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27 January 1961

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CENTRAL INTELLIGENCE BULLETIN



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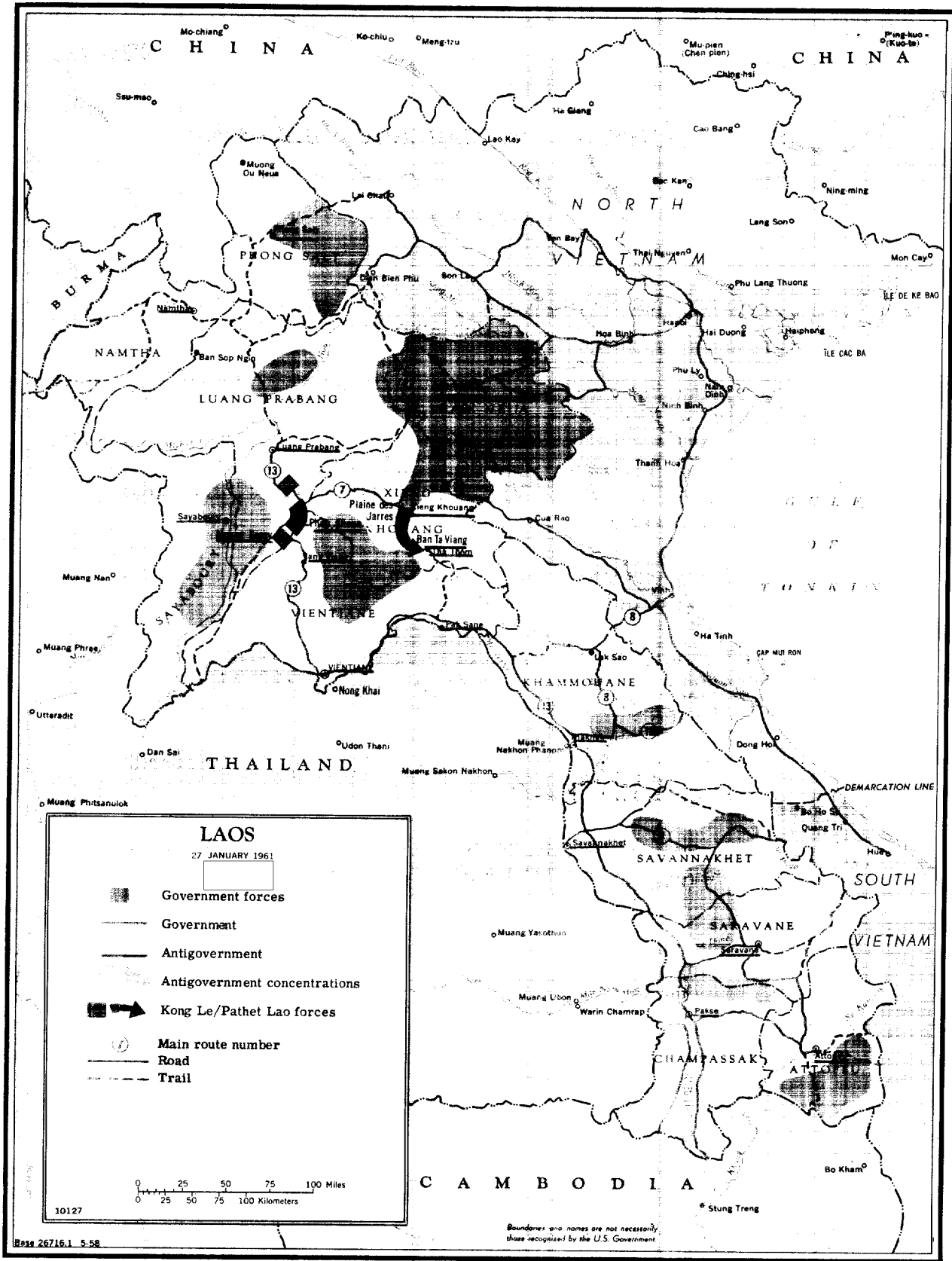
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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

Surah

*Laos: Souvanna Phouma is reportedly under pressure to leave Phnom Penh for Communist-controlled territory in northern Laos.

