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3 July 1959

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CENTRAL

INTELLIGENCE

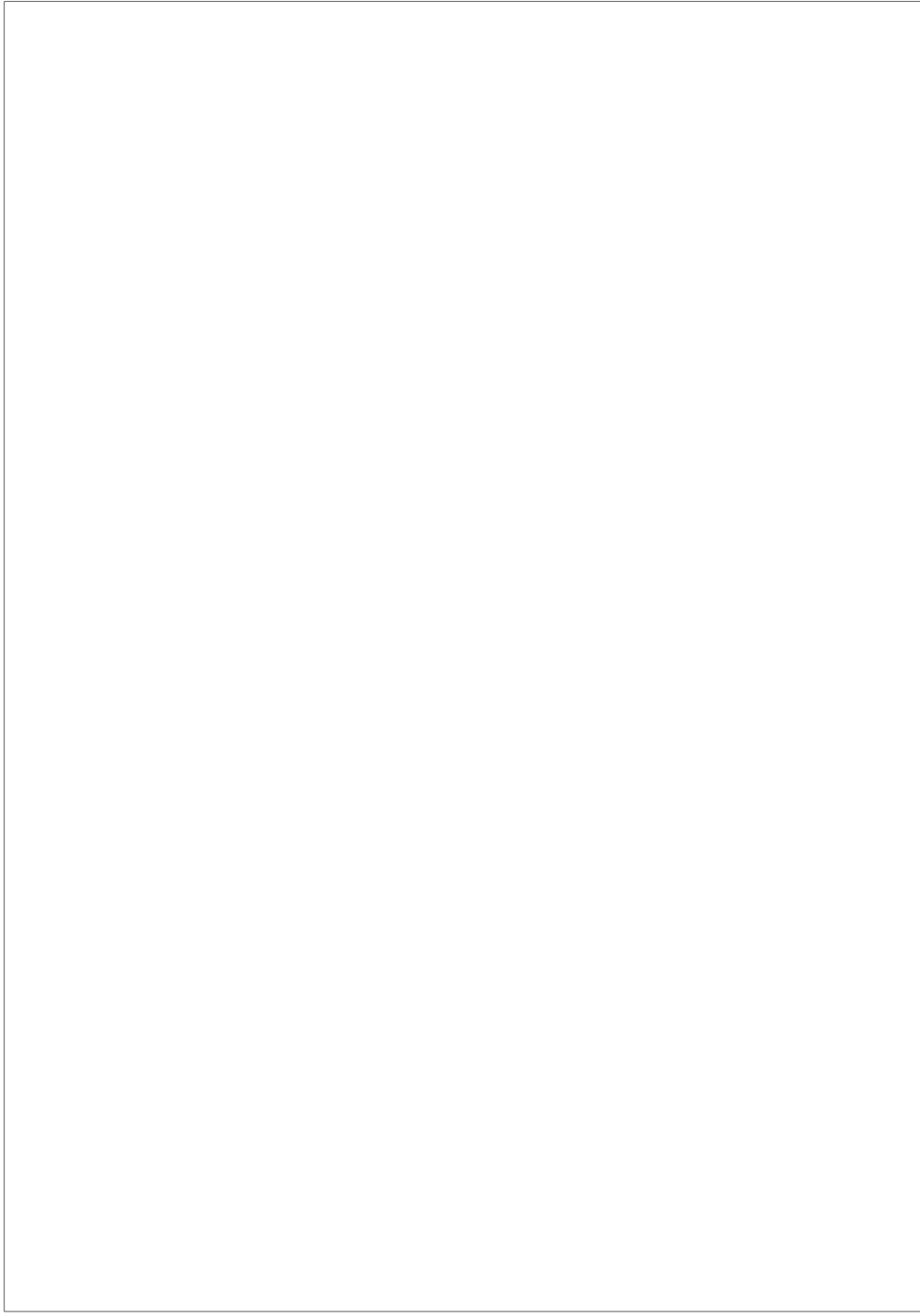
BULLETIN



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3 JULY 1959

I. THE COMMUNIST BLOC

Peiping apparently pressing for diplomatic relations with Guinea.

