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18 June 1960

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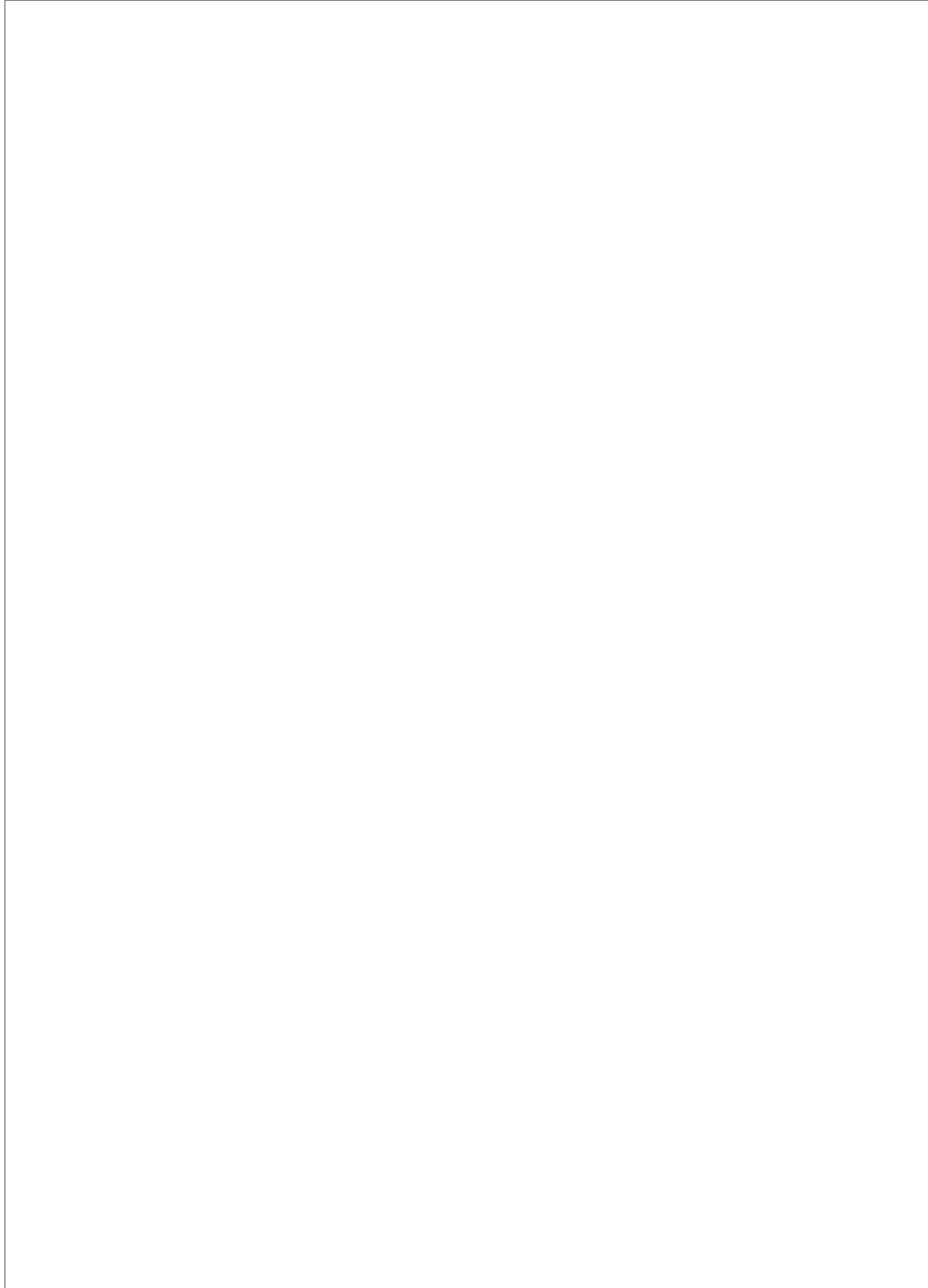
CENTRAL INTELLIGENCE BULLETIN



