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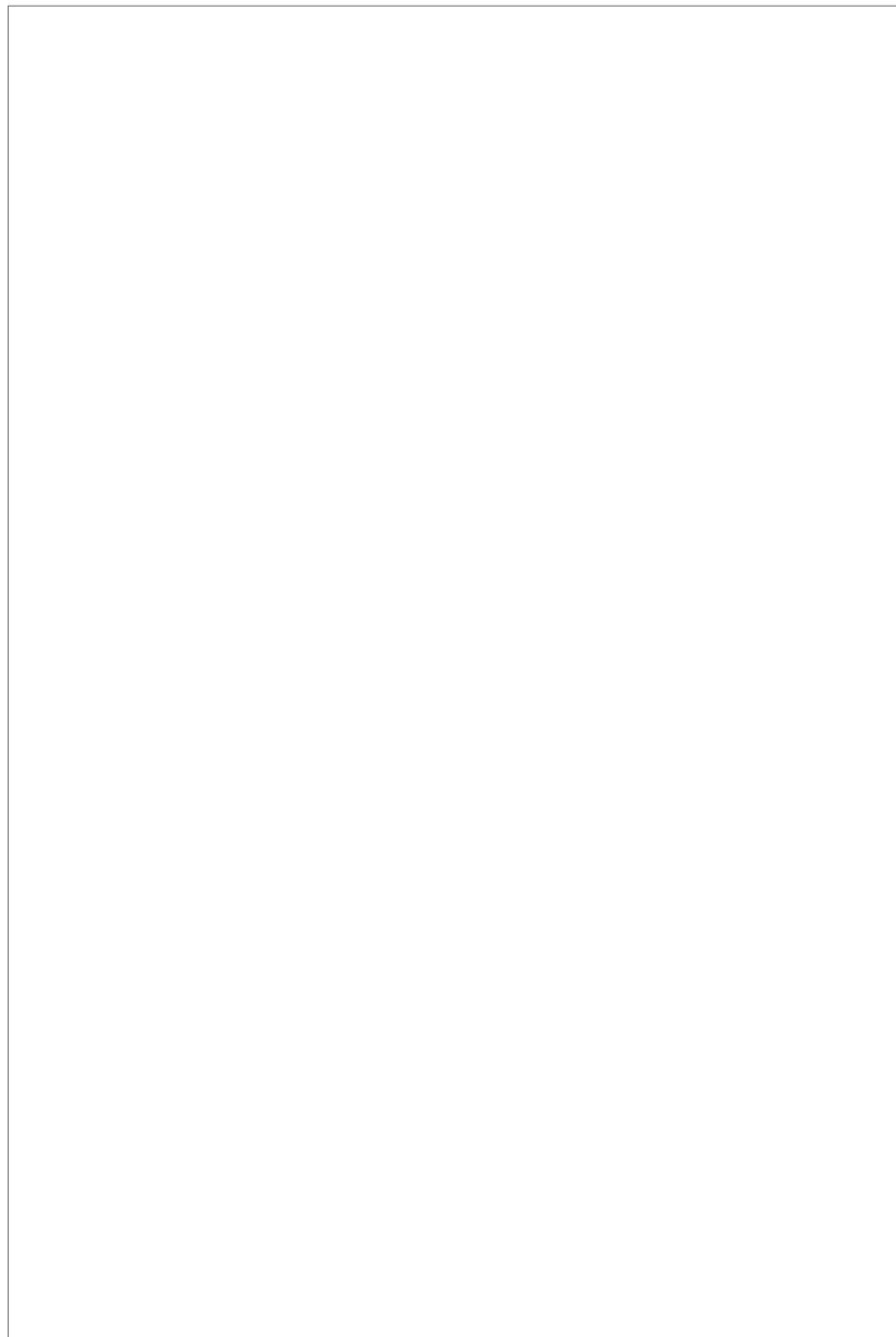
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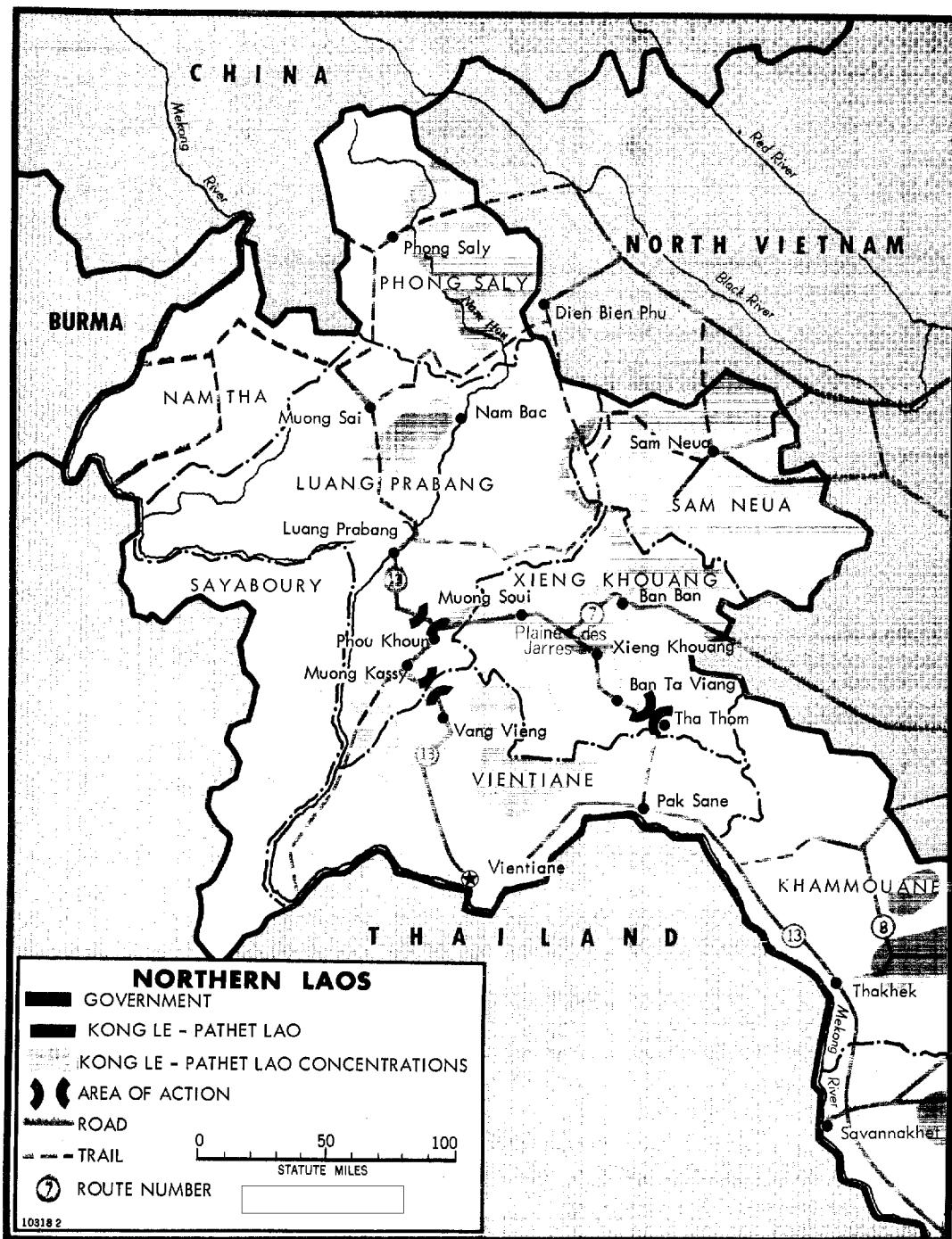
20 March 1961

