Condes 170, Tab C.)[2]

You will recall that the Yemen Government submitted an interim reply to our economic aid proposals on December 27, 1957. Their definitive response has been delayed because of subsequent internal unrest, heightened tension along the Yemen-Aden Protectorate frontier and developments in connection with implementation of the UAS confederation agreement. In talks with officers of our Consulate from Aden, the Yemen Deputy Foreign Minister has recently raised the subject of our economic proposals on his own initiative and has stated that the Imam is still thinking in terms of accepting the Taiz–Sana'a roads betterment project. A recent telegram from a Department officer, who has just finished a brief visit to Yemen, reports that, as of May 17, the Yemen Government is still interested in this project and the proposed coffee expert and also appears to have renewed interest in an irrigation farming expert (Contel 182, May 17 attached, Tab D).[3]

From the provisional nature of the Yemeni reply of last December, as well as from these more recent comments of high Yemeni officials, we believe that the Yemen Government may, within the next few weeks, make a formal reply to our proposals which will, among other things, constitute acceptance of portions of our economic aid offers, notably the roads betterment program. We, therefore, believe that we should reply to Director Smith's memorandum to you by expressing appreciation for ICA's continuing desire to be of assistance and noting that there have been a number of recent indications that the Imam is still considering our proposals and may accept several of them. We would also point out to ICA that, while a favorable Yemeni reply in the next few weeks would cause some difficulty in view of the approaching end of the fiscal year, we believe that it would be possible to find sufficient funds to get the program started promptly. In the event of a Yemeni reply accepting some of our proposals, we would hope that it would be possible to dispatch an ICA team promptly with authorization to negotiate the

[2] Dated May 4. (*Ibid.*, 746C.00/5–458)

[3] Not printed. (*Ibid.*, 811.0086/5–1758)

simplest possible type of agreements as a first step in initiating a modest program of economic assistance to the Yemen.

Recommendation:

That you sign the attached memorandum to Mr. Smith (Tab A)[4] which embodies the foregoing suggestions.

[4] Dated May 27, not printed. (*Ibid.*, 811.0086/5–758)

364. Telegram From the Consulate in Yemen to the Department of State

Aden, September 22, 1958, 11 a.m.

59. Department pouch to Jidda, Addis Ababa, Armara and Arab capitals. Consulate believes recent events Middle East and Yemen necessitate reconsideration certain elements current US approach Yemen problem.

In its telegram 137 of March 24[1] Consulate envisaged Yemen as falling eventually either to USSR or Egypt, and recommended USG consider possibility working with and through Egypt in effort limit Soviet encroachment. Subsequently increase in US-Egyptian distrust, Imam's unexpected ability hold Soviets and Egyptians in line (partly due to errors made by both) and relatively promising prospects for increasing western influence in Yemen by patient diplomatic effort, made desirability of attempting cooperate with Egyptians in Yemen seem less urgent. Several recent developments, however, have brought Consulate to opinion that renewed consideration should now be given such attempt.

Partly as result general increase anti-American feeling, but due more to active hostility of Crown Prince Badr, tiny beachhead of US influence built up gradually over past year now in danger being wiped out. As previously reported, Crown Prince doing his best obstruct rental of residence for US representatives Taiz, working to have EAL eased out of Yemen, and blocking GOY acceptance US economic aid.

Source: Department of State, Central Files, 120.286H/9–2258. Secret. Repeated to London and Cairo. The Consul to Yemen was resident in the British colony of Aden.

[1] Not printed. (*Ibid.*, 786H.00/3–2458)

By contrast, Soviet and UAR positions, after remaining static several months, appear on verge enlargement. Former's recent deliveries heavy construction equipment and reported offers new military aid (Condes 45)[2] indicate it may at last put shoulder to wheel in fulfilling past promises. Inauguration of UAS federal council has given UAR its chance expand influence, and activities of UAR technicians who accompanied Crown Prince on his last return to Yemen point to fact UAR will not let this chance slip by.

Within Yemen there is now no effective government with which US can deal to remedy this situation. Although some crisis might yet call him back to great activity (and Soviets and UAR may still have much harder time of it than they imagine) Imam's detachment from affairs is growing with every passing month, and his continued ability hold Yemen in delicate international balance highly doubtful. Gap in central administration caused by Imam's inactivity is not being filled by Crown Prince who, deluded into feeling he is great Arab leader, ignores responsibilities of rule and appears interested only in working to increase Soviet and UAR influence in mistaken belief these two powers will uphold him on throne.

Cardinal US goal Yemen presumably remains creation of position of influence sufficient to prevent Soviets gaining exclusive sphere. Most obvious means this end is proffered program economic aid. Since one of main obstacles to acceptance this program is political unpalatability of cooperation with US as long as US appears opposed to emotional trends in Arab world, it would seem tactically worthwhile attempt remove stigma attaching to such cooperation by working through channels which seem express Arabs present emotions, i.e., Arab League, UAS and UAR.

