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31 March 1961

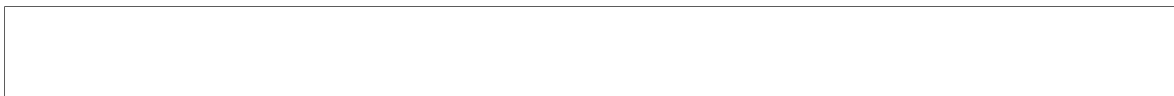


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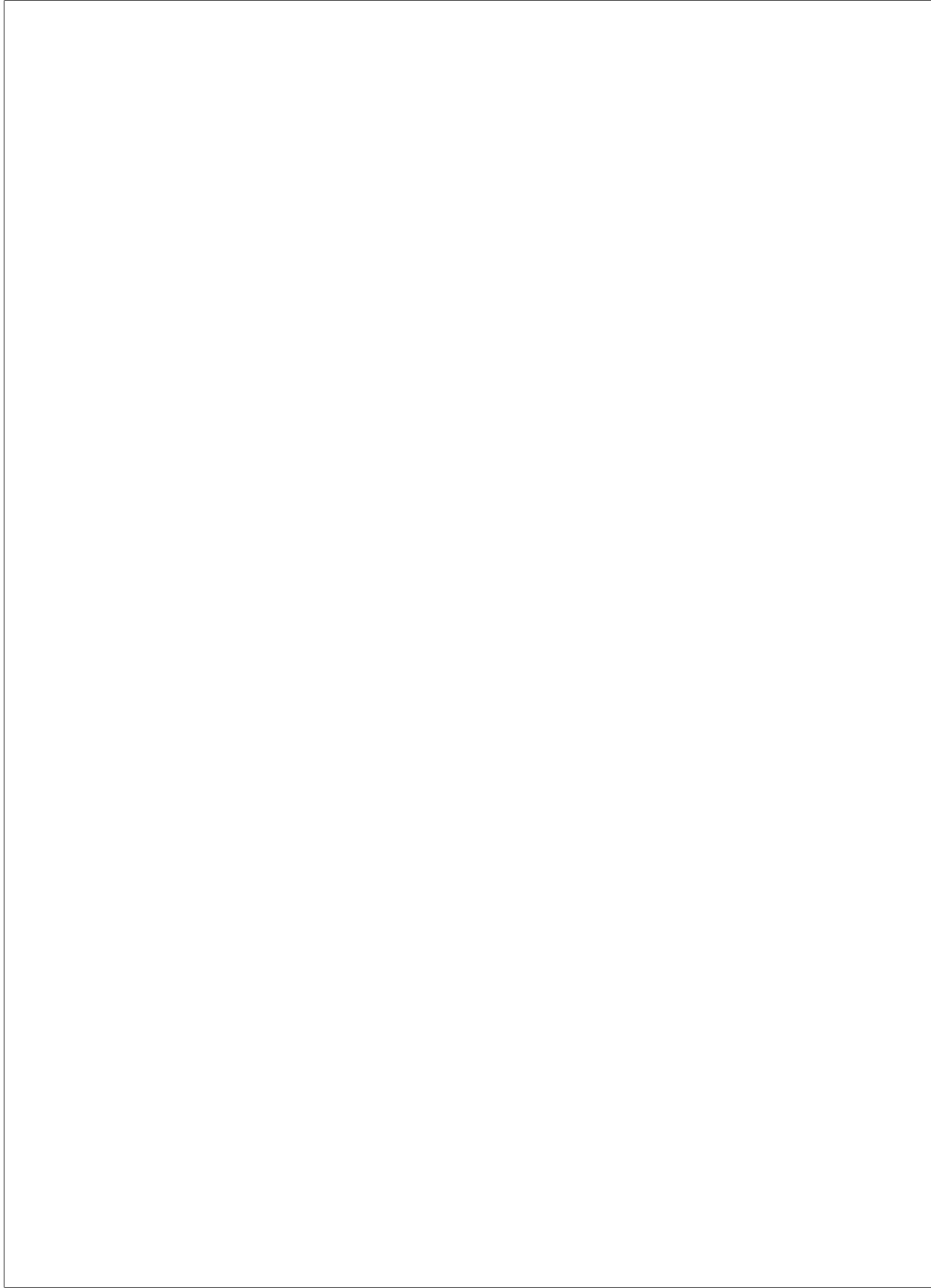
CENTRAL

