THE PRESIDENT'S INTELLIGENCE CHECKLIST
1. Pak plans to cut deeper into the South Korean junta

As a next step he is considering the removal of all remaining supporters of Gen. Chang To-yong from the Supreme Council of National Reconstruction. The SCNR would be reconstituted as a much smaller body, facilitating Pak control. Pak's efforts to mend his fences with US officials in Seoul, leave the latter suspicious that his aim is to forestall unfavorable US action while he tightens his hold.

2. Moscow air show on Sunday

This year's Aviation Day display is expected to be the most spectacular ever staged, with up to 400 aircraft taking part. Probable highlights: first public demonstration of (a) air-to-surface missiles, (b) several new bomber and fighter types, (c) a "convertiplane" capable of both level and vertical takeoffs. A top-ranking Soviet officer has frankly admitted that a show of muscle is intended.

3. Iraq-Kuwait

There have been no significant new developments in the military situation. There are further indications that Qasim will nationalize foreign oil companies on third anniversary of his takeover, 14 July. Latest of these is Iraq query whether Italians willing to replace non-Iraqi technicians now employed by Iraq Petroleum Company.
4. Turkish government plagued by dissension

The latest indication of deepseated divisions within the government is the resignation of Foreign Minister Sarper, so far refused. Sarper claims that General Gursel is "a very sick man" and that the government no longer has effective leadership. The referendum on a new constitution is scheduled for Sunday.

5. Dominican regime continues its face-lifting operations

A new cabinet line-up, announced on 5 July, represents a clean-sweep of ministers appointed by the late Gen. Trujillo and another effort to convince domestic and world opinion of the regime's reform-mindedness. The changes leave "Ramfis" Trujillo with unimpaired control of the military.
NOTES

A. Preparations pointing to a Soviet space attempt in the near future are underway.

C. The Soviet-North Korean mutual defense treaty signed yesterday will reinforce Moscow's influence in Pyongyang and check any tendency there to focus on Peiping.

D. Phoumi is optimistic on decisive royal role following his interview with the King, but we more inclined to agree with Ambassador that King is still equivocating.

E. Brazil has shown interest in supplying molasses to the US to take up the Cuban slack.

F. Early Arab reaction to Israel's rocket launch is divided between the derisive and the ominous. Net effect is expected to be more momentum in Arab efforts for unity.

H. The Soviet and Polish parties are planning to hit the unruly Albanians hard at Bloc conference in Ulan Bator next week. There is evidence that Albanian students have been
I. Soviet ground forces in East Germany are engaged in what USAEUR describes as first opposed field exercises at this time of the year since 1957. USAEUR notes this demonstrates the ability of Soviet divisions to conduct major field operations regardless of the time of year or phase in the training cycle.
LATE ITEM

East German government proposals for a German peace plan were read on 6 July to the GDR People's chamber. It calls for:

1. Establishing an "All German Peace Commission" which would (a) work out a "concord of good will" to control and reduce armaments etc. in both Germanys. (b) work out a German Peace treaty on the basis of a hodge podge of old bloc proposals--by this treaty West Berlin would have status of neutral, free, demilitarized free city.

2. Peace treaty designed to lead to confederation of East and West Germany and from there to "democratic constitution for a reunified Germany."