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Souvanna has now decided to leave at some indefinite date for Xieng Khouang. Souvanna to date has denied any such intention, but it is possible that the blandishments of bloc diplomats in Phnom Penh may be beginning to have their effect. The Communists persist in their claim that Souvanna continues to head the "lawful government" of Laos; his presence in Xieng Khouang would considerably enhance the credibility of this claim.

Communist-held Muong Kassy, on the Vientiane - Luang Prabang road, is reported to have been taken by government forces on 26 January. Some consolidation probably will be necessary before a government attempt is made against Phou Khoun, the road junction some 25 miles to the north controlling the eastward approach to the Plaine des Jarres. The Communists reportedly have been reinforcing Phou Khoun in anticipation of a government attack. In addition to the government column expected to move from Muong Kassy, Phoumi troops to the north have been preparing to join in the attempt to recapture Phou Khoun, which they lost on 18 January.

Soviet airlift flights into Laos were confirmed through 25 January and were scheduled for 26 January.

Burma: Heavy pressure from Burmese and Chinese Communist troops,

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may soon force the Chinese Nationalist irregulars in northeastern Burma, totaling about 2,000, to withdraw from Burma into Laos. Some irregulars have already withdrawn across the Mekong River into Laos.

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(Chiang was reported earlier to be seeking logistic support from the Laotian Government and to be willing to use his irregulars in support of General Phoumi's forces in Laos. [redacted]

[redacted] Chinese Communist forces in late November launched the first attack against the irregulars, with Burmese approval, but in recent weeks the Burmese Army has played the major role. [redacted]

[redacted] (Backup, Page 1) (Map)

*Vietnam: [redacted]

[redacted]

no

*Congo: Efforts are continuing to evacuate Europeans from the eastern Congo, although many Europeans have been turned back from the Ruanda-Urundi border by pro-Lumumba Congolese troops. The UN command in Leopoldville has stated that force will be used to free whites from danger, but UN officials reportedly are hesitant to intervene in most cases for fear of reprisals against other Europeans. [redacted]

no

*Algeria-France: [redacted]

[redacted] the French are "on the verge of reaching a satisfactory agreement" with regard to Algeria. This implies that preliminary contacts with the Provisional Government of Algeria may have already paved the way for high-level negotiations on Algeria's future. Increased terrorism in Algeria-- probably by extremists whom the rebel government cannot [redacted]

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[control--and continuing military operations by both sides, however, could still jeopardize negotiations.] (Backup, Page 5)

*El Salvador: Army and police units have been reinforced in the capital to deal with the disorders which followed the successful military coup of 25 January. Colonel Anibal Portillo, apparent initiator of the coup and real leader of the new conservatively oriented military-civilian junta, declared in an address late on 25 January that the coup took place to eliminate two serious dangers to Salvadoran democracy: the Communists and ex-President Osorio. Osorio, who engineered the 26 October coup, was sent into exile early on 26 January. Portillo and another member of the new junta, Dr. Rodriguez Porth, emphasized that elections are to be held "as soon as possible," presumably for a legislature--a first step in the restoration of constitutional government. The American Embassy believes the elections may be held in May. (Backup, Page 7)

OK

*East Germany: [The Ulbricht regime has reportedly adopted, as a major goal, policies designed to reduce its dependence on imports from the West by 1962.]

any attempt to procure Western goods when substitutes are available in the USSR or another satellite would be regarded as a breach of top-level long-range party decisions. Such a re-orientation of trade would require the adoption of bloc standards and specifications in many East German plants--a difficult, costly, and time-consuming process since much East German equipment conforms to Western standards. Talks on "the further expansion of economic and trade relations" between the USSR and East Germany are now in progress in Moscow. East German vulnerability to Western economic pressures was one important factor in East Germany's willingness to renew the Interzonal Trade Agreement last month.]

