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2 January 1961

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CENTRAL INTELLIGENCE BULLETIN



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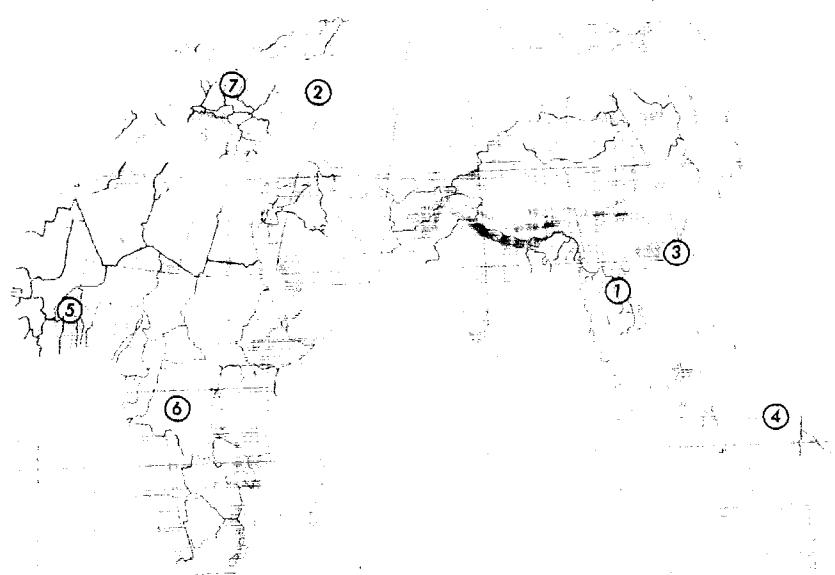
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2 JANUARY 1961

I. SPECIAL ITEM

Situation in Laos.

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II. THE COMMUNIST BLOC

Khrushchev states willingness to drop UN debate on U-2 incident.

②

III. ASIA-AFRICA

Chinese Nationalist commander on Chin-men orders artillery to fire warning shots at British ships entering Amoy, and at ships themselves if they ignore warning.

③

Indonesia may stage military incident in Netherlands New Guinea area as means of bringing New Guinea issue to UN.

④

Mali reportedly receiving Soviet bloc small arms and ammunition by way of Guinea.

⑤

Situation in the Congo.

⑥

IV. THE WEST

⑦ West Germans reportedly won concessions from East Germans in recently concluded interzonal trade talks.

⑧ Provisional government in El Salvador apparently moving to reduce US economic and military assistance.

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CENTRAL INTELLIGENCE BULLETIN

2 January 1961

DAILY BRIEF

I. SPECIAL ITEM

*The Situation in Laos (as of 0400 EST): Communist forces have captured the Plaine des Jarres airfield and apparently overrun Xieng Khouang town, eight miles to the southeast. The town's garrison is reported to have retreated about 12 miles southward, but the disposition of 300 men of the First Parachute Battalion who were dropped in the area as reinforcements on 1 January is not known. Radio Hanoi on 1 January identified the troops involved in this action as those of Captain Kong Le operating in coordination with Pathet Lao forces. The same broadcast identified the Communist forces that earlier had captured the border town of Nong Het, east of Xieng Khouang, as the Second Pathet Lao Battalion. This battalion, once integrated into the Laotian army, defected to North Vietnam in May 1959.

The swift move by Kong Le/Pathet Lao forces on the Plaines des Jarres area was aided by steady airdropping of supplies by Soviet IL-14's. On 1 January at least five Soviet IL-14 transports were observed at the Plaines des Jarres airfield with two others reported in the air. On the same day,

[redacted] at least 21 flights by Soviet and North

Vietnamese transports into Laos. Some of these may have been those which landed at the Plaines des Jarres airfield. Twelve transports--10 Soviet and 2 North Vietnamese--are scheduled to fly to the Vang Vien area on 2 January. At least four flights are also scheduled for Sam Neua.

At the present time, all of the Soviet AN-12 heavy transports, with the exception of the one remaining at Canton with

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mechanical trouble, are in the USSR. Thus far, there is no indication that they are to return to China, although it is probable that some if not all will return with additional supplies. The one Soviet IL-14 which arrived in Peiping on 31 December from Kazan with a cargo for Hanoi is now returning to Irkutsk. Whatever cargo may have been aboard was probably offloaded at Peiping for air transhipment to Hanoi.

The five Soviet MI-4 helicopters probably destined for airlift operations in Laos continue their southward flight through China and are probably now at Kueilin.

General Phoumi told an American official on 1 January that he had made an urgent request to Thailand for four armed T-6 aircraft with Thai pilots for immediate combat use. Phoumi said he had also asked for two Thai parachute battalions and felt confident both requests would be granted. He also asserted that he had asked Thai Premier Sarit to appeal to SEATO for military intervention in Laos on behalf of Laotian government forces.

The bloc continues to deny strongly that North Vietnamese troops have been introduced into Laos. Hanoi has repeated its call for a new meeting of the countries which took part in the 1954 Geneva conference and for the reactivation of the International Control Commission. Hanoi specified, however, that the revived commission would have to deal with the government of Souvanna Phouma. Both Peiping and Moscow have made the same point and Khrushchev underlined it when he addressed New Year's greetings to Souvanna as the Premier of Laos.