Logical first step such effort would be accreditation US ambassador to UAR as minister to Yemen (not as minister to UAS since diplomatic relations with Yemen clearly predate UAS federation agreement and thus come outside scope of agreement provision for common representation in case of newly-established missions).

Reaction in Yemen to accreditation US ambassador Cairo and introduction of policy of working with and through UAS almost certain be beneficial and might well give US slight leverage over Yemen situation provided Imam not given to feel that US joining Egyptians to gang up on him. While this doubtful since Al-Amri and others point out that general atmosphere of US-UAR entente would make it easier for moderates in Yemen to cooperate with us in attempting limit both Soviets and Egyptians, any fears that Imam might have in this regard could be assuaged

[2] The reference is apparently in error.

in advance by informing Al-Amri, for Imam's ears, of intention credit Cairo ambassador and real reasons therefore (possibly during Consul's next visit Yemen now planned for mid October) prior formal request for agreement. Crown Prince would need be told only that accreditation US ambassador chronological outgrowth of establishment UAS and GOY delays in following up when US responded Imam's 1957 request for establishment independent US legation Taiz.

Following request for agreement general discussion of Yemen situation with UAR would appear advisable. UAR might be persuaded make Yemen test case for US-UAR cooperation since facts are that: (1) US has no goals in southwestern Arabia which are basically inimical to UAR. Point of greatest divergence in policies is Anglo-American conviction that UK position in Aden colony will continue have strategic importance for west for few years to come, but this need not be insurmountable obstacle to cooperation since British planning grant area independence after period to be specified in conjunction with announcement protectorate federation and, pending independence, UAR presumably wishes avoid committing itself to open military conflict with UK on Yemeni-protectorate border thus making modus vivendi feasible, (2) Soviet drive for hegemony in Yemen is attempt thrust its influence through and beyond heart of Arab world to detriment Arab independence and with consequent danger of Egypt's being outflanked in Central Africa. (3) UAR does not possess sufficient capital to satisfy demand of Yemeni people for rapid economic progress, while US has already volunteered sensible program unconditional aid which would complement UAR efforts in field technical assistance.

Foregoing would not necessitate alteration any other phase of US activity Yemen.

Crawford

365. Editorial Note

In telegram 75 from Aden, September 30, Consul William R. Crawford, Jr., reported on a discussion with the British Governor who "was not enthusiastic about the US having anything to do with Egypt in Yemen, saying that he would not like to see US contribute to increase in Egyptian influence there," but he did agree eventually with Crawford on the need for a tactical approach through Egypt. (Department of State, Central Files, 786H.00/9–3058)

In telegram 1003 from Cairo, October 1, the Embassy in Egypt agreed that consideration should be given to US-UAR cooperation in limiting Soviet encroachment in Yemen, but warned that prospects were "rather dim in light of desultory and contemptuous way UAR handled Yemen in past and apparent failure of Nasser and his colleagues to realize consequences this policy having." In addition, the Embassy seconded Crawford's suggestion of having the U.S. Minister to Yemen resident in Cairo rather than Jidda on the grounds that "UAS has become a fact of life" and "the road to Yemen runs through Cairo." (*Ibid.*, 120.286H/10–158)

The Embassy in the United Kingdom commented in telegram 1886 from London, October 4, that it was "skeptical" about using Nasser and the UAS to contain Soviet expansion in Yemen as "past and current experience augurs ill for cooperation with him." (*Ibid.*, 120.286H/10–458)

In telegram 80 to Aden, October 10, the Department of State instructed Crawford to make a direct approach to Crown Prince Badr with a view to strengthening US-Yemen relations, which would include establishment of a legation at Taiz as promised by the Imam a year ago and expediting U.S. economic aid to Yemen. The Department was flexible on the question of an independent post in Yemen and realized that the Crown Prince might not be favorable to the idea. In addition, the Department informed Crawford that it had under study the idea of accrediting the Chief of Mission in Cairo as Minister to Yemen. (*Ibid.*, 1209.286H/10–1058)

Crawford traveled to Taiz in mid-October and stayed for almost 2 weeks without receiving an audience with the Crown Prince. The Crown Prince was "indisposed," but Crawford believed that the central government had virtually ceased to exist and a revolution was highly likely. In the present situation Crawford concluded there was little the West could do through diplomatic channels. He recommended that the idea of working through Cairo in Yemen should be held in abeyance but not discarded. (Telegram 137 from Aden, October 31; *ibid.*, 120.286H/10–3158)

366. Special National Intelligence Estimate

SNIE 36.8–58 Washington, November 12, 1958.

THE YEMEN SITUATION

The Problem

To assess the situation in Yemen and the chances and implications of an increase in UAR or Soviet influence there.