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18 JUNE 1960

I. THE COMMUNIST BLOC

Peiping marks President's Taiwan visit with intensive shelling of Chinmens. ①

II. ASIA-AFRICA

Japanese violence may be heading for showdown over week end. ②

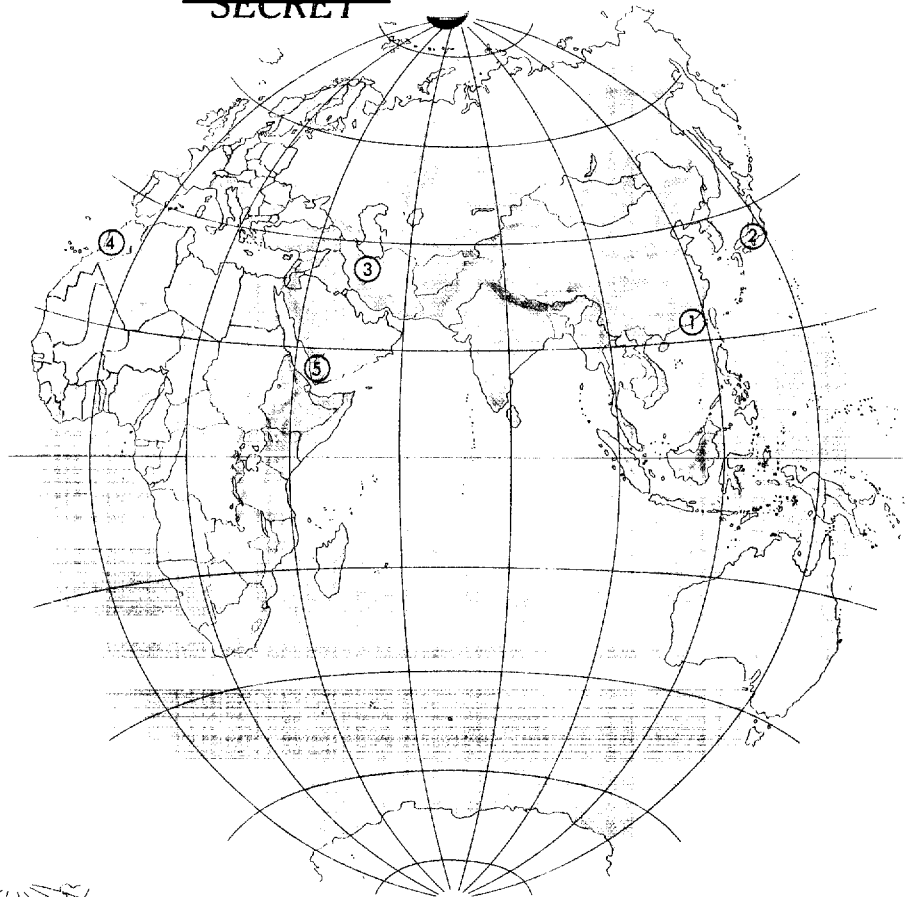
Iran--Speculation persists on imminent internal disturbances or possible coup attempt. ③

Moroccan Government may attempt to reduce US privileges or agreed tenure in forthcoming discussion of air-base problems. ④

Subversive activities inside Yemen roil relations with Aden, arouse Imam's suspicions of US. ⑤

III. THE WEST

Cuba--Castro reportedly expecting help from Onassis to transport Soviet crude if Cuba seizes Western-owned refineries. ⑥

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CENTRAL INTELLIGENCE BULLETIN

18 June 1960

DAILY BRIEF

SIRAB

I. THE COMMUNIST BLOC

NO Taiwan Strait: Chinese Communist batteries poured a reported 85,925 rounds of artillery fire on the Chinmen islands coincident with the beginning of President Eisenhower's visit to Taiwan, which Peiping calls "an intrigue to perpetuate" two Chinas. The shelling is designed to take advantage of world attention focused on the President's tour to stage a dramatic reminder that Communist China does not accept the status quo in the Taiwan Strait or the US presence in the Far East. The Chinese, however, apparently anxious to avoid a direct military challenge to US forces in the area, are stressing that the shelling is only a "demonstration." () Although Communist air strength in the area has recently been augmented, there are no indications that Peiping is planning offensive military operations against the offshore islands. ()

(Page 1)

II. ASIA-AFRICA

NO Japan: The government, realizing that additional concessions will only whet leftist appetites, apparently intends to stand firmly on treaty ratification. The political struggle in Japan may be headed for a showdown during the next few days as the radical students, flushed with victory, plan to increase the momentum of their drive to overthrow Kishi on the issue of the security treaty

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OK - delete last 3 sentences of PP 2.