INTELLIGENCE

BULLETIN



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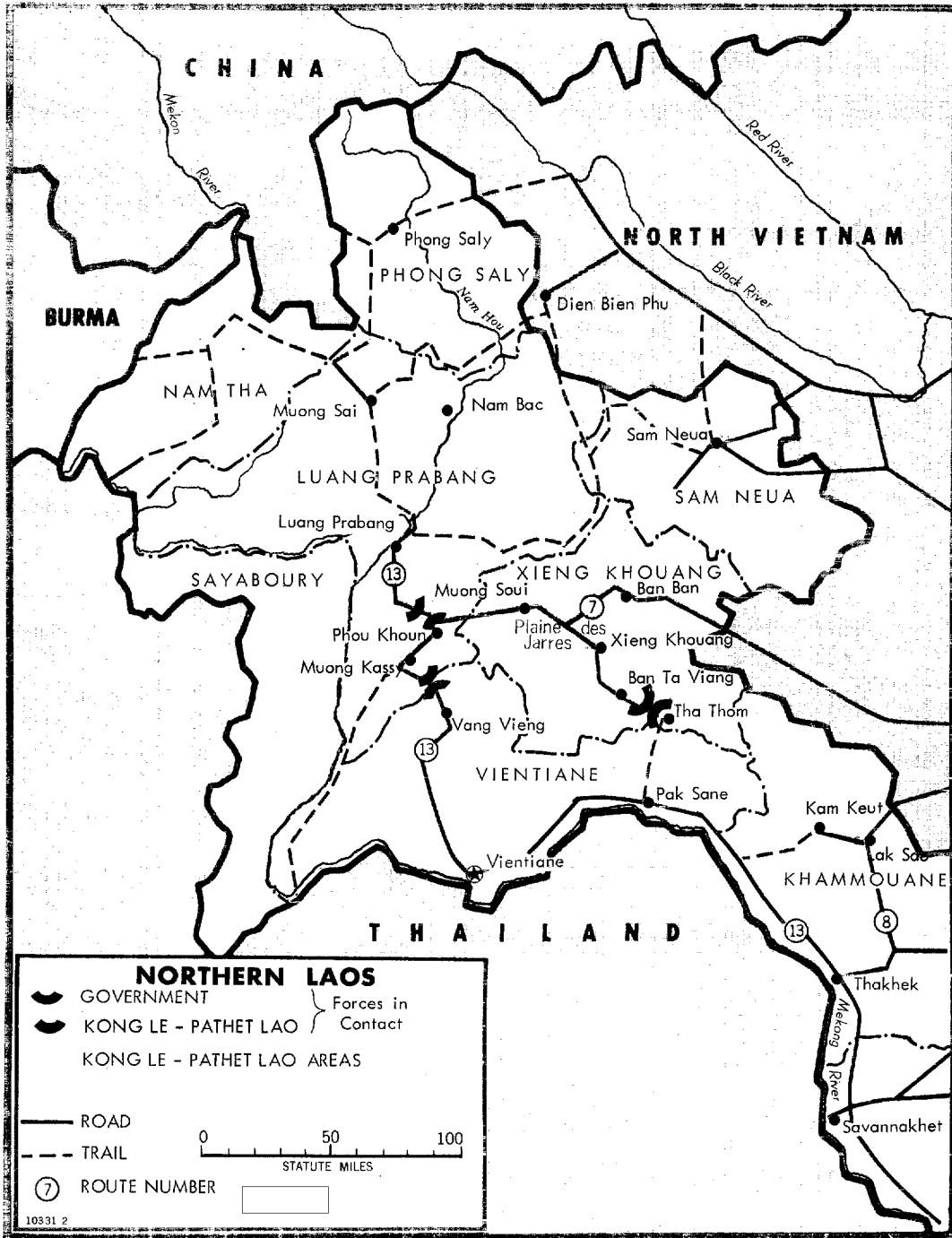
31 March 1961