Conclusions

1. The question of who is to succeed the aging and infirm Imam of Yemen is still unanswered. In the meantime, the scanty evidence available indicates a near-paralysis of government, increasing discontent and instability, and growing Soviet and Egyptian influence in the [*less than 1 line of 2-column source text not declassified*] kingdom. (Paras. 7, 9)

2. The two leading contenders for the succession are the Imam's son, Prince Badr, whom the Imam has designated as his successor, and a brother of the Imam, Prince Hasan. Badr is anti-Western, has close Egyptian ties, and is largely responsible for Yemen's acceptance of relatively large-scale Bloc economic and military aid. Hasan is less militantly anti-Western though not anti-Egyptian. (Para. 11)

3. Available evidence does not warrant a confident estimate of the outcome of any struggle for power between the two. If Hasan should challenge Badr, the former would be likely to receive considerable support from important tribal and religious leaders. Badr would be favored by the small but growing Pan-Arab nationalist element, and possibly by certain other groups. The loyalties of the Army are uncertain. (Paras. 12–15)

4. Nasser would support Badr in any contest with Hasan, possibly to the extent of limited military assistance if a civil war developed. Nasser will probably seek to keep Yemen in line [*2 lines of 2-column source text not declassified*]. He probably desires to set limits on growing Soviet influence in Yemen, and if the Soviets appeared to be gaining control, he might even work with the US to counteract the trend. His suspicions of US motives, however, would probably make any such cooperation unsatisfactory. (Paras. 17–22)

Source: Department of State, INR–NIE Files. Secret. A note on the cover sheet indicates that this estimate, submitted by the CIA, was prepared by CIA, INR, the intelligence organizations of the Army, the Navy, the Air Force, and the Joint Staff. It was concurred in by all members of the USIB on November 12 except the representatives of the AEC and FBI who abstained on the grounds that the topic was outside their jurisdiction.

5. The UK would probably take advantage of any opportunity to assist Hasan's succession, in the belief that Yemen under Hasan would be a less troublesome neighbor for the British in Aden Colony and the Protectorate. While Hasan probably would be more receptive than Badr to overtures from the West and more cautious about relations with the UAR and USSR, he would almost certainly seek good relations with both of them. Moreover, though Hasan might prove less inclined to create border disturbances and to foster anti-British sentiment in neighboring areas, he would not abandon Yemen's claim to Aden and parts of the Aden Protectorate. (Paras. 24–25)

6. Under the present regime or one dominated by Badr, Egyptian and Soviet influence in Yemen is likely to increase.[1] However, Yemen's inherent resistance to change and outside influence will remain strong obstacles to foreign domination for some years. Although some elements in Yemen would welcome an increase in US influence—at present extremely limited—they are not now influential. (Paras. 24–28)

[Here follow the "Discussion" portion of the estimate (paragraphs 7–28) with sections headed "Introduction," "The Question of the Succession," "Role of the UAR," "The Soviet Interest," "The UK," "Saudi Arabia," and "Outlook," and a two-page annex entitled "Soviet Bloc Assistance to Yemen."]

[1] On November 5, Assistant White House Staff Secretary John S.D. Eisenhower included the following report on Yemen in his "Synopsis of State and Intelligence material reported to the President": "The effectiveness of the central government in Yemen has continued to deteriorate. The ailing Imam is increasingly incapacitated, and Crown Prince Badr, though unpopular, is attempting to develop the influence of the Soviet Bloc and UAR in the belief that their support will insure his succession." (Eisenhower Library, Whitman File, Eisenhower Diaries)

367. Editorial Note

During the 394th Meeting of the National Security Council, January 22, 1959, Director of Central Intelligence Allen Dulles briefed the Council on events in Yemen as part of his "Significant World Developments Affecting U.S. Security." According to the memorandum of discussion, Dulles' account reads:

"Turning to the situation in Yemen, Mr. Allen Dulles said that it was extremely hard to judge what was going on in that country for the simple reason that the Yemeni leaders always take to their beds when faced with a difficult situation. The Imam is almost always in bed. Plot-

ting is constantly going on against the Imam's son, Crown Prince Badr. [*1-1/2 lines of source text not declassified*] It is difficult to know whether these plots will be successfully carried out. [*2-1/2 lines of source text not declassified*]." (Memorandum of discussion by Gleason, January 22; Eisenhower Library, Whitman File, NSC Records)

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368. Telegram From the Embassy in the United Arab Republic to the Department of State

Cairo, March 19, 1959, 2 p.m.

2695. Following is summary impression my just concluded visit to Yemen:[1]

Throughout visit we were treated with greatest hospitality and I found atmosphere more friendly than during any of my previous visits in early 1950s while accredited from Jidda. Unexpected and unprecedented avoidance in all official conversations of "difficult" subjects such as border troubles with British and YDC[2] supports thesis this cordial atmosphere result calculated Yemeni policy.