CENTRAL INTELLIGENCE BULLETIN

CONTENTS

1. Situation in Laos. (*Page i*)
2. Situation in the Congo. (*Page i*)
3. USSR: Soviet officials hold to pessimistic line on nuclear test ban talks, which resume tomorrow in Geneva. (*Page ii*)
4. Angola: Luanda generally calm; demonstrations against US held in front of American installations in Portugal. (*Page ii*)
5. North Vietnam: Army's political commissar removed from office, suggesting policy differences within party leadership. (*Page iii*)
6. Spain: Madrid takes firm position in dispute with Morocco over frontier violations in Spanish Sahara. (*Page iii*)
7. Mali: \$44,000,000 economic aid agreement signed with USSR. (*Page iii*)

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20 Mar 61

CENTRAL INTELLIGENCE BULLETIN

Map Page

~~TOP SECRET~~

CENTRAL INTELLIGENCE BULLETIN

20 March 1961

DAILY BRIEF

Serial

***Laos:** [Information available as of 0400 EST) The government's blocking positions on Route 13--located about 25 air miles south of Luang Prabang and 15 miles north of Vang Vieng--have held so far against probing attacks by Kong Le - Pathet Lao forces. These positions, however, are vulnerable to enemy flanking movements. Government units in southern Xieng Khouang Province have been continuing their withdrawal toward Tha Thom. The chief of the US military mission in Laos reported on 18 March that General Phoumi is now rather desperate and cannot be persuaded to go on the offensive on any front. Phoumi, lacking trained reserves, is committing newly formed units in an effort to hold his defensive positions.]