CENTRAL INTELLIGENCE BULLETIN

CONTENTS

1. Situation in Laos. *(Page i)*
2. Warsaw Pact communiqué. *(Page i)*
3. Congo: Contacts between Leopoldville and Stanleyville; sea-lift of Indian troops now scheduled to begin 1 April. *(Page ii)*
4. Sino-Soviet economic talks, probably concerned with Soviet aid, may have hit snag. *(Page ii)*
5. USSR: At least 16 Soviet scientific research ships currently operating in various areas. [redacted] *(Page iii)*
6. Israel-France: Paris reportedly agrees to provide aid for military industrial development in Israel. [redacted] *(Page iii)*

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CENTRAL INTELLIGENCE BULLETIN

31 March 1961

DAILY BRIEF

Slovak

*Situation in Laos: [redacted] Vientiane is reacting with concern to unconfirmed reports [redacted] of a Pathet Lao drive developing in the Kham Keut area and to the south, designed to divide the country at Thakhek, on the Mekong River below Vientiane. So far, US military sources have tended to discount such reports, although they believe company-size guerrilla units with some Viet Minh advisers are operating in the area.]

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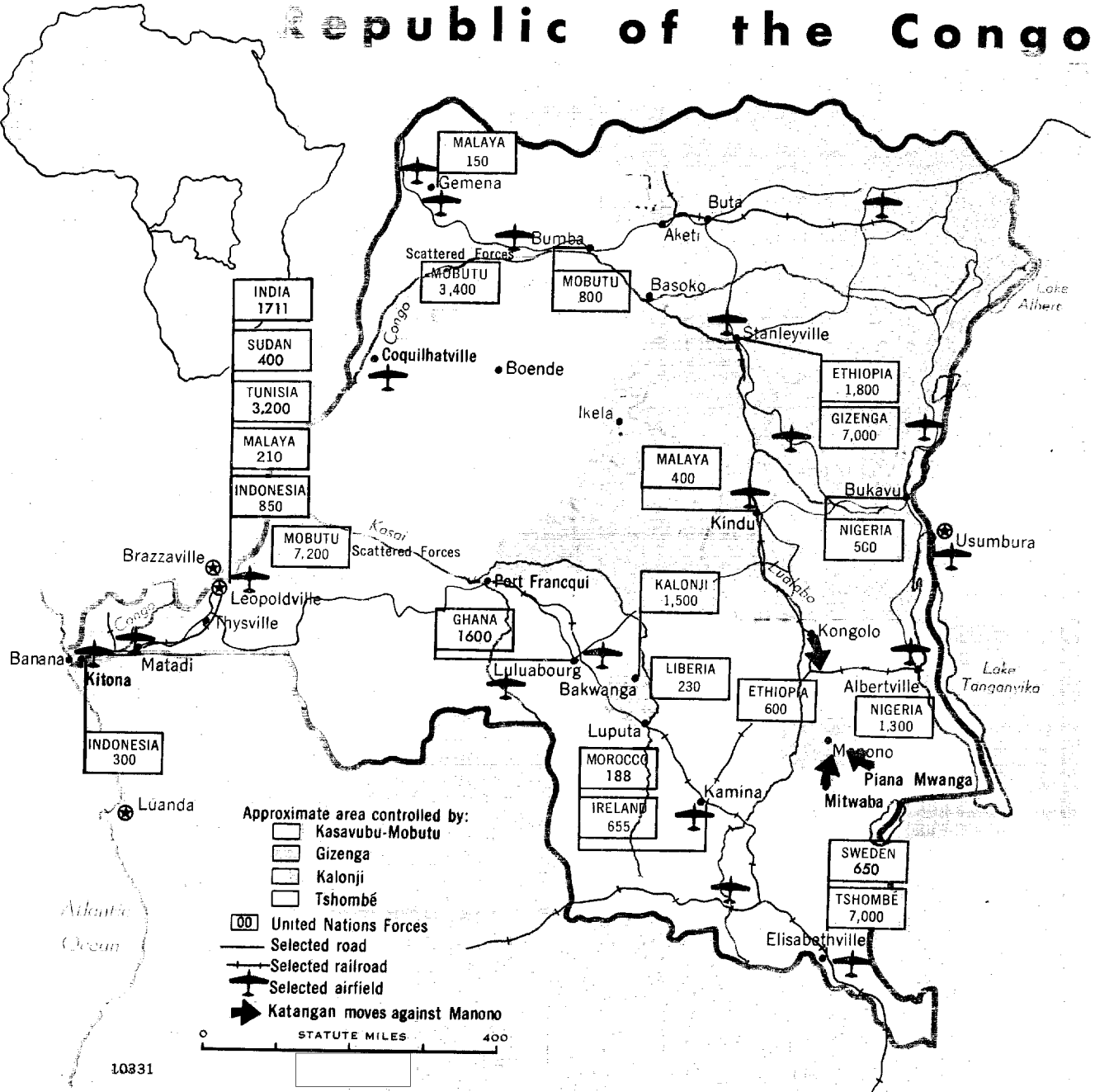
[redacted] the Soviet reply to the British proposals on Laos would be "generally favorable." Remarks made by the Soviet ambassador in Paris to Souvanna Phouma provide a further indication that Moscow will not agree unconditionally to the UK proposal.] ([redacted])
[redacted] (Backup, Page 1) (Map)