Important element in improved climate was emergency famine assistance from US, which although still in initial stages, has already proved most effective move ever taken by USG toward better relations with Yemen. Appreciation expressed to me by individuals at all levels unmistakably genuine and the more noteworthy that gratitude is not typical Arab character trait.

Largely as result emergency aid, solid progress already achieved or appears attainable in several fields our endeavor in Yemen during past few years: Legation opened and resident has chargé, Ferguson, introduced not only with [garble] but with warm welcome from GOY; long outstanding offer US economic aid assistance adopted in principle; US

Source: Department of State, Central Files, 786H.00/3–1959. Transmitted in two sections and repeated to Jidda, London, Rome, Bonn, Taiz, and Aden.

[1] Ambassador Hare at Cairo was accredited as Minister to Yemen, and during a visit to Yemen presented his credentials to the Imam on March 11. As of March 16 there was an American legation in Taiz with a resident chargé.

[2] On February 11, the British Government announced that it had federated six Amirates of the Western Aden Protectorate, which comprised two-thirds of the protectorate population, but did not include Britain's Aden colony. Yemen, which had continuing border disagreements with the British over claims to parts of the protectorate, protested the federation. The Yemen Development Corporation was a private and undercapitalized American oil company that had promised to pay Yemen $450,000 for an oil concession, but which liquidated after paying in 1957 only an initial installment of $50,000. The Imam and his advisers hoped that the U.S. Government would make the additional payments. (Memorandum from Newsom to Rockwell, January 1, 1959; *ibid.*, NEA/NE Files: Lot 61 D 472, Yemen, Yemen Development Corporation Oil Concession)

oil firm, Sonj, invited make new offer in principle for concession areas it sought but failed obtain in past, while Imam evidently desires give Sonj offer inside track provided it roughly competitive; GOY has requested further emergency assistance in form 5000 tons wheat flour in addition original wheat program.

Concurrently better atmosphere has given Italians several opportunities improve their position and Imam actively encouraging establishment West German diplomatic and commercial representation Yemen. With regard Aden protectorate frontier, chronically most troubled foreign relations field, Imam has made conciliatory overtures and given indication peaceful intention despite formation Aden protectorate federation.

On reverse of coin must be remembered that US only just approaching starting wire, while Soviets and ChiComs have been in field over one year and have lead it will take time to narrow appreciably. In one important respect, effort strengthen Yemeni airlines so as prevent Soviet takeover, we definitely losing ground and situation more precarious than at any time during past two years. Also Crown Prince has been absent during period Imam's most recent pro-west moves; while one might hope some of Nasser's current animosity against Communists and Soviets may have rubbed off on Badr, it only prudent assume he will attempt disrupt pro-west trend upon his return Yemen. Protracted periods paralysis GOY authority resulting from Imam's disability and eccentricity are further complicating factor.

Basic aims of Imam appear be prevent any outside power from usurping Yemen's independence and strengthen internal position his wobbly regime. In pursuing this policy he is well seconded by his outstandingly able adviser Deputy Foreign Minister Al-Amri who, in addition, has pro-western sympathies. On other hand free-wheeling activities of Crown Prince, imperfectly curbed by Imam, have produced serious Sino-Soviet penetration of Yemen to which moderate elements could oppose little effective resistance so long as UAR, with which Yemen federated and to whose propaganda machine the Imam's regime is vulnerable, remained at loggerheads with west. However, recent disillusionment of Nasser with Soviets and improvement his relations with US and West have tended free Imam's hands to begin process re-establishing balance foreign forces in his own country. Meanwhile Consul Crawford's patient, understanding and skillful work laid groundwork for furnishing, inform US emergency wheat offer, key which Imam eagerly seized in pursuit this goal, and which he has since used to open many doors for west. While new opportunities thus afforded are promising, the difficulties which will attend their exploitations should not be underestimated. Sino-Soviets enjoy entrenched position which they will undoubtedly use to frustrate western activities, abetted by Crown

Prince. Ingrained attitude of suspicion toward foreigner, endemic in Arab world generally, assumes its most acute aspect in Yemen and will likely complicate negotiation detailed economic aid agreements to even greater extent than in case of famine aid agreement where urgent need provided stimulus for Yemenis to agree formally to minimum conditions; we must adopt understanding attitude toward wariness of Yemenis of all political complexions toward complex and detailed agreements in order assuage their apprehension of "conditional" aid. We may anticipate that both negotiation and implementation of aid projects will be attended by frustrations stemming from intermittent character of government authority, from present struggle for control of policy and from jockeying for succession to the Imamate. On other hand, there is undoubtedly in Yemen popular ground-swell of demand for economic progress and development. Country itself is at stage where modest effort can produce relatively large and palpable result, with its consequent effect on public imagination. This effort is worthwhile and has good chance of bearing fruit if task approached in patient and unostentatious spirit which has proved successful thus far.

