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OPERATIONS COORDINATING BOARD
Washington 25, D. C.

June 11, 1956

WEEKLY STATUS REPORT

Items included are related to active OCB assignments and are selected in consultation with working group representatives as being of inter-departmental interest and pertinent to: (a) implementation of NSC policies; (b) follow-up on Outline Plans of Operations; (c) developments in connection with OCB projects; and (d) follow-up on special matters discussed at Board meetings.

FAR EAST

1. Southeast Asia (NSC 5405)

- a. Thailand - Re NSC objective (regional cooperation), State and USIA have recommended to Embassy an information, educational and cultural program providing for (1) reading materials especially designed to appeal to youth on SEATO objectives; (2) anti-communist materials; (3) translations of textbooks on history, geography and culture of SEATO member nations; (4) stimulation of conferences of youth leaders in SEATO nations in cultural or educational context; and (5) arranging bilateral and multilateral exchange programs for youth leaders.
- b. Cambodia
 - (1) Re NSC objective (military assistance), Ambassador reports that since the U.S. is supplying 75% of logistic and financial support of Cambodian armed forces, it is in U.S. interest to participate in training Cambodian officers. Heretofore, Cambodian officers have not been sent to the U.S. because of the language barrier, but by next year the language training program should have produced about 30 English speaking officers.
 - (2) Re NSC objective (economic assistance), Embassy, in assessing alternatives open to U.S. now that Cambodia has accepted economic assistance from Communist China, states that our basic policy of assisting Cambodia should remain unchanged, although prospects of increased aid to Cambodia by the U.S. should be dismissed since such move would encourage Cambodia's Prince Sihanouk in his cocky assumption that he can have the best of both possible worlds.
- c. Burma -- Re PL 480 planning, Embassy urges that no PL 480 rice be supplied India until it can be ascertained by full discussion with Burmese Govt. that U.S. rice deliveries will not conflict with Burma's opportunity to export her surplus rice.

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FAR EAST (Continued)

2. Philippines (NSC 5413/1)

U.S. Bases: Defense has transmitted to State approval of a draft statement to be made by Pres. Magsaysay re U.S.-Philippine negotiation on problems of bases.

3. Nationalist China (NSC 5503)
Communist China

PL 480: Negotiations in Taipei on \$9.8 million (market value) program nearing conclusion but increase in price of cotton exports resulting from the recent farm bill and virtually exhaustion of funds authorized for cotton export under PL 480 will delay completion of agreement unless expected Congressional authorization of additional funds is made soon.

4. Japan (NSC 5516/1)

Labor Training Project: Following indication from Japanese Embassy that internal Japanese Govt. differences over program have been resolved interested agencies preparing to process workers selected for agricultural training work in U.S.

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NEAR EAST, SOUTH ASIA AND AFRICA

5. South Asia (NSC 5409)

- a. Pakistan - Re NSC objective (military assistance), 30 F-86 jet fighters are scheduled to arrive Pakistan about June 24 in connection with military aid agreement concluded in 1954. In view of abnormal military situation between Pakistan and India, Embassy has been instructed that no formal press statement on this shipment of jets be issued.
- b. Afghanistan - Re NSC objective (economic stabilization), State has requested Embassy to contribute recommendations and comments regarding composition and scope of trade fair mission to Afghanistan approved by OCB Trade Fairs committee.

6. Near East (NSC 5428)

- a. Re 1290-d program, Embassy-USOM Baghdad authorized to arrange for training in U.S. of maximum of 10 Iraqi police officers.
- b. Re NSC objective of preventing extension of Soviet influence, Embassy Bonn has discussed with Foreign Office the matter of a successor to the present West German chief military advisor to the Syrian army. Embassy Damascus recommended that U.S. give necessary assurance of interest in view of the importance of this position

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EUROPE

7. Yugoslavia (NSC 5601)

While suggesting that opening technical economic aid discussions with the Yugoslav Govt. might encourage false hopes, Embassy Belgrade will proceed to initiate such discussions this week along the lines suggested by State and ICA.