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[Bloc airlift operations into Laos continue]

Souvanna Phouma on 18 March arrived in India, where he hopes to obtain support for an immediate 14-nation conference on Laos. During his brief visit to Rangoon, Souvanna won Burmese Premier U Nu's agreement to participate in such a conference.

(Backup,

Page 1) (Map)

Congo: Implementation of the Tananarive conference resolutions concerning the future structure of the Congo is likely to prove difficult, as almost every participant has a different idea as to what was decided. Ambassador Timberlake in Leopoldville also believes that many of these leaders fail to appreciate the need for obtaining international recognition and that among those who do, there is disagreement as to the steps necessary to achieve it. Prospects for a reconciliation with the Orientale regime on the basis of the new confederal formula have dimmed as a result of new and seemingly more categorical denunciations by Stanleyville authorities of the

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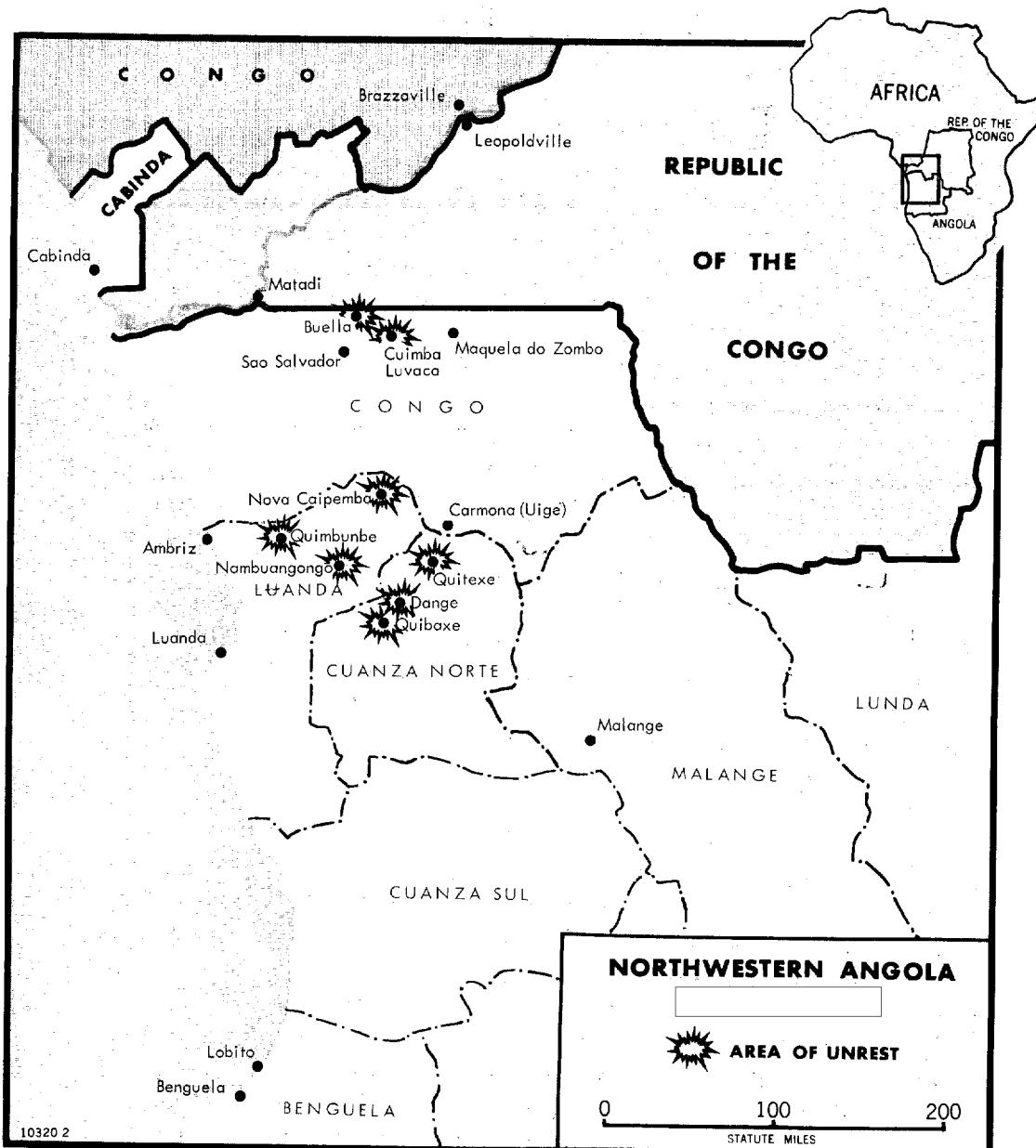
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20 Mar 61