*Warsaw Pact Meeting: The communiqué issued by the Warsaw Pact meeting in Moscow on 30 March was cast in a moderate tone and confined largely to routine generalities, suggesting that it is intended as a gesture of restraint. The communiqué contains only a passing reference to Laos along with the Congo, Algeria, Angola, and Cuba as examples of areas where the "imperialists" have resorted to "direct military strength" in an effort to check the "growing liberation movement" in Asia, Africa, and Latin America. Since the Warsaw Pact meeting appears to have been timed to provide a demonstration of bloc strength and solidarity in the event of any decisions by the SEATO conference to increase military assistance to the Laotian Government, the omission of any warning addressed specifically to the Laotian situation probably is designed to appear responsive to the moderate

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Republic of the Congo



31 Mar 61

CENTRAL INTELLIGENCE BULLETIN

Map Page

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statement on Laos contained in the SEATO communiqué. The Moscow communiqué concludes on a conciliatory note by expressing the bloc's readiness at any time to "support the implementation of the widest measures coordinated with other states" to secure peace and security. The only substantive issue raised by the communiqué is a reaffirmation that a German peace treaty and creation of a free city in West Berlin remain "extremely necessary."

The Chinese Communists were represented by their ambassador to Moscow. This is the first time that observers representing Communist China at a Warsaw Pact meeting were not special high-ranking officials from Peiping. On four of the past five occasions, the Chinese were represented by officials of politburo rank. In addition, the communiqué listed no representative from North Vietnam. It is not clear whether these departures from past practice reflect current policy differences between Moscow and Peiping. [redacted]

Congo: [Uncoordinated and so far inconclusive contacts between officials of the Leopoldville and Stanleyville regimes apparently are continuing. Several leaders in Orientale, including Gizenga, are reported to have been in correspondence with Leopoldville, often without the knowledge of their associates. Mobutu announced on 29 March that some of his officers were meeting with representatives of General Lundula in the northern part of the country. This suggests there is at least a possibility that some form of modus vivendi may still be worked out between the Stanleyville and Leopoldville leaders.] [redacted]

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The sea-lift of 2,300 Indian troops is now scheduled to begin on 1 April, even though the situation at Matadi is still unresolved. The Indians will arrive off West Africa about 20 April. If at that time Matadi is still closed to military traffic, they are to off-load at Lagos, Nigeria, from which point they will be airlifted into the Congo. [redacted] (Backup, Page 3) (Map)

