THE PRESIDENT'S INTELLIGENCE CHECKLIST

3 JULY 1961
TOP SECRET
SPECIAL ITEM -- KUWAIT

Baghdad Radio's repeated emphasis on Qasim's peaceful intentions regarding Kuwait combined with Iraq's apparent failure thus far to augment normal military forces near Kuwait suggest that Qasim does not intend to launch a military effort to annex Kuwait in the immediate future.

As of 2 July, Iraqi units near the Kuwait border area apparently still consisted of one infantry brigade, together with field and anti-aircraft artillery, at Basra, and another brigade at An-Nasiriya. Although Iraqi preparations were previously noted for the movement of a regiment of 39 Centurion tanks from Baghdad to the Basra area, the American army attaché in Baghdad does not believe that any elements of this regiment have yet moved. An of 2 July from Baghdad relayed a report to the effect that these tanks would arrive in the Basra area over a 15-day period.

British troops in Kuwait now total more than 2,000 men. A Saudi Arabian company of 130 men has also arrived in Kuwait to support the 2,400-man Kuwaiti army, which has already been augmented by the arming of "thousands" of tribesmen. All Saudi military forces have been put on alert.

The UAR, which has criticized Qasim for creating a crisis enabling "British imperialism" to return to Kuwait, now has announced its intention to sponsor Kuwait's admission to the United Nations. The announcement also stated that in regard to the Iraq-Kuwait dispute the UAR supports "the logic of unity, not the logic of annexation."

Arab League Secretary General Hassuna, who hopes to solve the dispute by mediation, met with Qasim yesterday, and plans to go to Kuwait and Saudi Arabia. Moscow radio has continued to accuse Britain of exploiting the Kuwait crisis in order to step up tension throughout the Arab world. (Many
SPECIAL ITEM -- SOUTH KOREA

Titular chief of the South Korean revolutionary government Lt. General Chang To-yong was taken into custody by elements loyal to Major General Pak Chong-hui early on the morning of 3 July. Pak has replaced Chang as chairman of the ruling Supreme Council for National Reconstruction and Minister of Defense. Retired Lt. General Song Yo-chan has been named chief of cabinet. Early information suggests that Chang's ouster is a preliminary move by Pak to protect his rear before moving against the more radical junior officer clique in the junta. Pak had decided to get rid of the radical junior officers because of their strong opposition to an early return to civilian government and demands that imprisoned senior generals be held in prison for an extended period of time.

Pak apparently seeks to present his moves in a light favorable to United States interests before taking action that might result in an open and possibly violent clash for power between various army elements. The clique of young colonels has provided Pak with his strongest support; they are not likely to acquiesce easily in their removal. Pak's initial moves may indeed be directed toward stated US objectives, but his longer range plans and designs remain obscure and must be carefully watched.
1. Algerian developments

a) The rebels have designated Wednesday as a day of "national struggle against partition of Algeria", and we expect clashes more serious than those on Saturday.
b) The French intend to move a first-line infantry division from Algeria to eastern France during July, and are considering the transfer of a second during August. De Gaulle is primarily trying to impress the rebels, but Berlin is undoubtedly also a consideration.

2. Communists stir up mountain tribes in South Vietnam

They are trying to organize a cohesive anti-government movement. In recent months, guerilla activity has spread northward into this region, where there is considerable discontent with the government. (Map)

3. Communist China's 40th Party anniversary

Liu Shao-chi's keynote speech reaffirmed the "great leap forward" and the commune system, but gave little indication how the Chinese plan to solve the serious problems these programs have created for them. Liu kept to the standard line on foreign affairs and referred to the President as "more dangerous" than President Eisenhower. Thompson reports from Moscow that the Soviets "slighted" the Chinese anniversary.
4. Nehru takes hard line on Kashmir

Last Friday he said he would not discuss the issue with Pakistan until the latter withdraws its troops from the portion of Kashmir which they occupy. He is probably trying to undercut any effort by President Ayub, while he is in Washington next week, to enlist American support for new negotiations.

5. Tension decreases on Syrian-Israeli border

The UN, which blames Syrian troops for creating incidents on their own initiative, is more optimistic that Cairo will bring the situation under control. The Israelis have taken no unusual military measures.

6. Uneasiness in Addis Ababa

The Crown Prince has been warned of a plot against him by a group which is said to have the Emperor's support. Such activity is symptomatic of the atmosphere of political unrest which prevails in Ethiopia.
NOTES

A. There have been no significant developments in Laos. The three princes and General Phoumi are at various stages in their leisurely progress homeward.

B. MIGs in Cuba, which confirm our belief that some of these aircraft are MIG-19s.

D. Chinese Communist Foreign Minister Chen Yi made the first direct Chinese overture to the US Delegation in Geneva with an invitation to a reception Sunday night. The Delegation has declined.

E. The Soviet good-will delegation which has been scheduled to tour Latin America has postponed its departure "for several weeks".

F. Political tension is up in Nicaragua, and an attempt to overthrow the Somozas may be made.

G. We read no great significance into the resignation of Finnish Premier Sukselainen; a general election may be called.

H. North Korean boss Kim Il-sung has taken a very strong delegation with him to Moscow, and important agreements may be announced, affecting both Sino-Soviet and North-South Korea relations.

I. Uruguay expect that the local Communists will try to mount a series of demonstrations against the ECOSOC conference, especially if the President attends.
J. Brazil has apparently reconsidered its decision to send a senior economist to Cuba.

K. Ulbricht has announced he will make public a "peace plan of the German people" on 6 July.
Page Denied