Suggest situation one which would merit discussion with Italian, West German and British Governments. Italians are of course already interested but would do no harm give them a nudge. As regards West Germans we unaware their thinking but believe that, on basis their general experience and interest in area as whole, they should be able assist. As regards British, I believe greatest service we could render would be to strengthen what I gather to be position of British Foreign Office in effort take advantage of present relaxation of tension by instituting quiet discussion of border question as contrasted what appears to be tougher line of Colonial Office. In so recommending, I wish reiterate I have no illusions that millennium around corner and we should not delude either ourselves or our friends on that score. At best Yemen is dismal place these days and difficult foresee much real improvement without exertion governmental leadership which neither Imam nor Badr can supply and also until such time as windows thrown open to enable naturally gifted Yemeni people breathe pure air of educational opportunity. There are however short term gains to be made which can prevent bad situation degenerating further and hopefully pave way for long term advance. In this task believe USG must take lead but preferable if other western or even neutral countries, e.g., Yugoslavs who currently participating in Yemeni airlines, could lend hand, not, I hasten add, in form any grandiose plan which would be unrealistic in existing complexity and fluidity of Yemeni situation but rather in form of each making individual contributions in knowledge of efforts being made by others.

Hare

369. Telegram From the Embassy in the United Arab Republic to the Department of State

Cairo, April 9, 1959, 3 p.m.

2964. Embtel 2924.[1] Among interesting implications Nasser's suggestion supplanting ChiCom road project Yemen with joint UAR-US effort are following:

1. Nasser's motive in making proposal, i.e., reduction Soviet Bloc influence Yemen, coincides with our own objectives; thus, unity of aim is new development since our past relations with UAR where inter-Arab affairs involved have persistently been plagued by incompatible US and UAR political aims in other Arab States. Endeavor now contemplated is one in which UAR would make constructive contribution to project already judged by US experts be essential to Yemeni development. This contrasts with previous tendency UAR restrict activities to extension its political influence and subversion uncongenial Arab regimes.

Furthermore, from my conversations with UAR leaders on Yemen there emerges on their part clear sense of shock and embarrassment at conditions Yemen and of necessity doing something improve them. This attitude (displayed uniquely re Yemen, since they appear look on other Arab States as relative equals culturally with possible exception Saudi Arabia), is not without analogy to our own feeling responsibility toward undeveloped areas.

2. Proposal offers US opportunity associate itself with joint Arab undertaking, thereby demonstrating our benevolence toward properly directed Arab unity and solidarity. At same time we would encourage inter-Arab cooperation in constructive endeavor in welcome contrast with past, when common Arab efforts have all too often been directed toward political objectives at odds with our policies.

3. Forthcoming US attitude would provide effective riposte to complaint being voiced by UAR laymen that US is doing nothing help Nasser in his campaign against communism.

Source: Department of State, Central Files, 786H.001/4–959. Secret. Also sent to Taiz.

[1] In telegram 2924, April 6, Hare reported on a discussion with Nasser in which the UAR President recounted a conversation with Prince Badr about the Chinese Communists in Yemen. Badr expressed the Imam's concern about the Chinese influence through their road construction project. Nasser suggested that if Yemen was prepared break the contract, the UAR would finish the road. Nasser had suggested to Hare that the United States should join with the UAR in this project. Hare commented that the suggestion was "somewhat off the cuff," but thought that a joint UAR-US effort "to deliver a telling blow to Communists in Yemen" was a novel, but attractive idea. (*Ibid.*, 786.001/4–659)

4. As UAR in position apply more leverage than we on GOY, proposal this sort might possibly come into operation sooner than US economic aid program can get under way. Furthermore, by avoiding necessity for introduction practically any American personnel, would also reduce headaches residential establishment in Yemen as well as multiple complications and suspicions inherent in foreign presence there.

Foregoing admittedly represents marshalling of favorable arguments and possible that further study may well develop unfavorable factors. However, believe proposal sufficiently interesting to merit active consideration and further exploration with UAR authorities provided Department interested and Taiz feels Yemenis would be responsive.[2] Suggest however Taiz avoid local discussion subject until decision reached re our attitude.

Hare

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[2] The Chargé in Taiz agreed with Hare that the idea was an "unexpected opportunity" and should be seized upon immediately. (Telegram 45 from Taiz, April 9; *ibid.*, 786H.00/4–959)

In telegram 3220 to Cairo, April 23, the Department of State authorized Hare to explore with Nasser a joint US-UAR effort to take over the Chinese road project. The Department was skeptical about joint participation with the UAR in actual construction, but it would be willing to assist the UAR through a loan or grant in obtaining U.S.-owned UAR pounds for the Yemen project. (*Ibid.*, 886H.0093/4–2359)

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370. Editorial Note

In an April 1 synopsis of State and intelligence material reported to the President, John S.D. Eisenhower prepared the following summary of anti-Soviet feeling in Yemen:

"Nasir's anti-Communist campaign has produced a 'unanimous' reaction against the USSR and Qasim in Yemen, according to the Yemeni deputy foreign minister. Soviet personnel in Yemen have been insulted on the streets, and three Russian pilots were stoned by children in the capital. The Yemeni official also claimed that the Imam is attempting to limit the activities of both the Russians and the Communist Chinese in Yemen." (Eisenhower Library, Whitman File, Eisenhower Diaries)

On April 13 John S.D. Eisenhower wrote for the President the following synopsis of State and intelligence material on Yemen:

"At the urging of Crown Prince Badr, the Imam's Italian doctors have declared him incapacitated because of drug addiction. He will be moved to Italy for medical treatment and the Crown Prince will serve in his stead for the time of the Imam's absence. This fact would give the

Crown Prince considerable opportunity to seize power promptly were it not for the widespread opposition to him among the northern tribal leaders. Ordinarily, these tribal leaders elect each Imam and they resent the fact of Badr being designated Crown Prince by his father." (*Ibid.*)

At the 402d Meeting of the National Security Council, April 17, Director of Central Intelligence Allen Dulles began his intelligence briefing, "Significant World Developments Affecting U.S. Security," with the following account of the situation in Yemen:

"Mr. Allen Dulles indicated that he would change the order of his presentation and speak first about the situation in Yemen. He pointed out that the Imam of Yemen had just left the country for extended medical treatment in Italy. Crown Prince Badr had been left in charge of the government of Yemen. As a consequence, the CIA was far from certain as to what would happen in that country. There was a real question as to whether Badr, who has been pro-Soviet, could hold in check the Yemeni tribes who did not like him. There was also uncertainty as to whether the Imam would ever go back to Yemen. The Communist technicians who have been sent to Yemen in connection with various aid programs have proved very unpopular with the population. Thus the situation from our point of view is in this respect a little better. Mr. Dulles thought it was possible that Hasan, the younger brother of the Imam, who had been friendly to the West, would go to Italy shortly to see his brother. Hasan was a contestant for the succession in the event of the death or incapacity of the Imam. [*4 lines of source text not declassified*]." (*Ibid.*, NSC Records)

The intelligence community prepared on April 21 Special Intelligence Estimate No. 36.8–59, which concluded that whoever succeeded the ailing Imam—Badr, Hassan, the Egyptian backed "free Yemeni" movement or others—the new regime would be more receptive to Egyptian rather than Soviet or Western influence. For the present, Yemen's inherent resistance to outside influence would make it difficult for any one of the three to secure a dominant position. (Department of State, OCB Files: Lot 61 D 385, United Arab Republic—Documents)

At the 403d Meeting of the National Security Council on April 23, Allen Dulles reported on Yemen and the Imam's absence as part of his intelligence briefing. According to a memorandum of discussion by Gleason, also April 23:

"Mr. Dulles described the situation in The Yemen as very unstable indeed. The Imam had reached Rome for medical treatment, leaving Crown Prince Badr in control. Badr was widely suspect and extremely unpopular with certain influential Yemeni tribes. Accordingly, there were bound to be serious problems if the Imam should die or should decide not to return to his country. Mr. Dulles expressed himself as not greatly concerned about Soviet activity in The Yemen since the Yemeni seemed to have a capacity to swallow up the activities of foreigners whether Soviet, Western, or even Egyptian. [*3-1/2 lines of source text not declassified*]" (Eisenhower Library, Whitman File, NSC Records)

371. Staff Notes Prepared for President Eisenhower

No. 549 Washington, May 19, 1959.

1. *US-Yemen*—Western prospects in Yemen continue to improve.[1] The Imam and the Crown Prince are actively seeking improved relations with, and additional economic aid from, the US and disengagement from Soviet and Red Chinese commitments.[2] Yemen has requested more famine aid and trucks to distribute the food. (ICA has approved an additional quantity of wheat and is considering a contract with an Aden trucking firm.) . . .[3] Chances for a Western oil firm to obtain a concession have increased. Yemen has accepted our offer of help in a road construction project and the Crown Prince urges that work begin soon. We are willing to enter a single agreement to expedite the project.

[Here follow unrelated items.]

Source: Eisenhower Library, Whitman File, Eisenhower Diaries. Secret. The President initialed the source text.

[1] At the 406th NSC Meeting, May 13, Cabell also reported on the apparent change of allegiance by the Yemen Government. (*Ibid.*, NSC Records)

[2] At the 407th Meeting of the NSC, May 21, Allen Dulles noted in his intelligence briefing that "Crown Prince Badr has lately become much more friendly toward the Western Powers as well as toward Saudi Arabia. This change in Badr's point of view might not be permanent but it was a hopeful sign." (*Ibid.*)

[3] Ellipsis in the source text.

372. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to the Under Secretary of State (Dillon)

Washington, June 2, 1960.