CENTRAL INTELLIGENCE BULLETIN

Map Page

resolutions. [Nevertheless, Congolese factions represented at Tananarive and elements of the Gizenga regime--especially General Lundula--are likely to continue to engage in political maneuvering looking toward a possible rapprochement.]

(Backup, Page 3) (Map)

USSR - Geneva Talks: Soviet officials apparently are under instructions to take a pessimistic view of the prospects for the nuclear test ban talks, which resume on 21 March. Chief Soviet delegate Tsarapkin is reported to have told the Austrian ambassador in Moscow that Soviet reports from Washington were "not hopeful," and that no new moves could be expected from the Soviet side on the main issues. [In a separate conversation with Tsarapkin, the Canadian ambassador received an impression of Soviet indifference to a treaty. On the basis of talks with Soviet Embassy personnel in Paris, UK officials reported to London that Moscow may plan to raise the question of French adherence to an agreement. The American and British delegations feel this could be a tactical maneuver, probably to create pressure for early Western concessions. The British delegation also feels, however, that an early Soviet walkout is still a possibility.]

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Angola-Portugal: Portuguese forces in Angola have taken prompt action to repress the terrorist groups which attacked numerous localities in northern Angola on 15 and 16 March. Portuguese officials have referred to "hundreds killed." These groups probably were largely directed by the Leopoldville-based Angolan People's Union (UPA). Torrential rains and difficult forested terrain have facilitated the withdrawal of the terrorists. The American consul in Luanda reported on 18 March that calm prevailed throughout the capital except at the airport, where troops and refugees were being shuttled to and from the areas attacked. In Portugal, demonstrations have been held in front of American diplomatic and consular establishments in protest

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20 Mar 61

DAILY BRIEF

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against the US vote in the Security Council last week. The Portuguese press claims the US vote has encouraged the Angolan agitators. [] (Backup, Page 5) (Map)

North Vietnam: General Nguyen Chi Thanh, politburo member and North Vietnam's army political commissar for the past ten years, has been removed from his army post, according to a decree published in Hanoi on 15 March. It is not known whether this change will affect Thanh's politburo status or his position on the Defense Council. Probably the immediate cause of Thanh's removal is his rivalry with Chief of Staff General Vo Nguyen Giap; however, a more basic power struggle may be under way in Hanoi. [Recent reports suggest there may be disagreement in the party on what tactics will be most effective in the campaign to overthrow South Vietnamese President Diem.] [] (Backup, Page 6)

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Spain-Morocco: Madrid is taking a firm position in its dispute with Morocco over alleged frontier violations of the Spanish Sahara, including the recent abduction of 11 oil prospectors, and is reinforcing its troops there. Following a talk with General Franco, Spanish Army Minister Barroso told Ambassador Lodge, "We are going to have war with Morocco." Madrid seems to be convinced that the abduction of the men resulted from an aggressive Moroccan policy which includes inciting and organizing tribesmen for guerrilla fighting. Barroso's reference to war, following Spanish complaints to Morocco and the UN, is probably a tactical gesture to induce the US to put pressure on Morocco. However, release of the men will remove neither Madrid's suspicions of Moroccan intentions nor Spain's determination to maintain its position in the Sahara.

[] (Backup, Page 7) (Map)

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Mali-USSR: The signing in Moscow on 18 March of an economic and technical cooperation agreement providing for a long-term Soviet credit of about \$44,000,000 marks the first time Mali

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20 Mar 61

DAILY BRIEF

iii

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has received a specific aid commitment from the bloc. The accord follows Peiping's agreement in principle earlier this month to provide long-term aid to Mali-- specifics of which are to be worked out when a Malian delegation visits Communist China later this year. Acceptance of the Soviet credit, which reportedly is to be utilized to finance mineral prospecting, construction of cement works, and navigational improvements on the Niger River, is in line with the avowed determination of Mali's Marxist-minded leaders to offset and reduce French influence in their country's economy. France this year is providing about \$12,000,000 in economic and technical aid.

