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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.

①

II. ASIA-AFRICA

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

②

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

③

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

④

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

⑤

**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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BRIEF ONLY

DAILY BRIEF

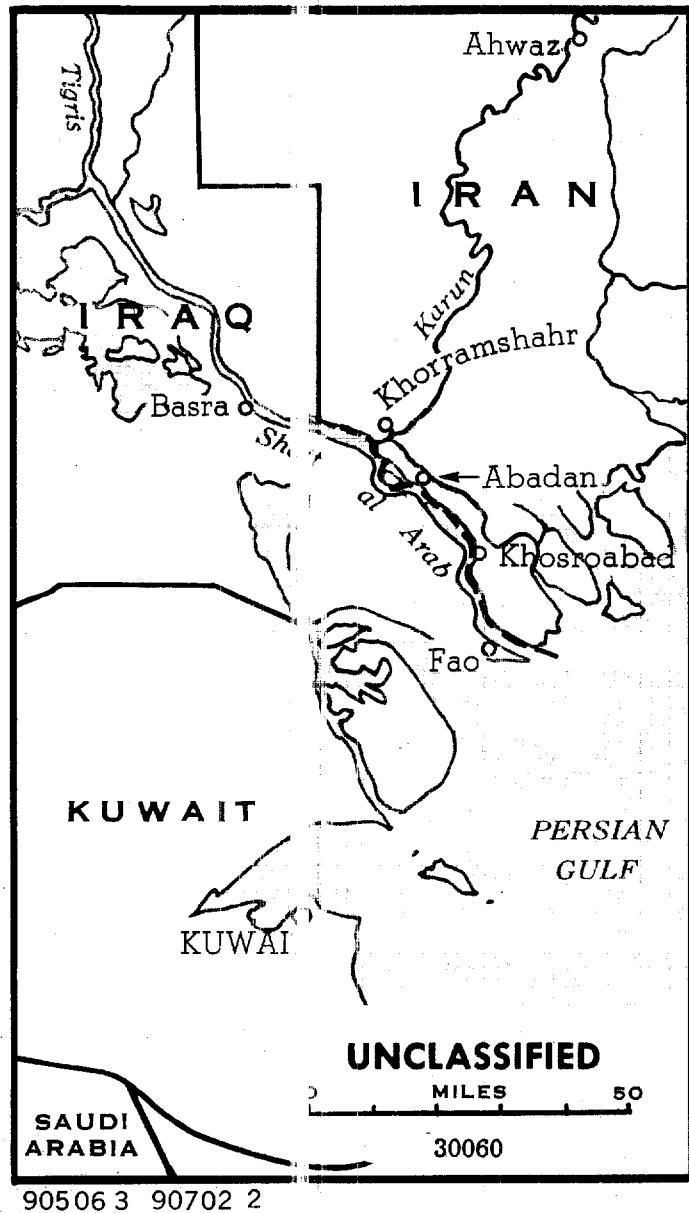
I. THE COMMUNIST BLOC

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



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.

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.

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.

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

3 July 59

DAILY BRIEF

ii

~~SECRET~~

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. [redacted]

*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. [redacted]

3 July 59

DAILY BRIEF

iii

~~SECRET~~

~~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

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