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II. THE COMMUNIST BLOC

***USSR:** Khrushchev used a New Year's eve reception at the Kremlin to end any speculation that a US apology for the U-2 incident remained a precondition to top-level negotiations with the new US administration by stating his willingness to drop UN debate on the matter. Although he avoided any specific reference to the RB-47 incident, other Soviet officials, who had indicated privately that the U-2 item would be withdrawn, have also hinted that the two RB-47 crew members might be released. The USSR's New Year's greetings to Western leaders were cordial in tone and stressed the prospects for settling international issues--disarmament and the German question--during 1961. Among other recipients of greetings from Khrushchev were Souvanna Phouma of Laos and Lumumba of the Congo, both addressed as "premier."

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III. ASIA-AFRICA

***Nationalist China:** The commanding general on Chinmen issued orders on 30 December for Nationalist artillery to fire warning shots across the bows of all British ships entering Amoy and to fire at the ships themselves if they fail to heed the warning. The Nationalists reportedly decided on this action because the British have not been giving prior notice of recent ship sailings for Amoy--now averaging one per week. Taipei has not attempted to enforce the port closure in the last three years, except for one occasion--on 25 September 1959, when an artillery battery fired and hit the British ship Tai-chungshan as it was entering Amoy harbor.

***Indonesia:** The government reportedly plans to create, sometime after 3 January, a military incident in the Netherlands New Guinea area of sufficient gravity to bring the New

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Guinea issue before the United Nations. Although this report lacks confirmation, there are other indications that Indonesia will step up its paramilitary and diplomatic efforts toward acquisition of the area. [redacted] An air force directive of 30 December orders increased "fighting-endurance training to meet New Guinea preparations"; a note is being prepared for UN Secretary General Hammarskjold warning of a possible clash between Netherlands and Indonesian forces in the New Guinea area; and Indonesian [redacted]

*Mali: Sizable quantities of small arms and ammunition, presumed to be from supplies recently delivered to Conakry by Soviet ships, are reliably reported to have been trans-shipped by truck from Guinea to Mali at regular intervals last month. Now stored at Bamako, Mali's capital, the arms are believed intended for distribution to internal security forces--especially the new paramilitary units now being formed--and for stockpiling. Acquisition of bloc arms in this way, reportedly arranged during the early December meeting between top Guinean and Malian leaders, reflects the growing influence of the pro-Guinean extremist faction in Mali's single-party regime. It also will heighten the concern of President Senghor's government in neighboring Senegal, which Mali leaders are anxious to see overthrown, and may lead to early Senegalese requests to the US and France for additional arms.

*Congo: Colonel Mobutu's use, in the face of UN opposition, of the Belgian-administered trust territory of Ruanda-Urundi in his move against dissidents in Kivu Province seems certain to lead to new pressures by Lumumba's supporters abroad for UN action against Belgium and the Mobutu regime. Mobutu's forces were repulsed with casualties when they approached the provincial capital of Bukavu under a white flag; he apparently had expected the dissidents to come over to his side once his

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troops were on the scene. Mobutu may now defer similar moves reportedly about to be undertaken from points in Equateur Province into neighboring Orientale Province--now controlled by Lumumba's deputy Gizenga.

Reports that seven Czech IL-14 aircraft have been cleared to land in Khartoum en route to Stanleyville suggest an early attempt by Soviet and other pro-Lumumba elements to buttress Gizenga's regime.

[redacted] an IL-14--presumably Egyptian--carrying technicians would arrive on 31 December at an airport not far from the border of Orientale Province. [redacted] 'do

IV. THE WEST

*East Germany - West Germany: West Berlin Mayor Brandt has indicated that in the recently concluded interzonal trade talks, the East Germans acceded to all of Bonn's demands and agreed not to implement the restrictions on West German travel to East Berlin which last September had led Bonn to cancel the trade pact. West Germany has not yet informed its allies of the detailed formulation of the new agreement, and [redacted]

West Germany accepted weaker wording than it originally desired on several points in order to reach agreement. The East Germans were successful in insisting that their concessions would remain in effect only if the strictest secrecy were maintained.

*El Salvador: The provisional government appears moving to reduce US economic and military assistance. The defense minister told a group of US officials on 28 December that his government intends to replace US advisers to the National Police

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with Chileans or Italians or both, terming all US assistance programs "void of beneficial results for El Salvador." These statements, which completely reverse expressions of support for US assistance made by the defense minister within the past three weeks, apparently reflect the influence of the pro-Communists and Castro sympathizers in the government. One US-supported project was abruptly closed by the government on 24 December, and the embassy understands that a second is shortly to be closed.

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~~CONFIDENTIAL~~**THE PRESIDENT****The Vice President**

Executive Offices of the White House

Special Assistant for National Security Affairs

Scientific Adviser to the President

Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

Special Assistant for Security Operations Coordination

Chairman, Board of Consultants on Foreign Intelligence Activities

Special Assistant for Foreign Economic Policy

Executive Secretary, National Security Council

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

The Counselor

Director, International Cooperation Administration

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

Assistant Secretary of Defense for International Security Affairs

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Chairman, The Joint Chiefs of Staff

The Director, The Joint Staff

Chief of Staff, United States Army

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Commandant, United States Marine Corps

Assistant to Secretary of Defense for Special Operations

Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

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

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

Atomic Energy Commission

The Chairman

Federal Bureau of Investigation

The Director

National Security Agency

The Director

National Indications Center

The Director

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