[Iran: Rumors are circulating in Tehran of imminent internal disturbances and possible coup efforts in the absence of the Shah and most top security officials. Some military units are engaging in maneuvers on 19 June, and the operations chief of counterintelligence has been unexpectedly ordered out of town. Since the Turkish coup, there has been growing concern in Tehran that a blowup might occur in Iran. (Page 2)]

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[Morocco: The American chargé d'affaires in Rabat expects attempts by the Moroccan Government, during forthcoming discussions of the American air bases, to reduce the privileges of American troops in Morocco and the period of tenure. Foreign Minister M'Hammedi has already inquired informally whether the evacuation of American troops, scheduled to be completed by the end of 1963, could be accelerated. (Page 3)]

N

[Yemen: Aden-Yemen relations have deteriorated suddenly because of increased subversive activities, including a wave of bombings in Taiz, by antiregime "Free Yemenis" whose leaders are being given refuge in the British-controlled Aden Protectorates. Anti-Western Yemeni officials have aroused the Imam's suspicions by "discovering" the presence of a radiotransmitter in the American Legation. These events may hinder the launching of the US aid program in Yemen. (Page 4) (Map)]

III. THE WEST

OK - delete last 3 sentences of PP 2.

Cuba: Fidel Castro is confident of obtaining transportation for Cuba's entire POL requirements through arrangements with Aristotle Onassis, and thus is prepared for early seizure of the US and British-owned refineries which have refused to process Soviet crude oil. The three Western oil companies have been importing 75,000 barrels per day of Venezuelan crude. The 60,000 barrels per day of POL required for Cuba's internal needs would almost certainly be replaced by the USSR, which is already shipping smaller amounts under the Cuban-Soviet trade agreement. Castro has been in touch with Onassis. (Page 6)

18 June 60

DAILY BRIEF

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Communist China is taking advantage of world attention on President Eisenhower's Asian tour to make a dramatic demonstration of Peiping's unwillingness to accept the status quo in the Taiwan Strait. Late on 17 June, Chinese batteries opposite the Nationalist-held islands in Amoy harbor began a heavy bombardment which an earlier Communist announcement had said would be a "great demonstration of arms" to coincide with the President's arrival on Taiwan. The Nationalists have said they will retaliate if the bombardment resumes when he leaves on 19 June, as the Communists have threatened.

A reported 85,925 rounds were fired onto Chinmen and nearby islands on 17 June, the highest daily total in Chinmen's history, with over 54,000 rounds reported in a final 45 minute period. On the heaviest day of the 1958 crisis, 60,889 rounds were fired. On 20 October 1958, over 11,000 rounds were fired during the Taiwan visit of Secretary of State Dulles. The Communists have substantially augmented their artillery in the Chinmen area since 1958, and they now can mass the fire of about 800 pieces and bring every point on the islands and the adjacent waters within range.

The Chinese Communists, who have called the President's visit to Taiwan "an intrigue to perpetuate two Chinas" and have accused the US of military "provocations" in the area, probably feel they must underscore their charges with a military display to avoid the implication of weakness. Peiping, however, has been careful to point out that shelling will follow the alternate-day schedule and has emphasized the "demonstration" aspects. This suggests the Communists hope to avoid any action which would be interpreted as a challenge to US military forces in the area or as an effort to interdict supply of the Chinmen complex.

The Peiping announcement was solicitous about the welfare of "compatriots" in the Chinmen garrison--a customary device to encourage dissension--but the Nationalists were warned against any efforts to retaliate. Stressing that the bombardment was a demonstration against the US alone, the Chinese Communists avoided any reference to their usual position that the Strait situation is part of the civil war and not a matter "between China and the US." Peiping's action is likely to draw unfavorable reaction from some Asian neutrals, who will interpret it as further indication of Peiping's bellicosity.

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~~TOP SECRET~~Disturbances Rumored Imminent in Iran

[Rumors of imminent disturbances are again circulating in Tehran. Such rumors--this time inspired by the absence of the Shah, on vacation at the Caspian, and top security officials, who are abroad--are common whenever high officials are away from Tehran. Giving more substance to current rumors, however, are reports that on 19 June Iran's paratroop battalion will demonstrate its combat readiness in an exercise at an airport near Tehran and that an unidentified military training unit is to leave Tehran the same day for maneuvers. In addition, the operations chief of the counterintelligence corps has been unexpectedly ordered to make an inspection trip which will take him away from the capital on 18 June.]