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**SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES**

(Available during the preceding week)

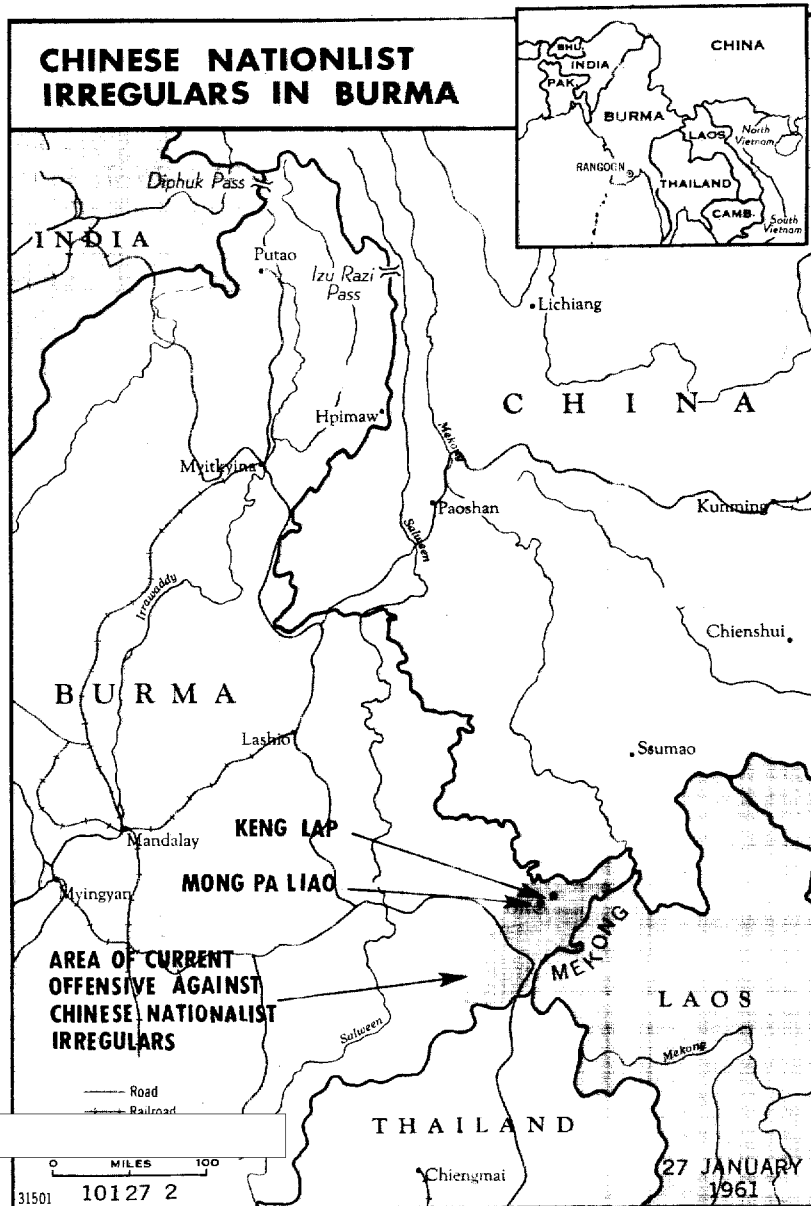
Estimate of the World Situation: Sino-Soviet Progress and Policies; Political, Social, and International Attitudes of Underdeveloped Nations; Problems of the Western Alliances; and Political and Military Aspects of the Evolving Strategic Situation. U. S. I. B. NIE 1-61. 17 January 1961

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[REDACTED]

Chinese Nationalist Irregulars May Withdraw From Burma Into Laos

{ The military offensive against the Chinese Nationalist irregulars in northeast Burma, launched by the Chinese Communists in November and pressed by the Burmese Army, may force the withdrawal of some two thousand irregulars into Laos. Chiang Ching-kuo. [REDACTED]

[REDACTED] some of the irregulars have already crossed the Mekong River into Laos. President Chiang was earlier reported to be seeking a base for the irregulars in Laos and to be willing to use them in support of General Phoumi's forces. Chiang assured Ambassador Drumright on 14 January that he would consult with the United States before taking any action. }

{ The offensive against the irregulars was launched on the basis of a secret agreement calling for joint Sino-Burmese action in conjunction with the border-marking project now under way. [REDACTED] the Chinese Communists moved before the Burmese Army was fully prepared, and it has only been since the beginning of January that the Burmese have been able to concentrate their efforts. [REDACTED] all Chinese Communists except a small unit of 75-80 men had withdrawn from Burma.