8. East Europe, USSR, etc. (NSC 174 except E. Germany, 5502/1, 5505/1)

Noting that the USSR may soon announce that the forced labor camps have been abolished, USIS has instructed all posts to make available materials giving a complete picture of the forced labor situation in the Soviet Union and has informed them that our position would be to welcome such a development.

9. Special Working Group on Stalinism

A concise paper containing suggestions for Gen. Twining's background use will be completed by the group prior to June 14.

10. Interdepartmental Escapee Committee (NSC 86/1); ISO in Germany (NSC 5435/1); etc.

State is looking into the background of allegations by the UN High Commissioner for Refugees that Yugoslavia is threatening to forceably repatriate satellite escapees. Embassy Belgrade reports that the Yugoslavs plan to refute the allegations with an initial press release on June 11.

11. Iceland (NSC 5426)

- a. There are increasing indications that Foreign Office will take some form of action to implement Althing resolution prior to June 24 election. Foreign Minister has told Progressive and Communist papers that note on matter has been completed and will be delivered soon.
- b. Embassy has, as authorized after Operational Control Group agreement, informed Director Reykjavik Electrical Authority that Defense accepts in principle proposal purchase power from proposed Sog plant subject agreement such matters as characteristics current, price and length contract. Embassy advises that if interested American suppliers will also inform Icelanders with whom they deal, this may be sufficient forestall acceptance possible Soviet bloc offer without U.S. commitment finance. Embassy, however, urges that prior elections American suppliers not state flatly that such arrangement conditional upon retention defense force in Iceland since this likely prove counterproductive.

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EUROPE (Continued)

11. Iceland (NSC 5426) (Continued)

- c. Following agreement of the Operational Control Group, in view of increasing tendency Progressives charge U.S. suspension new defense construction is election interference in cooperation Conservative Party, Embassy on June 8 handed press release to Foreign Office and to local press and radio stating that suspension solely due to uncertain status Defense Force, and that it will necessarily remain in effect pending eventual clarification status Defense Force.
- d. Embassy London has discussed with British Foreign Office lifting of British landing ban on Icelandic fresh fish on ice. Foreign Office advised it would take up with other British agencies U.S. position in favor of lifting ban, but that it is not optimistic anything could be done before June 24 elections.

12. Spain (NSC 5418/1)

- a. \$10 million additional economic aid (in addition to disaster relief) for FY 56 program extended to Spain on June 6 to offset damages to Spanish economy by last winter freezes; entire \$10 million to be used purchase industrial raw materials and capital equipment so that industrial progress underway not interfered with as result freeze restriction on Spain's normal foreign exchange earnings.
- b. Military talks - Base rights - Ambassador Lodge reports Spanish Naval Minister will not accede to bilateral (U.S.-Spain 1953) procedural agreement 18 whereby U.S. has specific right to ammunition and POL (petroleum, oils, lubricants) facilities at El Ferrol and Cartagena naval bases; Lodge points out gravity of problem of insisting on rights, increased strategic importance of bases, etc., and recommends, pending meeting with Foreign Minister Artajo, that military talks be deferred, and that construction at El Ferrol be suspended. State and Defense formulating a position and preliminary joint message sent June 8 to Lodge directing delay meeting with Foreign Minister until U.S. position determined, or, if meeting scheduled June 11, to stress threat only U.S. concern at status quo.

13. Germany (NSC 160/1); Berlin (NSC 5404/1)
and E. Germany (Part of NSC 174)

- a. Bonn reports that the government has decided to postpone final readings on the conscription bill until July 4 and 6; to avoid possibility of Bundesrat sending the law to committee on length of service issue (12 or 18 months), the law will be passed with no mention of this question, thus permitting final approval before summer adjournment. The length of service will be regulated by

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EUROPE (Continued)

13. Germany (Continued)

a separate short law which would be passed in early Autumn and not subject to a Bundesrat veto. Embassy Bonn is attempting to persuade the government of the necessity of passing the law on length of service at least in first reading before the summer recess; Defense Minister states he cannot obtain Bundestag approval in the first reading before summer recess.

b. Berlin Barge Traffic - Embassy Bonn reports that the FedRep plan of giving "power of attorney" to a private barge regulating company in Hamburg whereby the latter is to attempt a renewal of the barge permits with E. Germany was successful; USSR has authorized counterpart E. Germany company in Magdeburg to act in same manner for the E. German government; it appears that the West German barge permits will be renewed, through agency medium, thereby avoiding de facto recognition of the E. German regime.