USSR - Communist China: According to a brief Chinese Communist press announcement, the Soviet delegation which [redacted]

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31 Mar 61

DAILY BRIEF

ii

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has been holding "preliminary discussions" on economic relations between the two countries, left Peiping for Mongolia on 27 March. No mention was made of the outcome of the talks or of plans for additional negotiations, although it had been announced earlier that the preliminary phase would be followed by further talks in Moscow. This suggests that these negotiations, which were probably concerned with Soviet aid to China, have hit a snag. [redacted] (Backup, Page 5)

USSR: A high number of Soviet scientific research ships --at least 16--are currently operating in waters throughout the world, including the north and south Atlantic, the mid-Pacific, the Indian Ocean, the Antarctic, and the Gulf of Alaska. These ships are carrying on the USSR's extensive oceanographic research program, which has expanded rapidly during the past decade and which now far exceeds that of any other nation in both numbers of research ships and scope. The Soviet effort has important economic, scientific, and military applications. An example of military interest in research operations was noted in late February and early March when the USSR's leading authority on the military applications of underwater sound research personally directed operations by two new research ships in the south Atlantic. [redacted]

no

Israel-France: [redacted]

[redacted] France has agreed to execute "five plans," to be completed in two years, as part of a ten-year program for military industrial development in Israel. This agreement was reportedly worked out by an Israeli military mission recently in Paris. The agreement calls for construction and equipping of a chemical factory, an electro-metallurgical laboratory, a factory for "isotopes," a central military research laboratory, and an artillery and rocket factory. Although the report is inaccurate in some of its details and may be sensationalized, it probably reflects a new development in Franco-Israeli military cooperation which

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31 Mar 61

DAILY BRIEF

iii

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eventually would provide Israel with facilities for increasing
and centralizing its military industrial activities. [redacted]
[redacted] (Backup, Page 6)

**SELECTED INTELLIGENCE
REPORTS AND ESTIMATES**

(Available during the preceding week)

Outlook in Mainland Southeast Asia: Conditions Affecting
Internal Development and International Orientation, Stability
of the Governments in the Area, and Probable Effects of Com-
munist Gains in Laos and South Vietnam. U. S. I. B. NIE 50-
61. 28 March 1961. [redacted]

31 Mar 61

DAILY BRIEF

iv

~~TOP SECRET~~ [redacted]

~~TOP SECRET~~Situation in Laos

[Preliminary accounts of a 29 March cabinet meeting in Vientiane indicate that while unhappiness was expressed over Vientiane's weak position in any political settlement because of its military disadvantage, no decision was taken to oppose a negotiated settlement.]

[redacted] "2,000 North Vietnamese troops" at Kham Keut, and a heavy mortar battalion and artillery battery at Lak Sao, to the east. Reports from American military sources indicate that the enemy is employing only company-size guerrilla units in this area with some North Vietnamese advisers.]

[redacted] the Soviet ambassador in Paris said the USSR, as co-chairman of the Geneva conference, could not order a cease-fire and suggested that this was something Souvanna should do as "head" of the Laotian Government. Souvanna has stated that the Soviet ambassador responded favorably to his view that reactivation of the ICC should precede a cease-fire in order to ensure that the cease-fire is observed and foreign intervention is terminated. In view of the bloc's apparent desire to avoid a commitment to a formal cessation of hostilities prior to an international conference, the Soviet leaders may see a strong advantage in adopting Souvanna's position in their reply to the British note--a position which corresponds to the Soviet proposal of 18 February that a preliminary meeting of the ICC be held in New Delhi before the international conference opens.]

[The generally moderate tone of Soviet propaganda on Laos, following the publication of the Pravda "Observer" article on 27 March, provides additional evidence of Moscow's desire to avoid exacerbating the situation at the present time. The Warsaw Pact communiqué of 30 March contained only a passing reference to Laos.]