20 Mar 61

DAILY BRIEF

iv

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~~TOP SECRET~~Situation in Laos

[The collapse of the recent Phnom Penh talks with Souvanna Phouma has had a deleterious effect on the Boun Oum government's morale and confidence, already shaken by the military reverses. Laotian leaders, who had hoped that the talks might lead to a modus vivendi with the Pathet Lao, have turned their attention to various proposals of international action to resolve the crisis. They are even reconsidering the feasibility of some kind of UN action.]

[General Phoumi has told Ambassador Brown that the Laotian Government prefers a 14-nation conference to a possible revival of the International Control Commission (ICC), but he said King Savang was prepared to accept almost any new formula for composition of an international body which would promise progress in the political field. Phoumi's remarks about Savang tend to confirm Indian Ambassador Ratnam's account of his recent meeting with the King, whom he described as discouraged and ready to accept any solution agreeable to East and West.]

The communiqué issued by the Boun Oum government on 17 March blaming Souvanna Phouma for the failure of the Phnom Penh talks came close to branding him a rebel. It denounced Souvanna for leaving on a world tour at the nation's critical hour and stated that the government could not permit his claim to represent before great powers "an authority of which parliament divested him and an influence over the factions that he never possessed." The communiqué advised that the Laotian Government would consider as an inimical gesture toward it any welcome of an official character that might be given Souvanna in any country he visited.

Vientiane is particularly aroused by a report from its chargé in Paris that an official reception is being prepared for Souvanna in France and that he will be received officially by De Gaulle. Phoumi has instructed the chargé to protest and has told Ambassador Brown that Laos would be forced to break off its diplomatic relations with France if Souvanna were so received. French Foreign Ministry officials have told American representatives in

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Paris that the French Government has not yet decided on how to handle Souvanna's visit, expected to last from 24 March to about 7 April. Burma termed Souvanna's recent visit "unofficial," even though a joint communiqué was issued.

Communist bloc ambassadors, representatives, and correspondents are greeting Souvanna in full strength at each of his stops.

Vientiane's concern over recent military and political developments is echoed in other Southeast Asian capitals. Prince Sihanouk has expressed pessimism over chances for achieving a truly neutral Laos, believing that a leftist-type neutrality is the best that can be hoped for in view of what he feels to be an irreversible trend toward Communist military dominance there.

[Philippine Foreign Affairs Secretary Serrano has stated]

[that the West will be fortunate if it retains a small section of southern Laos against the Communists.]