[REDACTED] However, [REDACTED] a Chinese Communist military air transport carried equipment from Kunming to an airfield in southern Yunnan Province not far from the area of the earlier Chinese Communist action against the irregulars in Burma. }

{ The Burmese, whose objective has been to capture the irregulars' headquarters at Kong Lap and destroy their air field at Mong Pa Liao, report they have run into strong resistance }

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[and have suffered heavy casualties. On 17 January, however, the Burmese Air Force bombed the airfield and rendered it useless for air resupply flights.]

[The Nationalist irregulars are remnants of the troops who retreated into Burma before the advancing Chinese Communists in 1949. In mid-1951 these forces, which then numbered about 11,000, were rearmed from Taiwan and tried to invade Yunnan Province. After vigorous protests by the Burmese Government in the United Nations General Assembly, Taipei agreed to evacuate the irregulars to Taiwan, and--with assistance from the United States and Thailand--some 7,000 were flown out by May 1954, leaving behind approximately 5,000 in Burma and Thailand who refused evacuation. Taipei renewed its interest in the irregulars after the Taiwan Strait crisis in the fall of 1958 and continues to supply troops, arms, and ammunition for possible future use against Communist China. An important element in the Nationalist program for supplying and controlling the irregulars in 1960 was the transfer to the area from Taiwan of junior officers and enlisted men with special forces training.]

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North Vietnam [redacted]
South Vietnam

North Vietnam has publicly avowed its intention to overthrow the present South Vietnamese government by combined political-paramilitary action and is taking positive steps to ensure coordination and control of Communist operations in South Vietnam. [redacted]

Within the past six months, North Vietnamese leaders have repeatedly urged the formation of a "broad united front" in South Vietnam and have expressed their willingness to work with any political elements opposed to President Diem. The Communists reportedly have approached disgruntled Southerners and offered to cooperate in the effort to topple Diem. Hanoi's objective is to coordinate anti-Diem sentiment, direct it toward overthrowing his regime, and form a coalition government with the Communists included. This, in Hanoi's view, would be the preliminary step to "reunification" of North and South under the Communists. [redacted]

The number of active Communist terrorists in South Vietnam has increased steadily since late 1959, when a marked

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intensification of guerrilla activity began. Infiltration of military cadres from North Vietnam and local recruitment in the South is estimated to have increased their numbers to upwards of 7,000. They now control or influence a significant portion of the countryside south of Saigon, where they are most heavily concentrated, and in recent months have stepped up activity in areas farther north. [redacted]

[redacted]

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French Foreign Minister Believes Paris "On Verge" of Agreeing to Negotiate With Algerian Rebels

(Preliminary secret contacts between representatives of France and the rebel Algerian provisional government (PAG) may already have paved the way for high-level negotiations on Algeria's future. [redacted])

[redacted] France is "on the verge of reaching a satisfactory agreement in Tunis," implying that formal negotiations may soon begin. [redacted] many difficulties must be overcome before the Algerian problem can be settled.]

A sudden increase in terrorism within Algeria and continuing military operations by both sides are creating an air of pessimism in France and Algeria, and could still jeopardize negotiations. Each side blames the other for the terrorism, but official statements have carefully attributed the acts to extremists and have added the hope that they would not stand in the way of negotiations.