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[During Souvanna's current "private" visit to London, the British are planning to give him red-carpet treatment, including dinner with the foreign secretary. London's long-standing support for Souvanna is based on the belief that he can maneuver for the support of both left and right from a neutral position. The British will stress the importance of not jeopardizing this neutrality by commitments to the Soviets during his subsequent Moscow visit.]

Soviet transports continued to be scheduled for airlift operations into Laos through 31 March. Three Soviet LI-2 transports flew on 29 March to a recently reactivated airfield about 50 miles northeast of Hanoi. Three more were scheduled there on 30 March.

[redacted] the IL-18 now en route to Haiphong from Moscow refuel "since Hanoi has no gasoline." Since the IL-18 is a turboprop aircraft using jet fuel, [redacted] this particular aircraft did not arrive in North Vietnam in need of jet fuel, which is apparently not available there. The level of airlift activity into Laos does not indicate a shortage of aviation gasoline used by the IL-14s and LI-2s.

At least one of the two Soviet AN-12s scheduled for North Vietnam arrived in Peiping on 30 March and is scheduled to continue to Hanoi on 31 March. The sentence in the Central Intelligence Bulletin of 30 March referring to flights of these aircraft should have read "from the USSR into North Vietnam." [redacted]

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~~TOP SECRET~~Situation in the Congo

The meeting announced by Mobutu may be the one referred to [redacted] contacts between Leopoldville and Stanleyville officers were taking place in a town near Aketi and that the local civilian administrator had been excluded. These efforts by Mobutu reportedly have Kasavubu's blessing; however, many of the feelers which have been put out from Stanleyville appear to be attempts by Congolese leaders acting as individuals to make their peace with the opposite side. [redacted]

The Leopoldville government's announcement that the next meeting of Congolese leaders will be held on 5 April at Kamina, near a concentration of UN troops, apparently is a further attempt to initiate official contacts with the Gizenga regime. Gizenga might agree to attend such a gathering if his security were guaranteed by the UN; however, his regime still insists publicly that a convening of parliament and elections under UN supervision are a prerequisite for a reconciliation with the opposing regimes. [redacted]

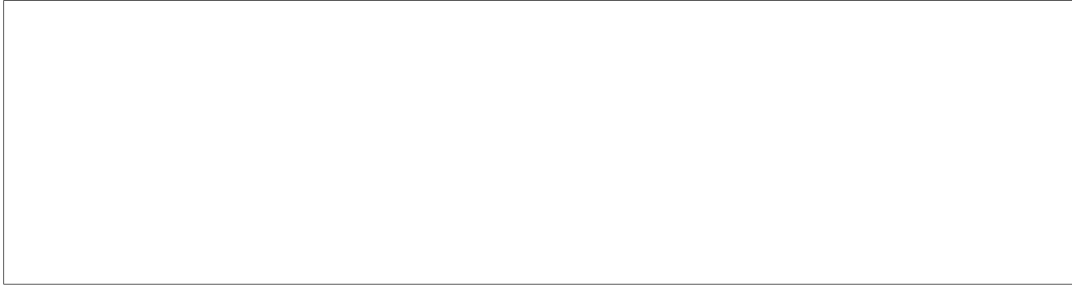
[redacted] Gizenga is becoming disillusioned with his Cairo mission, whose leader, Pierre Mulele, has been trying to halt the drift toward rapprochement between Leopoldville and Stanleyville. The most recent cause for dissatisfaction is the alleged theft in Khartoum of \$380,000 which was being sent by courier to Stanleyville to pay Gizenga's troops. Gizenga apparently is becoming increasingly annoyed with Mulele, who has been sending him wordy, vague reports but has so far produced no results. [redacted]

[redacted] Tshombé's troops planned to attack the airport at Manono on 30 March. The white officer in charge of this operation reportedly contended that his force was too small to accomplish its objective, but he nevertheless planned to go ahead. In this operation, African troops allegedly were to lead the advance with the South Africans backing them up from behind. The Katanga)

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[military leaders reportedly believed that this plan of operation would be more successful than the earlier procedure of integrating whites into African units.] [redacted]



