

FILE COPY

THE PRESIDENT'S INTELLIGENCE CHECKLIST

23 JUNE 1961
~~TOP SECRET~~

NOTE: This issue includes items from that of 22 June

1. Zurich communique signed yesterday contains important concessions by Phoumi and Boun Oum

In it they:
a) agreed to form a coalition government without reference to the national assembly.
b) largely accepted the domestic and foreign policies advocated by Souvanna;
c) disavowed "the protection of any military alliance" i.e., SEATO;
d) apparently accepted the de facto partition of Laos during the period of provisional government. (This would allow the Pathet Lao to consolidate their holdings while using their political arm to undermine Phoumi in his.

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2. MIGs for Cuba may be 19's

the crates delivered recently could contain MIG-19's, a fighter rated below the US Century series in performance. Only two other non-bloc countries--the UAR and Iraq--have received these jets.

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3. Another Chinese Nationalist protest against US actions

Chiang gave Ambassador Drumright a bad afternoon on Tuesday. Citing the Liao case, Outer Mongolia, and the UN moratorium issue, he stated his suspicion of a calculated change in US China policy, and threatened "serious consequences."

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4. **Israel-UAR border flare-ups**

Syrians provoked a series of incidents on the Israeli-Syrian border on 19, 21, and 22 June, interrupting several months of relative quiet. Approaching Israeli elections, scheduled for August, may prompt Ben-Gurion to recoup lost prestige by reinstating his popular "reprisal" policy against Arab incursions. ([redacted] map, last page

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5. **Iranian Premier faces mounting opposition**

[redacted]

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6. **Dominican President presses efforts to secure American approval**

Balaguer, while intimating that repaired diplomatic relations will strengthen both him and the forces of liberalization, appears, in fact, to doubt his capacity to influence domestic developments.

[redacted]

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7. East Germans offer economic aid to Brazil

They have offered to build a variety of industrial installations, and claim an interest in helping development of the depressed northeast, as do the Poles. A Brazilian mission travelling in Eastern Europe has signed a number of agreements which would greatly increase the level of bloc-Brazil trade. (Quadros' announcement on Wednesday of his hopes to increase trade with Cuba seems to be a political gesture designed to offset his action against striking pro-Castro students in Recife earlier this month).

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8. Further French views on Algeria

The number-two French negotiator at Evian believes the Algerians will drag out the talks indefinitely, believing time on their side. Citing a marked increase in terrorism in Algeria, he believes the situation there will "disintegrate" if the negotiations are prolonged, and France will have no choice but partition.

