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OPERATIONS COORDINATING BOARD
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E.O. 12356, SEC. 3.4(b)
Agency Case NSC F91-233
NLE Case MB 90-018 #3
By DJH NLE Date 8/6/87

12 June 1956

INTELLIGENCE NOTES

1. Iceland - Dutch Recommendations

US Embassy London reports that Dr. Stikker, the Dutch Ambassador to the UK and Iceland has recently returned from Iceland with the conclusion that the fundamental concern for the West is Iceland's economic position. He pointed out that Iceland is living far beyond its means, that if the NATO base is closed the country's deficit will double, and that there has already been a significant diversion of trade toward the East. As a solution Stikker suggests that Iceland adopt a more realistic economic policy coupled with self discipline, and that Iceland be given greater trade opportunities with the West. He suggested that some degree of economic aid might be required to tide the country over until self-imposed economies took effect. Stikker recognized the difficulty of attempting to solicit US aid under current conditions, but should Iceland come to the West with plans for revamping its economy, Stikker urges that such evidence of good faith be met in kind. He also suggested that triangular trade with Spain and Italy for fish might swing the foreign trade balance more toward the West. US Embassy London comments that Stikker wants his government to bring these suggestions to the attention of the US and other Western countries if such an approach would be useful. The Embassy requests Departmental guidance before 20 June. (US Embassy London 5703, 11 June, Confidential)

218 50005 (6-12-56)

2. Syria - Comment on "Neutrality"

A Syrian Foreign Office spokesman has told US Embassy Damascus that Syria expects Soviet Foreign Minister Shpilov to make a dramatic pro-Arab gesture during his forthcoming Near Eastern tour. The spokesman suggested that if the US would formalize and publicize President Eisenhower's remarks on neutrality (from the 6 June press conference) it would lessen the effect of any gesture Shepilov might make. (US Embassy Damascus 1187, 11 June, Confidential)

3. Iran - Request for Boston Symphony

US Embassy Tehran has requested that every effort be made to place Tehran on the itinerary of the Boston Symphony for a minimum of three performances. The Embassy suggests that September would be the best time. (US Embassy Tehran 1891, 11 June, Unclassified)

4. Japan - H-Bomb Reaction

US Embassy Tokyo reports that recent Japanese press coverage of the Bikini tests has been lighter than last week's and remains unemotional

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although the crockpot fringe can still get into print with ideas about fall-out. On 8 June the Japanese survey ship reported high radioactivity in aerial dust near Guam but did not find much in the sea water or marine life. (US Embassy Tokyo 2882, 12 June, Confidential)

5. Estimated Gold and Dollar Resources of Foreign Countries

The gold and short-term dollar holdings of foreign countries (excluding gold and dollar holdings of the International Monetary Fund, International Bank and other international institutions and gold holdings of the USSR) amounted to an estimated \$27,057 million on March 31, 1956, representing a rise of \$915 million over the \$26,142 million held on December 31, 1955.

During the first quarter of 1956, Western Europe accounted for the largest increase in gold and short-term dollar holdings: \$578 million (United Kingdom, \$228 million; Germany, \$113 million; and France, \$107 million). Latin American holdings increased by \$133 million, Canadian holdings by \$132 million, and Asiatic holdings by \$90 million. The French gain, however, was more than offset by a reduction of \$145 million in holdings of US Government bonds and notes. (MAC Staff Document #710, Supplement #8, 28 May, Confidential)

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