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~~TOP SECRET~~ [redacted]Sino-Soviet Economic Negotiations May Have Hit Snag

The Soviet economic delegation headed by Vice Chairman of the Committee for Foreign Economic Relations Arkhipov and also a trade delegation headed by Vice Minister of Foreign Trade Kумыkin arrived in Peiping on 8 February for separate meetings with the Chinese. When the trade delegation left to return to Moscow on 2 March, a "press communiqué" was issued both in Peiping and Moscow stating that negotiations had proceeded smoothly and a satisfactory agreement had been reached. At a banquet in honor of the departing trade delegation, Chou En-lai toasted the "success already achieved" and Foreign Minister Chen Yi expressed confidence that the economic discussions would be equally successful.

The general theme of economic talks as opposed to the trade negotiations was long-term Soviet economic assistance for China's industrialization program, the status of which was called into question with the departure of Soviet technicians in August 1960. The discussions in Peiping probably centered on rescheduling Soviet deliveries of capital equipment, a possible resumption of some Soviet technical assistance, and other aspects of Soviet aid disrupted during the past eight months. While the continuation of these economic talks well beyond the completion date of preliminary trade talks may be only a reflection of the detailed substantive work involved, the absence of comment such as that which followed the trade talks would seem to imply that difficulties arose during the past month. [redacted]

The trade talks have entered the final phase of negotiations in Moscow on the 1961 agreements. Recent information on deliveries of Soviet petroleum to China reveals that the quota for April is at an all-time high, exceeding the high level of deliveries in this same month last year. This suggests that at least the petroleum protocol in the 1961 trade agreement has been concluded and is being implemented. [redacted]

[redacted]

[redacted]

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~~TOP SECRET~~France Reportedly Will Provide Israel With Military Industrial Facilities

The machinery and equipment for the "five plans" will cost \$6,400,000, [redacted] At the proposed electrometallurgical laboratory, all material to be used for military purposes will be inspected. The plant for "isotopes" reportedly will produce "spare parts" for Israel's nuclear reactor--an illogical function for such a factory--as well as supplies and equipment for handling, controlling, and measuring radioactivity. The description of the intended purpose of the military research laboratory is also erroneous in its details. The arms factory, [redacted] will manufacture heavy, medium, and light gun barrels, as well as French-designed anti-tank rockets in accordance with authorization from France. [redacted]

[redacted] { Israel already is the largest and most efficient producer of arms in the Middle East. Its munitions industry has grown from a small clandestine operation during the British Mandate in Palestine to a highly flexible, government-controlled complex which has made the country almost self-sufficient in light armaments. As the variety of military goods manufactured has broadened to include more complex and specialized items, there have become available for export outdated types of weapons and ammunition. Earnings from export sales of small arms and ammunition have offset to some extent expenditures of foreign exchange for the heavy arms and aircraft Israel has procured abroad. West Germany, which along with France has supplied Israel with military goods, has become the leading importer of Israeli light arms. [redacted] West German purchases have included 35,000 9-mm. submachine guns. }

The Israelis also have sold locally manufactured arms to the newly independent states of Africa, in competition with the UAR, as part of their effort to develop political and economic relations. For these sales, liberal credit terms are extended

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to the recipient state. In the recent case of Mali, which is also acquiring weapons from the UAR, the terms amounted virtually to a gift.

[Israel also has ordered 40 Mirage III jet fighters from France, but apparently has not yet received any of the aircraft. These advanced jets, which have been in production for only a few months, are superior to the Russian MIG-19s the UAR recently acquired.] [redacted]

[redacted]

[redacted]

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The Vice President

Executive Offices of the White House

The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Director, Office of Civil and Defense Mobilization

The Director, National Aeronautics and Space Administration

Chairman, Board of Consultants on Foreign Intelligence Activities

The Department of State

The Secretary of State

The Under Secretary of State

The Director, International Cooperation Administration

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant to Secretary of Defense (Special Operations)

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U.S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Director, The Joint Staff

The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

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