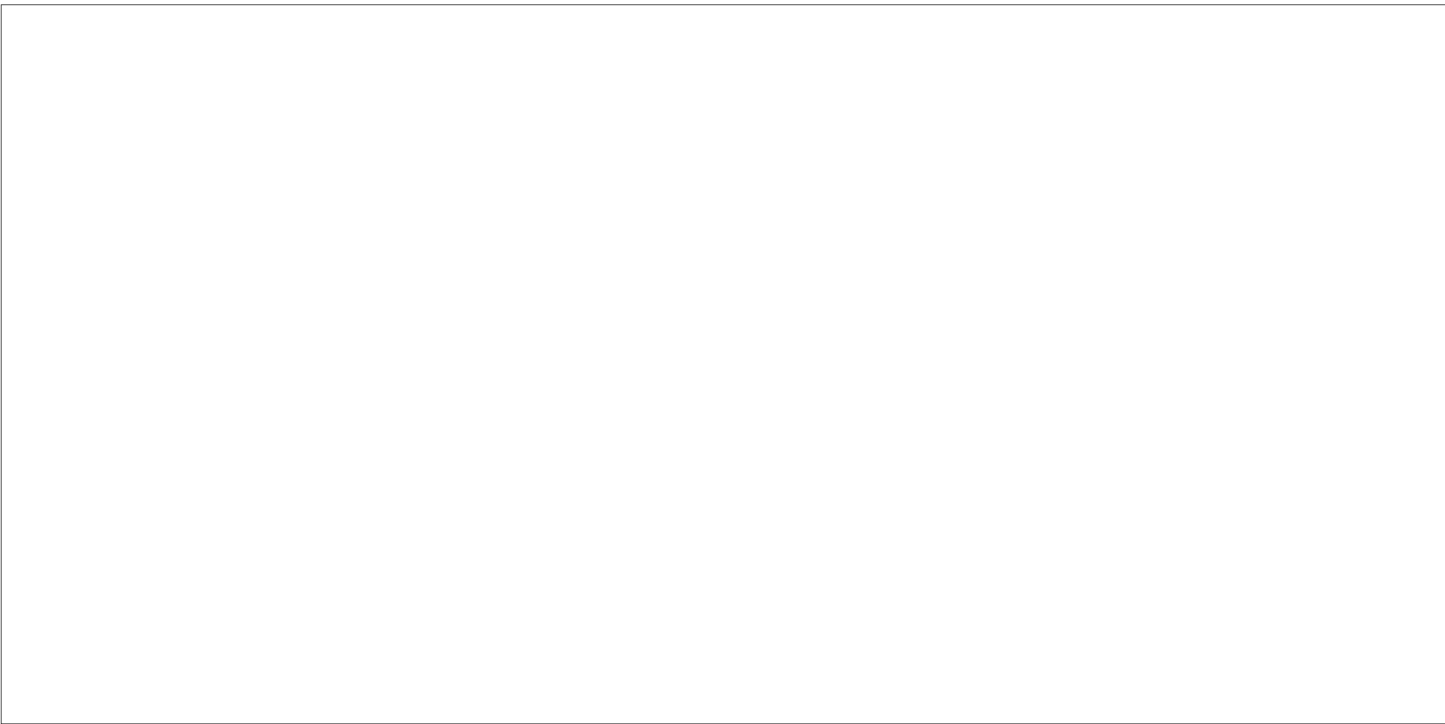
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9. UNGA President Boland invited to Hungary

This action is probably in response to an informal US suggestion that it would help smooth the way for normalization of Hungary's international position. We have seen no signs, however, that action will be taken to carry out the two other steps which were suggested, evacuation of Soviet troops and an amnesty to the 1956 rebels.

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NOTES

- A. The agreement between the Bolivian government and the miners that the strike will be dropped and the miners' leaders released temporarily eases the crisis in Bolivia. 50X1
- B. Khrushchev flew to Alma Ata yesterday for the 40th anniversary of the Kazakh Republic. This is routine; he probably will make another speech. 50X1
- C. In the Congo, Tshombe has finally been released, and presumably is now to be more cooperative with Kasavubu. The date for the parliament meeting seems to be slipping into July. 50X1

- D. Embassy Prague has been informed by the Czechs that they will retaliate for US actions in the Nacvalac case, in effect on an "eye for an eye" basis. [redacted] 50X1
- E. Embassy Lisbon believes that Portugal is shipping MAP-supplied military equipment to its African colonies. [redacted] 50X1
- F. The circumstances surrounding the formal conclusion of the Soviet aid agreement with China signed on Tuesday suggests that there has been a substantial reduction in Soviet economic commitments. However, no information on what the agreement contains is yet available. [redacted] 50X1
- G. El Salvador, noting reports of US feelers for a conference of hemisphere foreign ministers this summer, has expressed a belief that the meeting would provoke disunity on the eve of the September General Assembly. [redacted] 50X1
- H. Nkrumah has called leaders of parties from territories not yet independent to meet in Accra on 28 June. He leaves for Moscow on 5 July. [redacted] 50X1

