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20 December 1961 <sub>25X1</sub>

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## CENTRAL

# INTELLIGENCE

### BULLETIN



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TOP SECRET

20 December 1961

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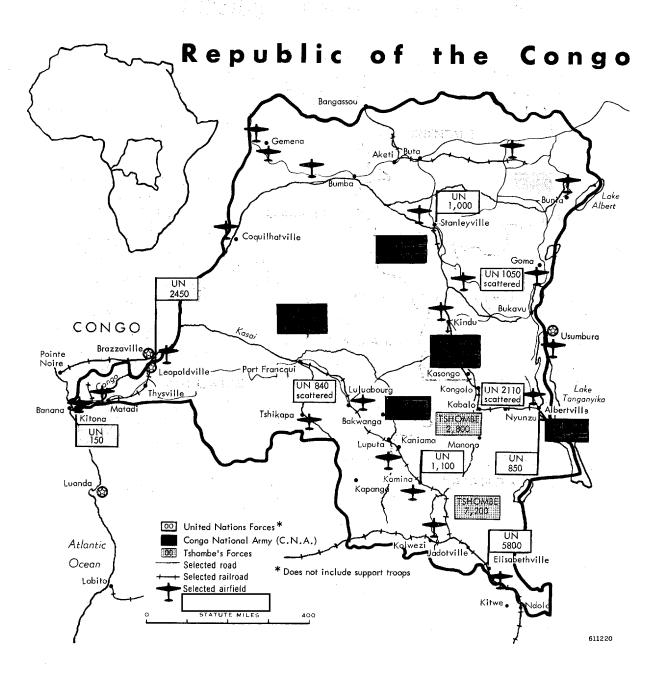
\*India-Portugal: Within Goa, Indian army units are reported cleaning out isolated pockets of Portuguese resistance.

The failure of the UN Security Council to adopt a resolution supporting Portugal on the Goa issue is certain to generate bitter public and popular reaction against the UN in Lisbon, as well as to raise the possibility of Portuguese withdrawal from the organization. Minister of State Correira de Olivera stated that although he doubts Lisbon will submit the question to the UN General Assembly, Premier Salazar is awaiting the return of the foreign minister from New York before making "a decision regarding Portugal's attitude toward the UN."

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Congo: Premier Adoula appears apprehensive over his talks with Tshombé, and concerned that negotiations at this time will lead to charges of "softness" toward Katangan secession. In conversation with UN officials on 18 December, Adoula set forth conditions for any meeting with Tshombé, and UN representative Linner expressed doubt as to Adoula's willingness to cooperate in meaningful negotiations. In public statements Adoula has dissociated himself from the UN's suspension of hostilities in Elisabethville, and has reiterated that the UN operation will continue. The advisers whom Adoula has brought with him to Kitona--including radical leader Christophe Gbenye and Baluba spokesman Remy Mwamba--are likely to demand a "hard" line toward Tshombé.

Ambassador Gullion has characterized Adoula as adamant that central government troops be moved into Katanga. Secretary General U Thant agreed on 18 December to accept a Congo Army battalion for employment in northern Katanga under UN direction. UN officials in Leopoldville report that Adoula has demanded a letter stating this intent, and they believe that the news of this agreement will probably be leaked to the press. In view of UN assurances that it does not seek to impose a political solution in Katanga, the UN Command's employment of central government forces will lend itself to charges of bad faith by Tshombé and could break up the negotiations.

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Albania: Albania, relying on Communist China for assistance in offsetting the curtailment of credits from Moscow and the European satellites, apparently feels no immediate need for Western economic aid. During recent trade negotiations with Italy, the Albanians stated they needed no commercial credits. The Italians received the impression that Albania intends to continue increasing its trade with the West, probably with the help of foreign exchange supplied by the Chinese Communists.

Albanian purchases in Western Europe earlier this year—including grain, a large merchant ship, and industrial equip—ment—were financed largely by hard currency from China. The Chinese, who in the teeth of Soviet opposition have engaged their prestige in the survival of the Hoxha regime, apparently intend to extend all necessary aid despite their own pressing economic problems. Peiping extended a \$125,000,000 credit to Albania earlier this year, and negotiations now near—ing completion in Peiping probably will result in a further strengthening of Chinese support for Tirana.

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<u>Ceylon</u>: A strike by a majority of Ceylonese dock workers is paralyzing cargo operations in Colombo port, the only important processing and export point for the island's major crops. The

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#### India-Portugal

Major General Candeth, commander of the division which spearheaded India's invasion force, has been appointed military governor and has taken up his duties in Panjim. A quick transfer to civil authority is expected—a civil administrator has also been appointed—and Nehru has promised preservation of Goa's cultural traditions by setting in motion plans to govern the area as a separate entity as in the case of the former French enclaves.

An 18 December press report from Lisbon added fuel to the rumors of a possible basic shift in Lisbon's foreign policy by citing "mounting demands for a sharp swing to 'neutralism'" and asserting that the cabinet on 17 December approved "a shift in Portugal's foreign policy" in the event of Lisbon's inability to gain UN support for its plea. Armed police are "protecting" the British and American embassies in Lisbon from any possible violence as a result of popular feeling that the West has deserted Portugal.

Soviet President Brezhnev, who is in India on a two-week state visit, has strongly endorsed India's invasion of Goa, while Prayda hailed the Indian attack as "historical justice." According to press reports, Radio Moscow is also exploiting the Indian-Portuguese conflict in order to attack the NATO powers and has pointed up sharply that the "guns and planes" being used by the Portuguese forces in Goa against the Indians were supplied by the NATO powers.

The Chinese Communists, who claim Portuguese Macao and possess the means to overwhelm it quickly, have issued an official statement supporting India's action against Goa. The statement contains no hint of an imminent move on Macao, but Peiping may be embarrassed by the prospect that its militantly anticolonialist propaganda will be compared unfavorably with New

newspaper in Hong Kong disparaged the Indian action in a
19 December editorial as one forced on Nehru by internal unrest and by his desire to garner votes in the forthcoming
election. The editorial ridiculed the Indian leader for choosing the "world's tiniest imperialist country" as his target.
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Special Counsel to the President

Military Representative of the President

The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Director, Office of Civil and Defense Mobilization

The Director, National Aeronautics and Space Administration

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 Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant Secretary of Defense

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

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The Director, The Joint Staff

The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

The Atomic Energy Commission

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The National Security Agency

The Director

The United States Information Agency

The Director

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