[Dissatisfaction with the Shah's regime has long existed, and events in Turkey and Korea have increased antiregime plotting. No group, however, is known to be in a position to carry out a successful coup. One military group has reportedly tried to obtain support for such a move from Lt. Gen. Teimur Bakhtiar, chief of the Iranian National Intelligence and Security Organization (SAVAK). Bakhtiar is in Tehran although his family is abroad. This same group reportedly rejected--for lack of military support--a proposal by its leader on 29 May for an immediate move against the government.]

[An attempt to overthrow the government could occur with little warning, sparked either by an accidental occurrence or by a sudden move of a small group hoping for quick victory before the opposition rallies.]

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Moroccan Government May Make New Demands Regarding American Bases

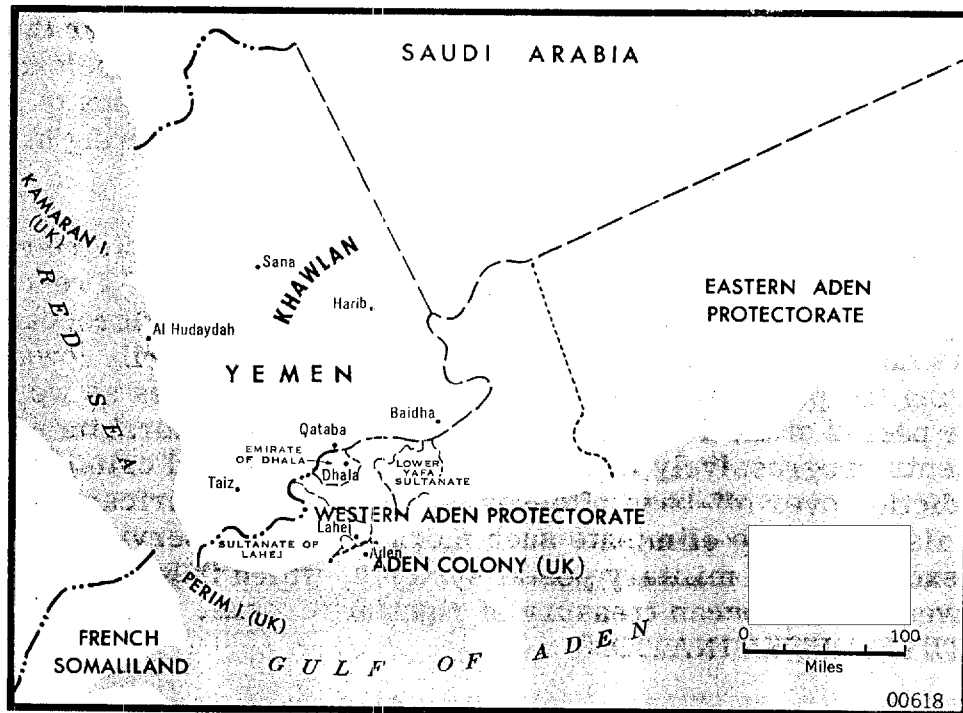
Moroccan Foreign Minister Driss M'Hammedi has informed the American Embassy that the new Moroccan Government installed on 26 May now is ready to participate in a mixed commission to discuss problems incident to the withdrawal of American forces from Morocco. M'Hammedi suggested that the initial meeting of this commission be held on 20 June. He proposed that the commission be authorized to consider the status of American forces during the remainder of their tenure, a timetable for withdrawal, and future operation of the bases by the Moroccan Government.

On 28 May M'Hammedi had inquired informally whether the evacuation of American troops from Morocco could be accelerated, and implied that it would be desirable for all foreign troops to be out of the country by the time a constitution--which the King has promised before the end of 1962--is promulgated.

The American chargé d'affaires, who has reported a "rising press orchestration" on the question of the evacuation of French and Spanish as well as American troops, expects that Moroccan efforts during base discussions will be directed primarily toward reducing the privileges now enjoyed by American forces as well as the period of their tenure. Both the Balafrej and Ibrahim governments progressively increased Moroccan civil and criminal jurisdiction over off-base offenses committed by American troops. Both also sought to eliminate such morale-building services as the post exchange and military postal systems, which they considered deprived the Moroccan treasury of rightful revenue.