14. Ad Hoc Working Group on France
French North Africa (NSC 5436/1)

a. Morocco - On June 10, as result favorable French parliamentary action, U.S. elevated Tangier legation to Embassy and transferred same to Rabat; Consul General Porter at Rabat named Chargé with Ambassador to be designated later. Minister Holmes to return to U.S. on June 16.

b. Tunisia - On June 6 so as take precedence over Arab States, U.S. opened Embassy in Tunis with Consul General Hughes named Chargé; since as yet no Franco-Tunisian convention signed whereby both sides agreed on framework for foreign relations, France protested U.S. action; U.S. noted protest stating it had informed France it intended this action, and at same time informed Bourghiba it hoped he would soon sign subject convention with France. U.S. will not name Ambassador until Franco-Tunisian convention signed.

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WESTERN HEMISPHERE

15. Latin America (NSC 5432/1)

Re NSC courses of action (hemisphere solidarity and greater utilization of OAS): Embassy Buenos Aires reports that while Bolivian exiles in Argentina are known to be generally active it has no information confirming Bolivian President's claim that Argentine Govt. is aiding Bolivian exiles to stage coup in Bolivia. State has instructed Embassy La Paz to suggest to Bolivian Govt. that it is U.S. view that (1) Government giving credence such reports should first discuss them directly with other Government concerned; and (2) if such steps not reassuring and Government remains concerned and convinced that it can document charges, then it should bring matter before Organization of American States.

16. Antarctica (NSC 5424/1)

Working group is reviewing first draft of Progress Report,

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GENERAL

17. Nuclear Energy Projects and Related Information Programs
(including NSC 5507/2)

- a. Progress Report being revised in light of Board Assistants' discussion June 8, with particular reference to including more specific evaluation of progress on the President's program of peaceful uses of atomic energy.
- b. Working group is consulting with AEC with respect to information guide lines on the National Academy of Science Radiation Study to be made public June 13.

18. U.S. Overseas Labor Activity

ICA revising, in order to bring up to date, portions of the Handbook which pertain to its responsibilities.

19. Trade Fairs and Cultural Presentations

a. Trade Fairs

- (1) The OCB Trade Fair Committee subgroup on the "Report on U.S. Participation in Trade Fairs within the European Soviet Bloc" met to revise this paper along the lines suggested by the Board Assistants at their May 18 meeting. The new draft was used for the briefing of the officials who will testify before Congress on the Trade Fair program.
- (2) The House hearings on the appropriation for the Trade Fair and Cultural Presentation program are scheduled for Wednesday, June 13 at 3:00 o'clock.

b. Cultural Presentations - The Committee agreed to:

- (1) discontinue the tour of "Teahouse of the August Moon" with its appearance in Buenos Aires;
- (2) extend tour of San Francisco Dons;
- (3) send Claude Rains to Far East at the end of this calendar year 1956;
- (4) Latin American tour for Dizzy Gillespie and his band this summer;
- (5) approve four members of New York City Center Ballet to make tour of India in November.

20. Broadcasting and TV (including NSC 169)

Technical Panel - Agreed to recommend to the OCB the release of one shortwave megawatt transmitter for purchase by a private U.S. international broadcaster.

21. Disaster Aid

The Final Report of the Special Working Group on Disaster Aid to Europe and the Middle East has been revised and updated, and is being disseminated. Under its confidential form it will be used for information of the working groups and of field officers. Consideration is being given to the production of an unclassified version for publicity purposes.

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WEEKLY STATUS REPORT

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