THE PRESIDENT'S INTELLIGENCE CHECKLIST

ISSUED BY THE

CENTRAL INTELLIGENCE AGENCY

17 DECEMBER 1963 TOP SECRET

Bolivia

- Release of the hostages marks a significant climb-down for Lechin.
- b. He is already attempting a recovery by making inflammatory statements against the government.
- the administration, for its part, will seek immediate congressional approval to outlaw the Communist Party and is considering breaking relations with Cuba.

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2. USSR

a. The new budget is out

A general retrenchment of the economy in support of the chemical program seems to be in train.

- b. Allocations for the chemical industry are planned to increase 44 percent in 1964 and 31 percent in 1965. These figures are high compared with what has been earmarked in the last three years.
- Steel production, which has been a symbol of the resource debate, is planned to increase at only about five percent a year. It is probably one of the activities from which resources will be shifted to chemistry.

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- d. Gross industrial output is scheduled to increase at about the same rate as last year with consumer industries to grow at a rate slightly higher than in 1963 but still below that of heavy industry.
- e. The allocation for military expenditures in the 1964 budget is about four percent below last year's. However the TASS summary does not provide enough data to determine the real change in total military outlays.
- 3. Communist China

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	all is not monolithic
within th	ne party leadership.
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	Mao
	is no longer always able
to hold t	the line against an "even
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factionalism within the Chinese hierarchy. Liu Shao-chi is generally regarded as the leader of the more radical faction.

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NOTES

A. France-Mexico De Gaulle is keeping the door open for a visit to the Western hemisphere.

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- B. West Germany The Social Democratic Party has moved swiftly, following the death of Ollenhauer, to name West Berlin Mayor Willy Brandt Acting Party Chairman until the party convention in November 1964.
- C. Laos General Phoumi claims he is not planning a major military effort in southern Laos to cut the Ho Chi Minh trail thus risking a North Vietnamese riposte. He told Ambassador Unger his plan had been to increase intelligence activities, harassing actions and interdiction of routes in the area.
- D. Turkey Inonu has been called upon to form a new coalition government after Justice party leader Gumuspala was unable to do so.
- E. Afghanistan Former Prime Minister Prince Daud is back in the political picture trying to exert pressure on the King to forestall adoption of Prime Minister Yusuf's more liberal constitution. If Daud succeeds it may mean the beginning of the end for Yusuf.

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- F. USSR Khrushchev will be on the go quite a bit in 1964. He is scheduled to visit Egypt in January and India in February. The Soviet Premier may also include Pakistan on the same trip as well as Ceylon and Nepal. In June he is scheduled for a Scandinavian visit.
- G. Berlin West Berlin and East German representatives have signed an agreement clearing the way for West Berliners to visit relatives on the other side of the wall during the Christmas holidays.
- H. Saudi Arabia King Saud and Crown Prince Faysal seem to be having their showdown.

We think Faysal has the backing of the most important elements of the family but are not sure which way the various elements of the military will throw their support.

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