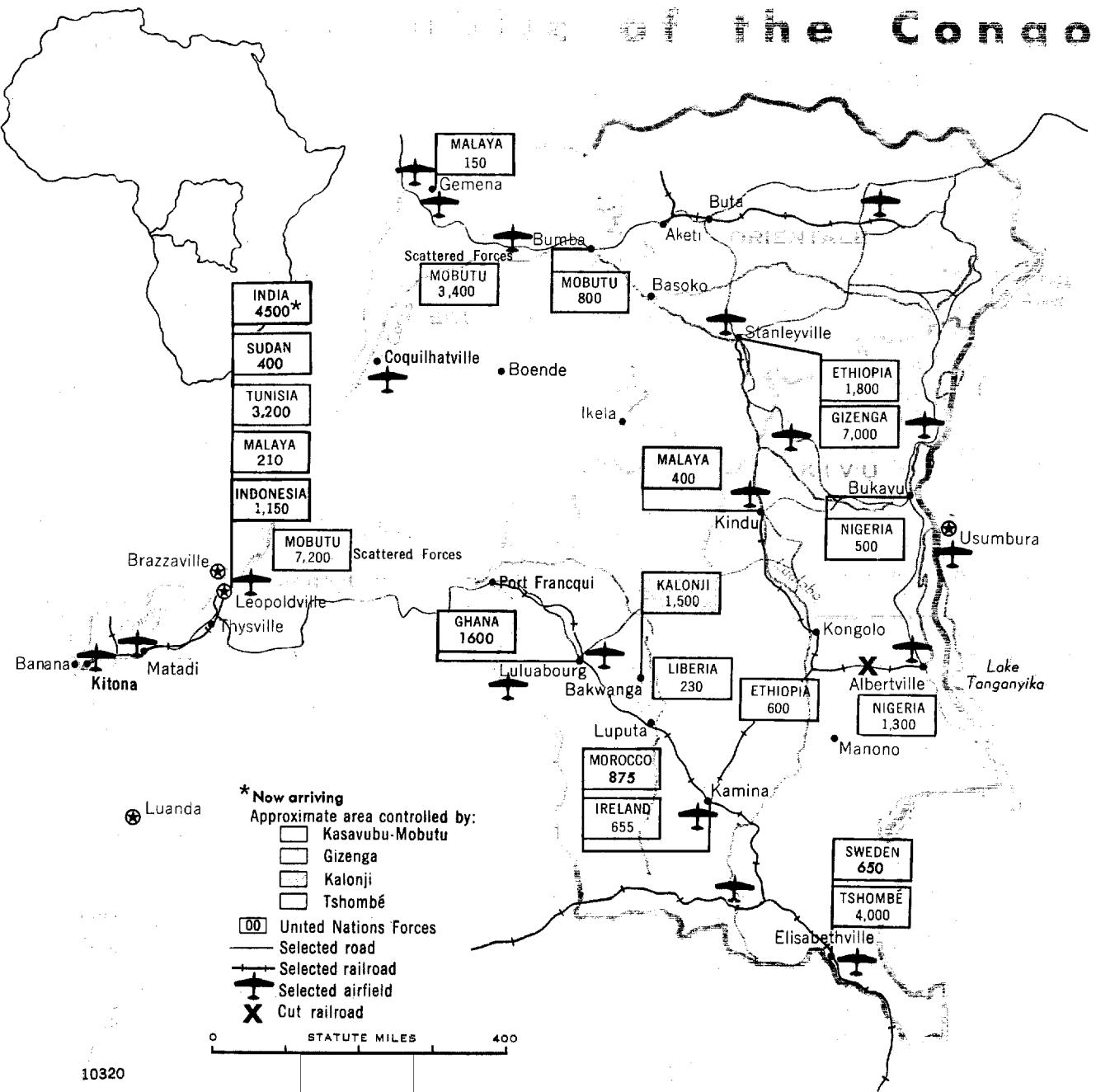
A recent report

[spoke of the lowered public morale in Vientiane and a spreading desertion movement among the Lao Army and civil servants.]

[15 Lao Air Force personnel, including five warrant officers and three sergeants, left their posts on the night of 16 March and are presumed to have deserted.]

[a steady deterioration of Lao army morale; meanwhile, rumors and propaganda planted by the enemy have demoralized the civilian populace.] The Pathet Lao is pushing a campaign of psychological warfare to induce government troops to rally to its side, emphasizing that by so doing they will be saving their lives and hastening peace in Laos.

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~~SECRET~~Situation in the Congo

Following recent conversations in Leopoldville with delegates who attended the conference of Congolese leaders held between 8 and 12 March at Tananarive, Ambassador Timberlake concluded that the participants could be divided into three broad groupings in terms of their attitudes toward the future structure of the Congo. One group, of which Katanga's Tshombé and South Kasai's Kalonji are the spokesmen, consists of "confederalists" who favor giving each constituent state a veto power over the central authority--the concept written into the Tananarive resolutions. A second group, represented by Congolese President Kasavubu and other Bakongo tribal leaders, is made up of "federalists" willing to concede somewhat more authority to the central government.

A third group favors a still stronger central government with greater allowance for local autonomy than in the highly centralized system now legally in effect and still desired by Lumumba's political heirs. Timberlake cited Premier-designate Ileo, Equateur Province's Bolikango, and the Lumumbist President of Leopoldville Province, Kamitatu, as partisans of this third school of thought. The ambassador indicated his belief that while Tshombé's personality and financial resources carried the day at Tananarive, the representatives of the other views probably entered the "united front" with every intention of trying to modify the Tananarive resolutions at subsequent meetings.

At this stage, the problem of effecting a legal transition to the confederal arrangement is looming as a difficult one which could further jeopardize the new regime's chances of gaining international acceptance, especially among the more militant African states. Under the Congo's present law, such structural changes must be referred to the Congolese parliament sitting as a constituent assembly--a provision on which both the Gizenga regime and its international supporters can be expected to insist. This procedure is apparently envisaged by at least the more nationally minded Congolese leaders including Ileo[who, however, told Timberlake on 17 March that conditions were still not favorable to reconvening parliament.]

Tshombé, on the other hand, reportedly will have nothing to do with the assembly elected last year, though he is apparently

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willing to consider some type of referendum or election to sanctify the new system. The Tananarive resolutions themselves were cryptic on this transition problem, specifying only that the present central government's "mission" would end upon constitution of the projected new "coordinating organism."

