

THE PRESIDENT'S INTELLIGENCE CHECKLIST

20 DEC. 1961
~~TOP SECRET~~ p

1. Congo

A. As of 1110 this morning we had no word on progress of the talks at Kitona.

B. Adoula is under strong pressure to take a hard line with Tshombe. He has disassociated himself from the cease-fire in Elisabethville and continues to press the UN to use Congolese troops in Katanga.

C. There was some firing in Elisabethville last night. Each side blames the other for breaking the cease-fire but the action does not seem to have been particularly serious.

2. Aftermath of Goa affair

A. The Portuguese government is in an ugly mood and is hinting at sweeping changes in foreign policy; these could extend to withdrawal from the UN and NATO.

B. Portuguese security officials

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[REDACTED] are getting worried over the possibility of trouble in Portugal itself.

C. Krishna Menon, holding a press conference in Cairo on his way to New York, achieved a remarkable level of sophistry in saying "Indian forces did not fire one bullet within the Goa area--India did not violate the UN charter--we did not use force, we only expressed the opinion of the people of Goa--."

D. The Chinese Communists appear somewhat embarrassed that the "bourgeois" Nehru has taken direct action against colonialism while they have confined themselves to militant talk and have had a tolerable working relationship with Macao. Their line is to support India's action but condemn Nehru's motives.

E. Jones believes the action against Goa has reinforced Sukarno's determination to use force if he cannot obtain New Guinea otherwise, but he thinks Sukarno may wait to see if there are any serious consequences for India before moving. He adds that for the time being Sukarno "is banking on President Kennedy."

3. Brazilian political situation deteriorates

With executive power all but paralyzed by division of authority among the President, the Council of Ministers, and Congress, the chances of takeover by the left or by the military are on the rise. Quadros, due back in February, may also profit.

4. New Chinese Communist grain purchases from the West

They agreed to buy a million tons from Canada and are about to close a deal for another million from France. Terms granted by Canada (25 percent down and the rest in nine months) are the same as those in previous deals, considerably less liberal than the three-year credits the Chinese wanted. These purchases are only the first of a series, as Peiping will probably buy at least as much in 1962 as this year's 5.7 million tons.

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5. Adenauer's reaction to Paris meeting

He told Dowling that in light of his agreement with De Gaulle, it was impossible that the French could have been completely negative. When Dowling insisted, he said Couve de Murville must have been at fault. Dowling believes Adenauer finds it impossible to visualize a split between himself and De Gaulle and is trying to rationalize the latter's performance.

NOTES

- A. A Soviet protest to Lebanon against a Lebanese - West German technical assistance agreement (because it contains a standard clause making it applicable to Berlin) may be the first gun in a new Soviet diplomatic campaign to break the connection between West Germany and Berlin in the eyes of other nations.
- B. Pope's appeal for clemency is on Sukarno's desk, but we have no word on when the latter may act on it.
- C. Albania, while expanding trade with the West, is not interested in obtaining credit, apparently because Communist China is supplying sufficient foreign exchange.
- D. Balaguer has asked Hill to transmit his thanks for the President's message and for proposed US actions.
- E. A UAR diplomat claims that Iraq will be encouraged by the Goan action to attack Kuwait soon. We would expect to get some preliminary warning of such a move and have not yet done so.

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