SUBJECT

United States Economic Assistance to Yemen

Discussion

Ambassador G. Frederick Reinhardt presented his credentials as Minister to Yemen on April 28. As the result of his visit to Yemen and his talks with the Imam, the Crown Prince and other senior Yemeni officials, as reported in Taiz telegram 251 (Tab B)[1] the Ambassador has recommended "rapid, vigorous and effective implementation of our current aid program". The Ambassador comments that this is necessary since our aid program in Yemen is modest indeed by comparison with the magnitude of the Communist effort there.

As you are aware, the major component of our program in Yemen is a road construction and training project for which a project agreement was recently signed. In specific implementation of his general recommendation cited above, Ambassador Reinhardt has strongly urged that a major effort be made to initiate work on this project as expeditiously as possible (Taiz telegram 252—Tab C).[2]

It is to be noted that both the general and specific recommendations made by Ambassador Reinhardt are in complete consonance with the OCB "Operations Plan for Yemen" approved by the Board on May 11, 1960.[3]

With respect to Ambassador Reinhardt's recommendation that a major effort be made to hasten initiation of our work on the Taiz-Sana'a road, it is our understanding that if normal bidding procedures are used in the acquisition of the equipment necessary for construction, such equipment will not arrive in Yemen in less than from four to six months. On the basis of information available to us from our Legation in Yemen and the Director of the ICA mission there, it is apparent that such a delay

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Source: Department of State, NEA/NE Files: Lot 63 D 81, Yemen, Taiz—Sana'a Road, 1960. Confidential. Drafted by Crawford and cleared by Bevilacqua, Bell, Conn, and Meyer in draft. A note on the source text indicates that this memorandum was returned from Dillon with "no action" on June 6.

[1] Dated May 3. (*Ibid.*, Central Files, 611.86H/5–360)

[2] Dated May 6. (*Ibid.*, 886H. 2612/5–360)

[3] Not printed. (*Ibid.*, OCB Files: Lot 61 D 385)

would give support to the invidious comparisons made by Communist propaganda as to the efficacy of Communist versus Western assistance. This propaganda is unfortunately given wide-spread credence and will continue to spread, with a serious implied threat to the somewhat tenuous position we have won in Yemen, until such time as work on some project of tangible benefit to the Yemeni people actually commences.

ICA is exploring with the Bureau of Public Roads, which will carry out work on the road project in question, various procedures whereby the time lag in delivery of the equipment could be shortened. While the decision as to the means to be employed will be reached between ICA and BPR, a general indication to ICA of the need for prompt initiation and execution of this important project would be desirable.

Recommendation

That you sign the attached memorandum (Tab A)[4] to Mr. Riddleberger.

[4] The attached memorandum to Riddleberger was not sent and is not printed.

373. Memorandum From the Special Assistant for Communist Economic Affairs (Terrill) to the Under Secretary of State (Dillon)

Washington, July 7, 1960.

SUBJECT

Assessment of Bloc Tactics and Intentions in Yemen—Strategic Implications

Current Sino-Soviet activities in certain underdeveloped countries of maximum opportunity (Yemen, Afghanistan, Guinea, Cuba) seem immediately directed toward precluding or eliminating any counterbalancing Western presence and establishing a position of outright dominance. The strategic (as opposed to political or psychological)

Source: Department of State, NEA/NE Files: Lot 63 D 81, Yemen, U.S. Economic Aid, 1960. Secret. Drafted by Coon. A note on the source text indicates that Dillon saw this memorandum.

implications of such efforts are substantial. The situation in Yemen is particularly precarious at the present moment and requires a timely U.S. decision.

Strategic Implications of a Dominant Bloc Position in Yemen:

A client regime in Yemen would be useful to the Bloc for mounting strong political and subversive pressures against both Aden and Saudi Arabia. In the event of war the Bloc could use Yemen as a forward base to neutralize Aden and command the Red Sea area.

The Soviets already dominate civil aviation in Yemen and have constructed oversize bunkering facilities at Hodeida port, suggesting that they are already preparing to exploit the strategic assets that they hope to obtain through pre-emptive control of the GOY.

Bloc Tactics in Yemen:

Since our bilateral aid agreement with Yemen was signed last November, the Bloc has sharply accelerated its activities. The 800-odd ChiComs engaged on the Hodeida-Sana'a road project have started working around the clock.

British and Italian sources report that the number of Soviet "technicians" in Yemen, principally at Hodeida, has recently risen from some 150–200 to some 400–600, with a commensurate increase in the tempo of activity at the Hodeida port project.

In a frank evaluation of the current situation in Yemen (Tab A),[1] the Imam's pro-Western younger brother, Prince Abdul Rahman, has told our Chargé of Bloc pressures on the GOY to accept unlimited aid offers, including takeover of the entire U.S. program.