Meanwhile, the continuing arrival of the brigade of combat troops which India has made available to the UN Command has been marked so far by a complete lack of incidents such as were predicted by the Tananarive conferees when they asked the UN last week to cancel the Indian reinforcements. Nevertheless, the UN is cautiously arranging for the Indian soldiers to be housed in outlying areas of Leopoldville, where they will be removed as much as possible from contacts with Congolese. According to the acting chief of staff of the UN Command, there are no present plans to deploy the troops beyond the Leopoldville area. [Earlier indications that at least some of the Indian troops might be assigned immediately to northern Katanga reportedly prompted Tshombé to state that in such an eventuality, "there will certainly be war"--meaning, presumably, clashes with his Belgian-led forces.]

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~~TOP SECRET~~Disorders in Angola

The attacks, directed primarily against white residents of frontier posts and isolated plantations but also against several towns, appear to have been confined to three administrative districts in northwestern Angola. They apparently were intended to focus world attention on the growing unrest among the native population rather than to signal the beginning of a civil war. The terrorists probably received some support from discontented natives who were serving the annual six-month term of forced labor required of unemployed Africans in Portuguese Africa.

While the expected anti-American demonstrations in Angola have not yet materialized, the American consul in Luanda stated on 17 March that local officials had become openly unfriendly to consular personnel. [A Portuguese official in Lisbon has unofficially recommended that Americans in Angola--who number about 225, mostly missionaries--remain off the streets for the next several days so as to avoid any possible incident.]

[Salazar planned to visit General Franco in Madrid on 19 March to discuss "present Portuguese problems."]

[Portuguese officials aware of the proposed visit believed an agreement would be reached at the meeting for Spain to provide military forces to help Portugal defend its overseas provinces. The visit has not yet been confirmed.]

[Lisbon, which had been unresponsive to earlier initiatives by South Africa regarding joint defense efforts, may now be receptive to such an arrangement.]

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~~TOP SECRET~~North Vietnam's Army Political Commissar Removed

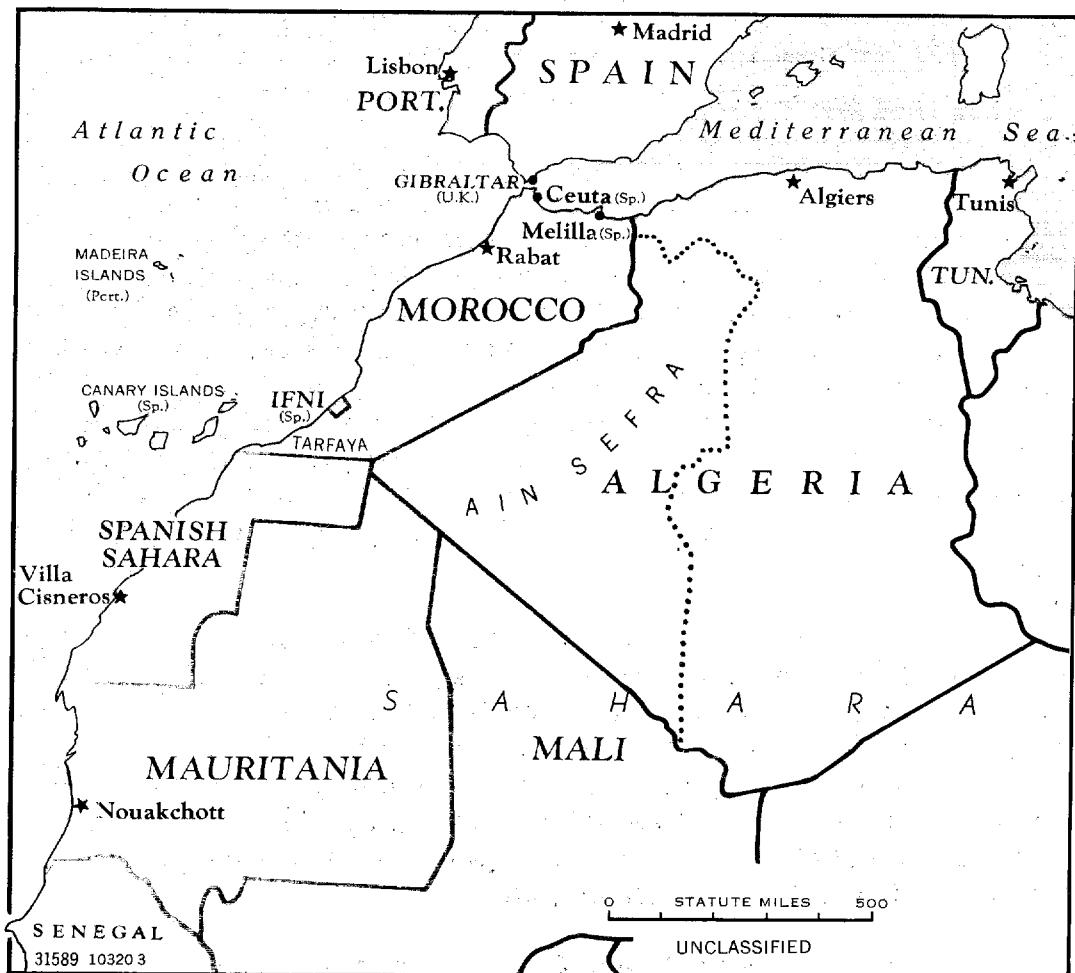
More politician than soldier, Nguyen Chi Thanh is a protégé of Truong Chinh, a tough-minded party theoretician who has been eclipsed as Ho Chi Minh's heir apparent by party First Secretary Le Duan. Both Truong Chinh and Thanh show affinity for the uncompromising approach taken by the Chinese Communists on domestic and foreign policy matters. Thanh has sought to inject Chinese concepts into the army, insisting on greater power for political officers and advocating the use of the armed forces in such nonmilitary functions as truck gardening.