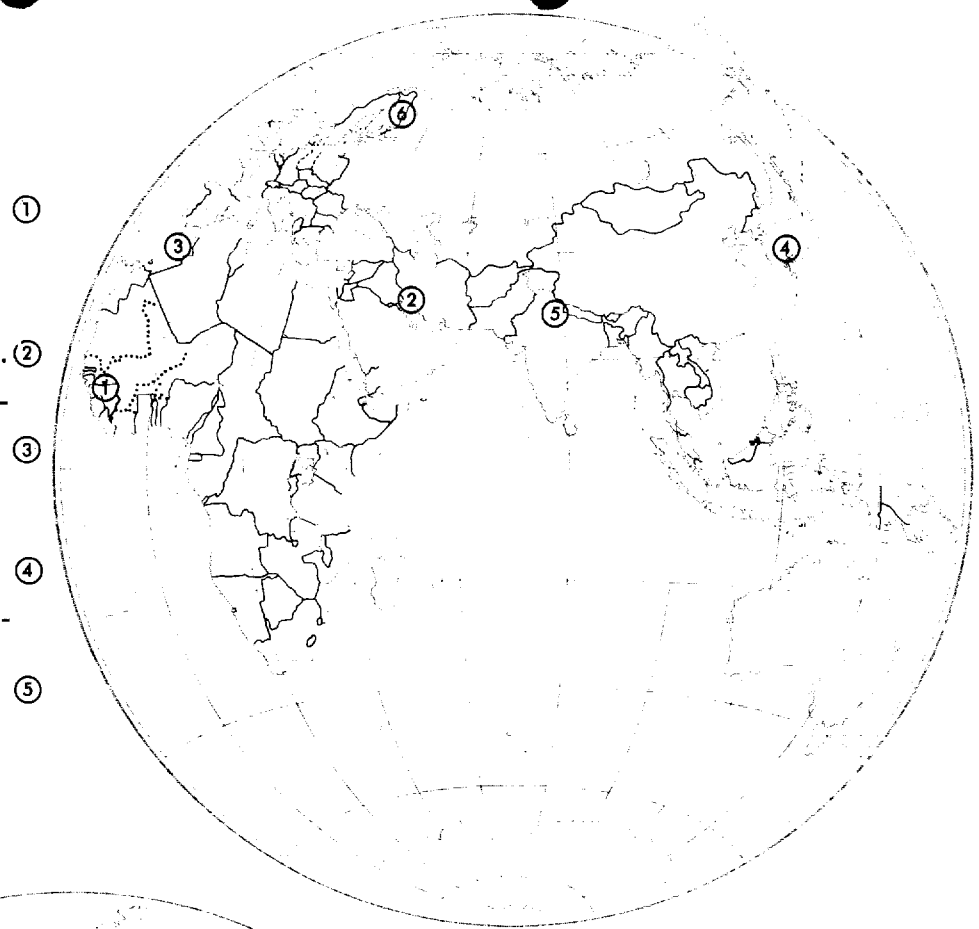
II. ASIA-AFRICA

Tension rising between Iran and Iraq over navigation of Shatt-al-Arab River.

Moroccan Government increasingly committed to early progress toward evacuation of US air bases.

Some South Korean officials concerned by Rhee's negative policy toward Japan; Tokyo may be planning tougher attitude toward Seoul.

India--Nehru apparently expects continuing demonstrations in Kerala will force him to impose President's Rule there about mid-August.



III. THE WEST

⑥ Finland asks Western oil companies to cut imports; Moscow seeking entire Finnish oil market.

⑦ Cuba reported planning new rebel incursions into Dominican Republic; OAS convenes at Dominican request.



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CENTRAL INTELLIGENCE BULLETIN

3 July 1959

DAILY BRIEF

BRIEF
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I. THE COMMUNIST BLOC

Communist China - Guinea: The arrival in Guinea of Communist China's ambassador to Morocco and his discussions with President Touré as well as other senior officials suggest Peiping is pressing for formal relations with Conakry. The ambassador's visit also appears timed to take maximum advantage of Communist China's 5,000-ton gift of rice which arrived 30 June, just one day after the arrival of the first installment of the American allotment of 5,000 tons of rice.

