

THE PRESIDENT'S INTELLIGENCE CHECKLIST

20 MAR. 1962
~~TOP SECRET~~

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1. Laos

Phoumi has refused to meet Ambassador Harriman in Bangkok and on 17 March he stated that as far as he was concerned there would definitely be no Souvanna coalition government. Meanwhile, Souvanna's deadline of a week to ten days for agreement on a government is nearly over. With no agreement in sight, and his control over his own forces slipping, he may throw in the sponge. Time may be running out for agreement on an acceptable neutral government.

2. Frondizi Regime
In Peril

The situation remains fluid and confused. Frondizi is again in a squeeze, confronted by the determination of the military to deny the Peronistas the fruit of their electoral victories and by the danger that labor, backed by the Communists, will stage strikes and demonstrations that could get out of control if he bows to military demands. The military still prefers to keep Frondizi in power, but would probably not hesitate to oust him if Peronista forces appear to be getting the upper hand.

3. Dutch-Indonesian talks

Today's talks begin with the two sides still differing in their fundamental approach to the problem: the Indonesians are here for a short session to settle the method for transferring administration to them; the Dutch have indicated no change in their view that there must be at least some sort of interim arrangement before the Indonesians get full control.

4. European Common Market

The Common Market foreign ministers are to meet in Luxembourg today to tackle the draft treaty for political union. France opposes the other five, who want the EEC institutions guaranteed and NATO's pre-eminent defense role accepted.

[REDACTED] Even if agreement is reached, Belgium and the Netherlands will probably make their agreement contingent on the UK joining both EEC and the political union. [REDACTED]

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NOTES

- A. Four Soviet outbound flights--two each in the center and southern corridors--were completed without incident this morning. [redacted] 50X1
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- B. The situation in Guatemala, though quieter on the surface, is still touch-and-go. Ydigoras has failed to make a deal with the moderate opposition and, with little civilian backing, continues to rely on the military which itself is of a divided mind about him.
- C. Last night was Algeria's quietest in weeks. The general strike is still on and the test of will between the OAS and the French Army is yet to come. France will hold a national referendum on the Algerian settlement on 8 April.
- D. [redacted] Communist China 50X1
withdrew all its [redacted] deposits from Bloc banks at the end of last year and cancelled arrangements for extending commercial credit to East European banks. Coinciding with severe Bloc economic pressure on Albania. These actions were probably designed to reduce China's vulnerability to possible Soviet sanctions against it. 50X1
- E. Haiti and the Dominican Republic are beginning to close one another's consulates and seem to be inching towards a complete break. [redacted] 50X1
[redacted] 50X1
- F. [redacted] the Portuguese terms for 50X1
renewal of the US Azores base agreement will be: (1) the US must refrain from interfering with Portuguese colonies or voting with the Afro-Asians against Portugal; (2) the US must supply Portugal with military equipment. [redacted] 50X1

- G. The Singapore government's extreme leftist opposition--defeated in parliamentary maneuvers to frustrate the union of Singapore with Malaya and British Borneo--is expected to resort to demonstrations, strikes and possibly mass violence to prevent the establishment of a Greater Malaysia.
- H. The bitter feud for control of the Lebanese Army--permitted to smolder since the 31 December abortive coup--may flare up at any time and weaken the army's effectiveness as the key factor in maintaining stability.
- I. The resignation of Turkish Foreign Minister Sarper [redacted] continued illness of President Gursel [redacted] [redacted] will further weaken Inonu's already shaky coalition government.
- J. Ambassador Gullion reports that the Adoula-Tshombé talks will almost inevitably get lost in murky legalisms before they get down to cases.
- K. The Cuban government has announced that the trial of prisoners taken in last April's invasion will begin on 29 March.
- L. Today Syrian shore batteries fired on Israeli police patrol boats in the Sea of Galilee, wounding two Israelis.

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THE DIRECTOR OF CENTRAL INTELLIGENCE