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~~TOP SECRET~~ [REDACTED]Crisis in Aden-Yemen Relations

Relations between Yemen and Aden have deteriorated during the past few days because of increased subversive activities by antiregime Yemenis whose leaders have been given refuge in the British-controlled Aden Protectorates. On 12 June the homes of three Yemeni Government officials, including the head of internal security, in Taiz were bombed. These bombings followed others in several parts of Yemen during the past two weeks. Leaders of the Free Yemeni Movement, which aims at abolishing the Imam's rule and whose headquarters are in Cairo and Aden, are claiming credit for the incidents. Yemeni officials have captured one man sent from the protectorates with orders to carry out further bombings, cut telephone lines, and otherwise disturb the peace. [REDACTED]

High Yemeni officials believe that British officials and the Sultan of Lahej are involved in these subversive actions, as well as the UAR. The Yemeni Government probably would be mollified by the deportation of the Free Yemeni leaders from Aden. While British officialdom may not be directly involved in Free Yemeni activities, its willingness to condone them has caused a setback in the gradual improvement of Anglo-Yemeni relations which has taken place during the past year.

The Imam, [REDACTED] has ordered that political refugees from Aden be prevented from carrying out subversive activities in the protectorates. The Imam is being urged by one adviser to ask the governor of Aden to meet with him to reach an agreement. Increased Free Yemeni subversive activities are probably related to a long-drawn-out tribal rebellion by the Khawlan tribe located east of Sana which has recently been crushed by the Imam's forces. The presence of nearly 300 prisoners from the tribe in the Imam's dungeons has led to a "dangerous shortage of shackles," [REDACTED]
[REDACTED]

Pro-Western Yemeni officials fear that the Free Yemeni activities combined with the efforts of Yemeni anti-Western elements

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will jeopardize the US aid program in Yemen, which is just getting under way. The current tension will assist a current Soviet campaign in Yemen to discredit the US.

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~~TOP SECRET~~ [REDACTED]Castro Now Prepared for Early Seizure of Western Refineries

Fidel Castro now sees no obstacle to the early seizure of three large Western oil refineries in Cuba, [REDACTED]

[REDACTED] On 6 June the one British and two US-owned companies simultaneously refused the Castro government's order to process Soviet crude oil being received in exchange for sugar under the Cuban-Soviet trade agreement.

Arrangements evidently are being made with Aristotle Onassis, owner of some of the world's largest tankers, to supply Cuba's internal POL needs of about 60,000 barrels per day. The petroleum would almost certainly come from the USSR.

[REDACTED]
[REDACTED] Castro has been in touch with Onassis.
[REDACTED]

The refineries normally import about 75,000 barrels per day from Venezuela--some to be processed for export--and the Venezuelan minister of mines was quoted on 17 June as saying that if Cuba reduced these purchases it could not count on access to Venezuelan crude oil in the future.

The Castro regime continues its pressures on other American companies also. In addition to those being brought to bear on the International Harvester Company by the Cuban National Bank, the National Agrarian Reform Institute has asked the company to train mechanics to assemble tractors being imported from the USSR and Czechoslovakia. [REDACTED]

[REDACTED] refusal to comply would result in seizure and hopes that other tractor distributors will also refuse.

On 16 June Castro reiterated to restaurant and hotel workers that the recent seizure of American-operated luxury hotels was necessitated by US efforts to sabotage Cuba's tourist industry. He promised that the hotels would be put on a paying basis for the benefit of the workers and Cuba,

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but did not explain how this is to be done. Efforts to attract tourists from the rest of Latin America have not been any more successful than similar efforts in the US. Cuban official and quasi-official groups are evidently paying most of the expenses for Latin Americans and others brought to Cuba to see the "true benefits" of the revolution.

Cuban agrarian reform institute director Antonio Nunez Jimenez told TASS on 17 June that Castro will visit Moscow at an unspecified date. Nunez was also quoted by TASS as hoping Khrushchev's intended visit to Cuba might come on 26 July, anniversary date of Castro's revolutionary movement.

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Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

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The Secretary of the Treasury

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

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