II. ASIA-AFRICA

Iran-Iraq: Tension between Tehran and Baghdad over Iraqi restriction of navigation on the Shatt-al-Arab River has risen again. An Iranian Foreign Ministry official has confirmed that a private Iranian launch was fired on by an Iraqi border patrol last Sunday. Iranian naval units in the area have standing orders to return fire immediately if fired on. Iran disputes Iraq's claims of complete jurisdiction over the river, and claims the right of free passage. Tehran has vacillated between a desire to avoid irritating Qasim on this matter and indignation over what it regards as arbitrary Iraqi actions. (Map on reverse of page)

Morocco: Statements attributed to Premier Ibrahim during his recent visit to the UAR appear to have publicly committed his government to achieving early progress toward the evacuation of the five US air bases in Morocco. The Premier for the first time was directly quoted in a press conference in Damascus on 25 June as saying he would appeal to "international bodies" if direct negotiations did not provide satisfaction. King Mohamed V, in a discussion with Ambassador Yost on 29 June, again urged an early public declaration by

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the US recognizing the principle of evacuation--a step vigorously opposed by France and Spain as establishing a precedent which could lead to French and Spanish withdrawal from Morocco. [REDACTED]

South Korea - Japan: Some leading South Korean officials appear to be increasingly concerned over President Rhee's negative policy toward the problem of Koreans in Japan. The vice minister of foreign affairs hopes to convince Rhee of the need for a program which would encourage them to return to South Korea by offering them jobs and homes.

Japan has increased its patrols along the Rhee line. Japanese press reports state that the government is contemplating direct trade between Japan and North Korea. There are indications that Japan, frustrated by inability to resolve its disputes with President Rhee, has determined to adopt a tougher attitude in its problems with South Korea. [REDACTED]

India: Nehru apparently anticipates that the continuing demonstrations will force the central government to impose President's Rule in Communist-governed Kerala State about mid-August. Lengthy discussions of the Kerala situation by the Congress party high command on 29 June, during which Nehru expressed this view, resulted in a directive to Kerala Congress leaders to intensify their agitation against the Communist government, but without violence. An immediate election is now the anti-Communist coalition's major demand. Clashes between demonstrators and police continue. [REDACTED]

III. THE WEST

Finland: In order to assure a greater market in Finland for Soviet petroleum products, which would bring Soviet-Finnish trade into closer balance, the Finnish Government

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has requested Western oil companies operating in Finland to accept substantially reduced import quotas for the six-year period 1960 through 1965. In current negotiations for a long-term trade agreement (1961-65), the Russians reportedly have demanded the entire Finnish market. This the Finns have refused, although they are willing to take additional Soviet petroleum.

***Caribbean Area:** Cuba is reported to be preparing new rebel incursions into the Dominican Republic or Haiti. Cuba's two eastern provinces have been designated a zone of military operations and the Cuban cabinet is believed to have discussed on 29 June the advisability of a declaration of war against the Dominican Republic. At the same time Cuban leaders fear Dominican counteraction. Venezuela, which also strongly desires the elimination of Trujillo, has threatened to withdraw from the OAS if that body agrees to investigate any Dominican charge of foreign intervention. The Council of the OAS met in urgent session on 2 July, at Dominican request, and set a further meeting for 6 July.

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~~CONFIDENTIAL~~**THE PRESIDENT****The Vice President****Executive Offices of the White House****Special Assistant for National Security Affairs****Scientific Adviser to the President****Director of the Budget****Office of Defense and Civilian Mobilization****Special Assistant for Security Operations Coordination****Board of Consultants on Foreign Intelligence Activities****Special Assistant for Foreign Economic Policy****Executive Secretary, National Security Council****The Treasury Department****The Secretary of the Treasury****The Department of State****The Secretary of State****The Under Secretary of State****The Under Secretary of State for Economic Affairs****The Deputy Under Secretary for Political Affairs****The Deputy Under Secretary for Administration****The Counselor****Director, International Cooperation Administration****The Director of Intelligence and Research****The Department of Defense****The Secretary of Defense****The Deputy Secretary of Defense****Assistant Secretary of Defense for International Security Affairs****The Secretary of the Army****The Secretary of the Navy****The Secretary of the Air Force****The Chairman, The Joint Chiefs of Staff****Commandant, United States Marine Corps****The Director, The Joint Staff****Chief of Staff, United States Army****Chief of Naval Operations, United States Navy****Chief of Staff, United States Air Force****Assistant to Secretary of Defense for Special Operations****Director for Intelligence, The Joint Staff****Assistant Chief of Staff for Intelligence, Department of the Army****Director of Naval Intelligence, Department of the Navy****Assistant Chief of Staff, Intelligence, Department of the Air Force****Supreme Allied Commander, Europe****Commander in Chief, Pacific****The Department of the Interior****The Secretary of the Interior****Federal Bureau of Investigation****The Director****Atomic Energy Commission****The Chairman****National Security Agency****The Director****National Indications Center****The Director****United States Information Agency****The Director**~~CONFIDENTIAL~~

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