Thanh's ability to implement his views was considerably enhanced when he was promoted to full general in 1959. This made him the only officer to share this rank with Chief of Staff Vo Nguyen Giap. Rivalry between the two generals has been long suspected and seemed close to the surface last September when Giap made a speech containing a thinly veiled suggestion that political officers would do well to confine themselves to troop indoctrination and leave army administration to soldiers. Giap also has been reported opposed to using the army as a labor corps. In January the army began to divest itself of non-military functions, and among the first to go were the army farms.

[REDACTED] Thanh's resignation reflects a serious power struggle among Ho Chi Minh's subordinates. Reportedly involved is disagreement over the most effective tactics for overthrowing South Vietnam's President Diem. Some guerrilla leaders reportedly favor less emphasis on the National Liberation Front advocated by Le Duan and more emphasis on violence, as advocated by Nguyen Chi Thanh. [REDACTED]

[REDACTED] Hanoi's intention to maintain both paramilitary and political pressure on the South Vietnamese Government. [REDACTED]

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20 Mar 61

CENTRAL INTELLIGENCE BULLETIN

Map Page

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**Spanish Reaction to Abduction of Oil Prospectors
In Spanish Sahara**

Spanish troop strength in the area, estimated at between 8,000 and 10,000, includes reinforcements of paratroops flown from Seville in six transport planes on 18 March, 1,000 Spanish foreign legionnaires moved from Villa Cisneros on the Spanish Sahara coast, and several hundred other troops dispatched from the Canary Islands. These moves are the "necessary steps" which Spain informed Rabat and UN Secretary General Hammarskjold on 17 March it had taken in order to be able to repel any attack on Spanish territory by Moroccan armed contingents concentrated near the Morocco - Spanish Sahara frontier.

On 18 March the counselor of the French Embassy in Rabat informed his American colleagues that according to a reliable source, the three Americans and the one Frenchman missing among the abducted men were at the Royal Moroccan Army's camp in the capital. The official expected the men would be "momentarily and magnanimously" released with suitable publicity. Failure to include the five Spaniards in such a gesture would sharpen the suspicion in Madrid that Morocco is preparing for military and political harassment of Spanish interests in the area, and might put strong pressure on Franco to order Spanish forces to retaliate.

In recent months Madrid has become increasingly worried over the effect political and economic instability in Morocco may have on Spain's African possessions. Although these territories have little economic value, the Spanish military set great store by the maintenance of Spain's "presence" in northwest Africa. Madrid is particularly apprehensive that the security of the whole area and of Spain as well will be seriously threatened when France and the US complete the scheduled turnover of their bases to the Moroccans.

Spain and France have continued to maintain close liaison regarding Moroccan developments, with particular emphasis on military aspects. Munoz Grandes, the chief of the Spanish High General Staff, visited Paris early in February, reportedly to put finishing touches to a new military accord between the two countries. [redacted]

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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)

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

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The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

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

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