

## THE PRESIDENT'S INTELLIGENCE CHECKLIST

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1 FEB. 1962

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1. Punta del Este aftermath

a. Post-conference reactions registered so far find expressions of general contentment coming from opposite poles. Peru, Colombia, Guatemala, and Costa Rica have indicated satisfaction with the outcome

- b. Embassy Buenos Aires thinks that Frondizi, having taken a "juridical" position at Punta del Este, may now move to placate his critics by bowing to the demands made on him yesterday by the Argentine military: a break in relations with Cuba and the firing of Foreign Minister Carcano.
- c. The Ecuadorian foreign minister has been expelled by his Social Christian party as a "traitor to the principles of Western Christian democracy."
- d. The Venezuelan government which, still sees the danger of a subversive move, is working vigorously to head it off.

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2. Moscow and Peiping may be edging toward diplomatic rupture

Signs are accumulating that their relations are spiraling downward in that direction. Despite the gravity of such a step, we think it is a real possibility. We note these further pieces of evidence:

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b. The point has come up in discussions among the students at Peiping University.

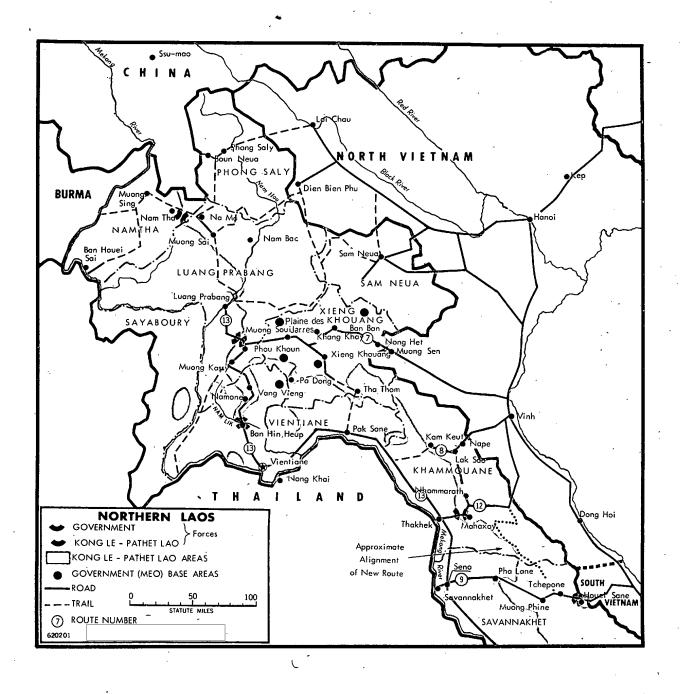
**c**. [

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Peiping, prepared for the worst, has made new communications arrangements for its embassy in Switzerland to enable it to keep in touch with home in the event that Moscow cuts its present routes through Eastern Europe.

d. The Chinese are absenting themselves from a number of Blocsponsored gatherings, including the forthcoming Leipzig fair which they will miss for the first time in 11 years.

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3. Laos	a. The rebels have not moved in on Nam Tha but are keeping the pressure on. They began putting down a mortar barrage on the town's airstrip this morning and are reinforcing their forces in the area.  50X  b. Phoumi, trying to develop counterpressures, yesterday ordered his forces in the Plaine des Jarres and in Luang Prabang province to undertake "intense harassing" action against rebel-held points.
4. Nasir promoting Middle East turbulence	He apparently sees no advantage to himself in the status quo anywhere in the area, possibly excepting Lebanon:  a. His incessant propaganda attacks on Saudi Arabia and Jordan during the past several months have begun to give them the jitters.
•	c. Nasir is also refusing sug- gestions that he patch up his quarrel with Iraq. 50X (cont'd)

d. The Egyptians have begun to fish in Iran's political waters. They have offered the National Front opponents of the Amini government the use of Radio Cairo, the most powerful in the Middle East, as a propaganda outlet.

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e. In Syria, the stability of the post-Nasir regime is jeopardized by a widening split within the Syrian Army Revolutionary Command between those who want to keep some of Nasir's social reforms intact and those who want things much as they were before.

## NOTES

A. Cuba has announced withdrawal from the sugar market because its "available stocks are totally committed," but at the same time admits to the Communist countries that the real reason is that the sugar market is "totally demoralized" because of war rumors and alleged availability of "very cheap secondhand sugar from socialist countries." Cuba urges all socialist countries to set a floor of \$.025 per pound FOB Cuba for raw sugar.

- B. Mongolian representatives at the UN are telling their US counterparts that they are eager to have non-Communist diplomatic and trade ties, coupling this with the hint that they are in a somewhat uncomfortable squeeze between the USSR and Communist China.
- C. The inflammatory anti-American pitch of recent public statements by top Haitian officials has put US citizens on the island on edge. President Duvalier, a voodoo cultist, has apparently gone off on an irrational tangent.
- D. Ghana's trend toward deeper economic entanglement with the Blochas been marked by the establishment in Accra of a Committee for Economic Cooperation with Eastern Countries. Ghana's aid commitments from the Blocalready run to at least \$182,000,000 and more are probably in the making.
- E. There was a sizeable anti-government demonstration in the Portuguese city of Oporto yesterday. The city was reported quiet this morning.

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## WATCH COMMITTEE CONCLUSIONS--31 JANUARY 1962

On the Basis of findings by its Watch Committee, the United States Intelligence Board concludes that:

No Sino-Soviet bloc country intends deliberately to initiate direct military action in the immediate future.

BERLIN: Communist military activity and recent Soviet actions in the immediate Berlin area do not suggest that the Communists expect to risk military confrontation over Berlin in the immediate future.

LAOS: Current evidence indicates that North Vietnamese forces in Laos have been substantially reinforced in recent months. Enemy forces have taken strong military action to counter government pressures and are in position to threaten government-held centers. However, a deliberate resumption of general hostilities by the enemy does not appear to be indicated. Efforts to achieve a political solution continue.

SOUTH VIETNAM: Although counteractions by government forces have recently shown some success, the Viet Cong continues its high rate of subversive and small-scale military activity and retains its capability to conduct large-scale attacks on preselected targets in some areas of the country at any time.

INDONESIA: The Indonesians are continuing to explore possibilities for a peaceful settlement on favorable terms, while at the same time continuing military preparations for an attack on West New Guinea. Further incidents are possible.



## DOCUMENT OF INTEREST

I.

THE DIRECTOR OF CENTRAL INTELLIGENCE