The terrorist activity in Algeria--the most recent acts have been particularly vicious--may be the work of rebel extremists whom the PAG cannot control. This is the French position, the Director of Information in Algiers having stated on 23 January that the PAG appears "incapable of controlling its ultras." There also is much speculation that the rebel fighting forces in Algeria, often in the past disdainful of the Tunis-based rebel government, may be opposed to its recent moderate statements. [redacted]

[redacted] The PAG representative in Ankara stated, [redacted] that a military minority of the Algerian rebels wants to continue the fight without compromise. [redacted]

French military forces fired across the Tunisian border over the weekend in response to what they claim was an unusually violent artillery barrage from rebel forces in

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Tunisia. Such measures by the French have been fairly common during the entire course of the war, as they deeply resent the sanctuary afforded rebel forces on Tunisian soil. One such French reprisal, the bombing of Sakiet sidi Youssef in February 1958, led Tunisia to protest to the UN Security Council and hardened both the French and rebel attitudes. The Tunisian Foreign Ministry has protested to the French over this latest action, and fears that extremists within the French military may be trying to create an incident in order to sabotage peace talks. [REDACTED] (L)

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Military and Police Units in Salvador Capital Reinforced

Army and police units concentrated in the capital city during the day and evening of 25 January, following the overthrow of the three-month-old government early that morning. Mobs in front of the presidential palace who were shouting against the military and calling for a general strike to protest the coup were dispersed by early evening. However, sporadic shooting continued in the city and vandalism, including the firing and overturning of automobiles and buses, has taken place. There is still no reason to doubt the capability of the armed forces to restore order. However, their sensitivity to public opinion might lead them to seek accommodation with the mob leaders if the disorders, which are probably Communist led, continue for several days and cause much bloodshed.

The new five-man junta is conservative in orientation and is led by former army chief of staff Col. Anibal Portillo and Lt. Col. Julio Rivera, commandant of the military school. These officers named three civilians to the junta: Dr. Jose Antonio Rodriguez Porth, a lawyer and former dean of the law school of the National University; Dr. Jose Enrique Valiente, a prominent physician and former vice dean of the medical school; and Dr. Feliciano Avelar, a conservative lawyer. All five junta members are believed friendly to the United States. A cabinet was also named early on 26 January.

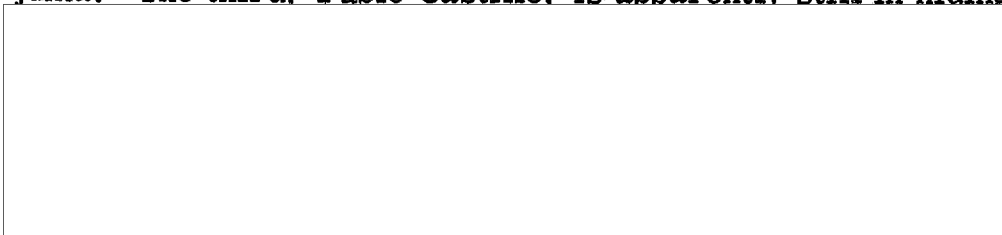
Colonel Portillo, apparent instigator of the coup, addressed the nation on the evening of 25 January. He said the coup was against Osorio as well as against the Communists and spoke of both as equal dangers which had threatened Salvadoran democracy. He reiterated the promise stated earlier in the day on the official radio that it was the desire of the military that El Salvador "return as soon as possible to constitutionality." Dr. Rodriguez Porth also spoke along similar lines. He promised the "fullest guarantees" of free elections and said that the

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coup was directed against the extreme right as well as against the extreme left. He said, "We have no political obligations to any party" and no member of the new junta intends to be a candidate in the forthcoming elections. The American Embassy understands that congressional elections may be announced for May.

At midday, on 26 January it was announced on the official radio that former President Osorio had been exiled. Also exiled were two of the three civilian members of the deposed junta. The third, Fabio Castillo, is apparently still in hiding.

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THE PRESIDENT**The Vice President****Executive Offices of the White House**

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Director of the Budget

Director, Office of Civil and Defense Mobilization

Director, National Aeronautics and Space Administration

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Executive Secretary, National Security Council

The Department of State

The Secretary of State

The Under Secretary of State

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 (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

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