LATE ITEMS

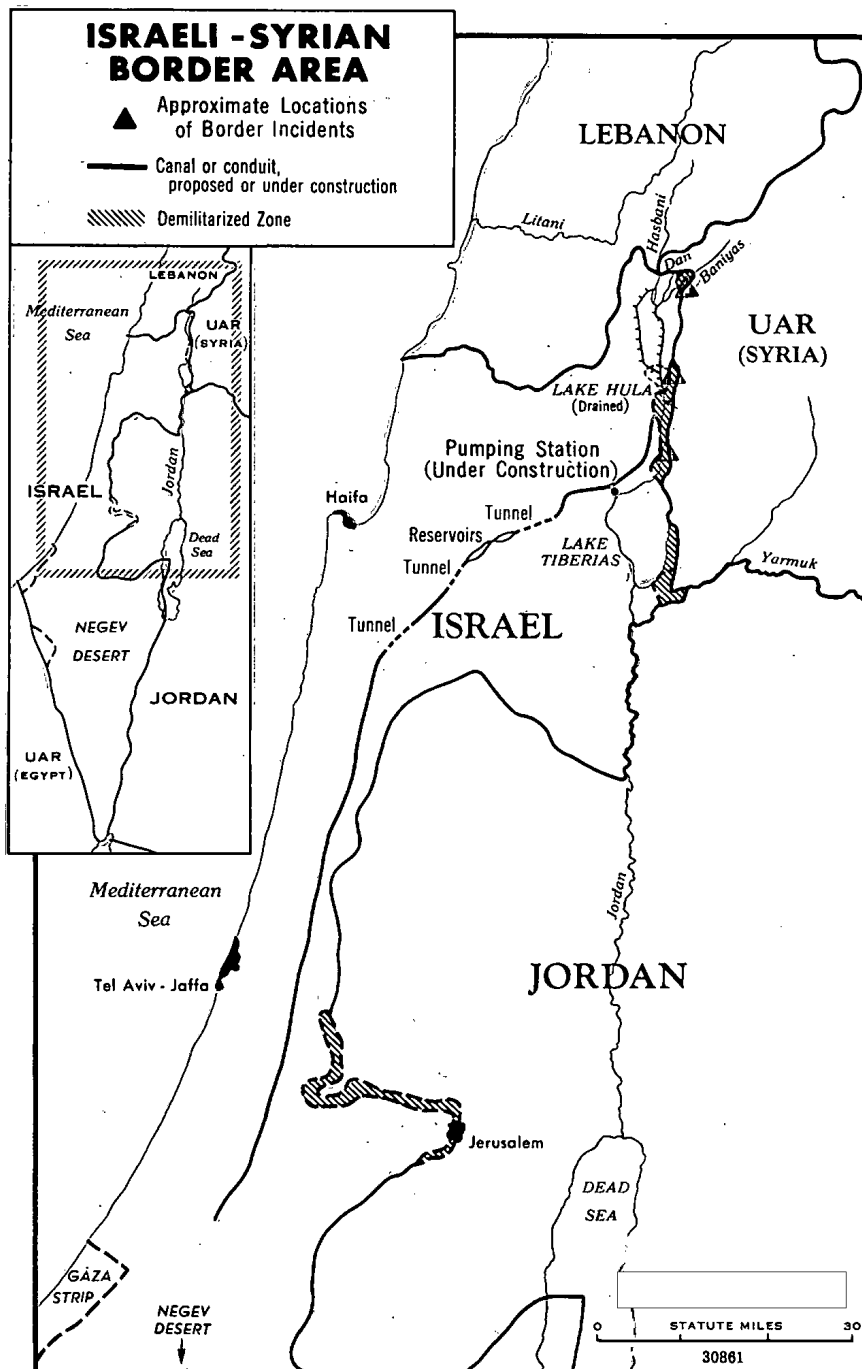
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- [redacted] the Thai army has been placed on alert. We do not yet know what prompted this action [redacted] 50X1
- [redacted] 50X1
- J. At 0730 we received telephone word [redacted] 50X1
[redacted] that Castro has rejected the tractor offer. No details are available. 50X1

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WATCH COMMITTEE CONCLUSIONS--21 JUNE

- A. No change from last week.
- B. No change from last week.
- C. LAOS: The Communists continue to delay implementation of an effective cease-fire in Laos while their forces proceed with efforts to eliminate pro-government forces in Communist-dominated areas and to improve their already strong military position. They apparently believe that these tactics will eventually result in the establishment of a "neutral" Laotian government satisfactory to them. The ability of the Royal Laotian Government to maintain its cohesion and determination to resist is increasingly uncertain.



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