Most recently our Chargé has reported (Tab B),[2] that the Chinese Communists have offered to build the Mocha-Ta'iz-Sana'a road. The Ta'iz-Sana'a road is the backbone of the planned U.S. aid program and the Imam has now insisted that the U.S. agree to build the Mocha-Ta'iz stretch as well. The ChiCom offer is, therefore, an obvious attempt to shut us out.

Conclusions

1) The Bloc evidently attaches strategic importance to Yemen and is attempting by all means to preclude the inauguration of U.S. aid activities.

2) It appears we must meet the Imam's demand for the Mocha-Ta'iz road if we are to succeed in establishing a presence in Yemen. I

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[1] Telegram 3 from Taiz, July 3. (*Ibid.*, Central Files, 786H.5–MSP/7–260)

[2] Telegram 5 from Taiz, July 4. (*Ibid.*, 886H.2612/7–460)

understand ICA is preparing, for your consideration, a proposal to add this project to our Ta'iz-Sana'a road project at a modest incremental cost.

3) U/CEA believes this additional undertaking is warranted since it seems necessary to the establishment of a U.S. presence to meet the immediate situation as well as to provide a basis for influencing the orientation of the government which will succeed the decrepit Imam.

RPT

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374. Memorandum From the Assistant Secretary of State for Near Eastern and South Asian Affairs (Jones) to Acting Secretary of State Dillon

Washington, July 7, 1960.

SUBJECT

NSC Action 1550 Determination re Road Construction in Yemen

There is attached for your approval a determination[1] prepared in accordance with NSC Action 1550[2] relating to a proposed commitment that the United States Government will contribute, subject to annual Congressional appropriations, up to $12,605,000 in the four year period FY 1960–FY 1964 for the construction of a gravel road in Yemen joining Mocah, Taiz, and Sana'a. This amount would be in addition to the $2,395,000 from FY 1960 funds which have already been allocated for the Taiz-Sana'a portion of the proposed road. The total cost of the approximately 258 mile stretch of road is estimated at $15 million.

Such an advance commitment is essential if we are to maintain the OCB-approved United States objectives in Yemen, viz: (a) denial of the

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Source: Department of State, Central Files, 886H.2612/7–760. Top Secret. Drafted by Eilts.

[1] Not printed.

[2] NSC Action No. 1550, approved on May 3, 1955, stated that U.S. foreign aid commitments should not be promised without consideration of the following factors: compatibility with approved policy, the funds being appropriated or authorized by Congress or a determination made by the Executive to seek such authorization, the recipient country's ability to support the contemplated aid program, and a consideration of the probable time-span for the assistance. (Department of State, S/S–NSC (Miscellaneous) Files: Lot 66 D 95, Records of Action by the National Security Council)

area to Soviet domination, and (b) countering and reduction of Communist influence in the area. Sino-Soviet penetration of Yemen during the past three years constitutes the most significant Communist incursion yet made in the Persian Gulf and Arabian Peninsula area. The Soviets are building a major port at Hodaida, while the Chinese Communists are constructing a first class asphalt road from Hodaida to Sana'a.

Sino-Soviet influence in Yemen has recently been at least partially balanced by the initiation of a modest United States economic aid program. This has centered in offering to improve the Taiz-Sana'a road by bringing it up to acceptable second class standards through gravel paving. We have now had indications that the Chinese Communists, in a clear effort to eliminate our economic aid program aborning, have offered to construct the entire Mocha-Taiz-Sana'a road. The Imam of Yemen has asked—in terms which our Legation in Taiz describes as an "ultimatum"—that the United States construct this road. If turned down, public pressure would doubtless compel him to accept the new Chinese Communist offer. The Soviet Bloc appears to be making an all-out effort to enlarge its already preponderant influence in Yemen and to remove, if at all possible, the recently established Western beachhead. If it succeeds, Sino-Soviet influence in Yemen will be unchallenged and Sino-Soviet domination of Yemen may well not be far off.

The United States cannot and should not attempt to match the magnitude of Soviet aid to Yemen. The maintenance of the United States beachhead in this strategically located country of southwestern Arabia, does, however, in both NEA and ICA's view, warrant favorable consideration of the Imam's request.

Also germane to any consideration of this matter is the fact that the proposed United States gravel paving will not be as impressive as the asphalt road which the Chinese Communists are building in Yemen. The Bureau of Public Roads estimates that asphalting the Mocha-Taiz-Sana'a road would cost an additional $12 million. The possibility cannot be excluded that Imam may yet ask that our road commitment include asphalt paving. In such an event, our present disposition would be to try to stand by our gravel paving proposal.

Recommendation:

That you sign the attached memorandum.[3]

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[3] In telegram 18 to Taiz, July 9, the Department of State sent the Legation a letter for the Imam informing him that the United States had expedited the purchasing and shipping arrangements of approximately $1 million in road-building equipment "more quickly than in the entire history of ICA." The equipment would begin arriving in the designated port of Mocha within 20 to 30 days. (*Ibid.*, Central Files, 886H.2612/7–960)

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