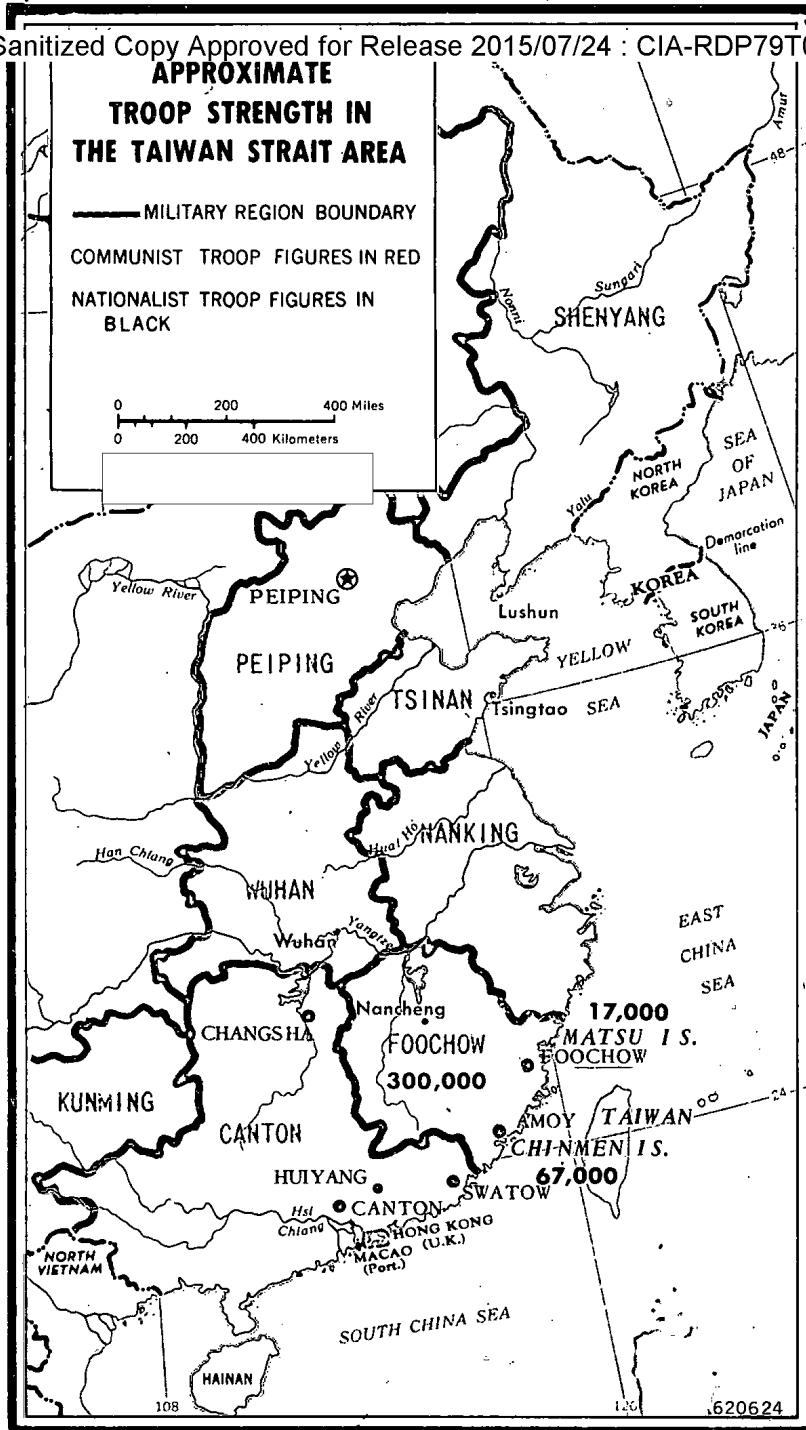


THE PRESIDENT'S INTELLIGENCE CHECKLIST



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25 JUNE 1962
~~TOP SECRET~~



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1. Communist China

a. The military buildup in the Taiwan Strait area seems to have been completed, at least for the time being. The Communists are apparently now in the process of positioning their forces in the area, but the pattern of deployment is not yet clear. There are fresh indications that civilians are being evacuated from the coastal area around Amoy and suggestions that similar activity is going on at Changsha, an air base 400 miles to the northwest.

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b. Peiping's propaganda over the weekend hammered away on the theme that a US-supported Nationalist invasion is at hand, and called on its people to meet force with force. Its ambassador in Warsaw took a similar line with Ambassador Cabot on Saturday.

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The Chinese are trying hard to give the impression that their concentration in Fukien is simply a reaction to the threat of impending major Nationalist operations; we are not willing to accept this as the whole story,

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c. Moscow yesterday finally spoke out on developments in the Taiwan Straits by publishing a strictly no-comment TASS report repeating Peiping's charges against Taipei and the US.

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2. Laos

a. Souvanna departed for France yesterday, and Souphannouvong, who is to be in charge of the government during the interim, has taken off for the Plaine des Jarres [redacted]

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[redacted] Thus, pending a final settlement at Geneva, the picture in Laos is likely to look pretty much the way it did before the new government was created.

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b. We are skeptical that the Pathet Lao will honor the countrywide cease fire proclaimed yesterday by the new government. We believe they will continue to conduct "mopping up" operations in areas they dominate [redacted]

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c. Yesterday's statement by the Pathet Lao Minister of Information protesting the deployment of US troops in Thailand as a threat to Laotian neutrality lends credence to the thought, [redacted]

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[redacted] that the Communists are planning to demand the withdrawal of these forces as a condition for a final settlement at Geneva.

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d. Ambassador Brown did not get very far on Saturday when he pressed Souvanna for a decision to release American prisoners held by his side. Souphannouvong, it seems, is the man to see.

3. Indonesia-Netherlands

Prospects for an early resumption of negotiations over West New Guinea have probably been set back by Sukarno's brush-off on Saturday of U Thant's assurances that the Dutch have accepted the Bunker proposal in principle, and by his renewed insistence that The Hague publicly declare its willingness to turn over the disputed territory to Indonesia. Nor was yesterday's air-drop on the south coast of West New Guinea calculated to help matters. Under these circumstances, we cannot help but entertain suspicions that Sukarno is determined to get in a good lick against the Dutch before returning to the conference table.

4. Congo

A Tshombé-Adoula communiqué is supposed to come out today or tomorrow announcing agreement on procedures for ending Katanga's secession. Old Congo hands, however, want to see it before they believe it. Moreover, they (and we) are dubious that Tshombé--once he gets back to Elisabethville--will implement in good faith any agreement that may result from the current talks.

5. **USSR-UAR**

Cairo received an unpleasant jolt last week when Moscow flatly turned down its request for an additional large economic development loan.

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be watching for reactions to this among the other non-aligned states.

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NOTES

- A. We note buried deep in accounts of Nehru's bitter speech in Parliament on Saturday, a statement that he personally felt that money would be better spent on unmanned missiles than on aircraft that would become obsolete in "three or four years." We suggest that it is barely possible that Nehru sees in this argument a plausible excuse for backing away from the MIG deal without incurring a loss of face.
- B. In Turkey, the stage seems to be set for an announcement today that Inonu has succeeded in pulling together a new coalition government after five weeks of bargaining.
- C. Belgrade is sending an economic delegation to Moscow next month with a mandate "to discuss further expansion of economic co-operation."
- D. There were several explosions in Algiers this morning, raising fears that the tenuous OAS-Moslem truce there has again broken down.

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DOCUMENTS OF INTEREST

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I.

[Redacted]

II.

THE DIRECTOR OF CENTRAL INTELLIGENCE