

22 April 1961

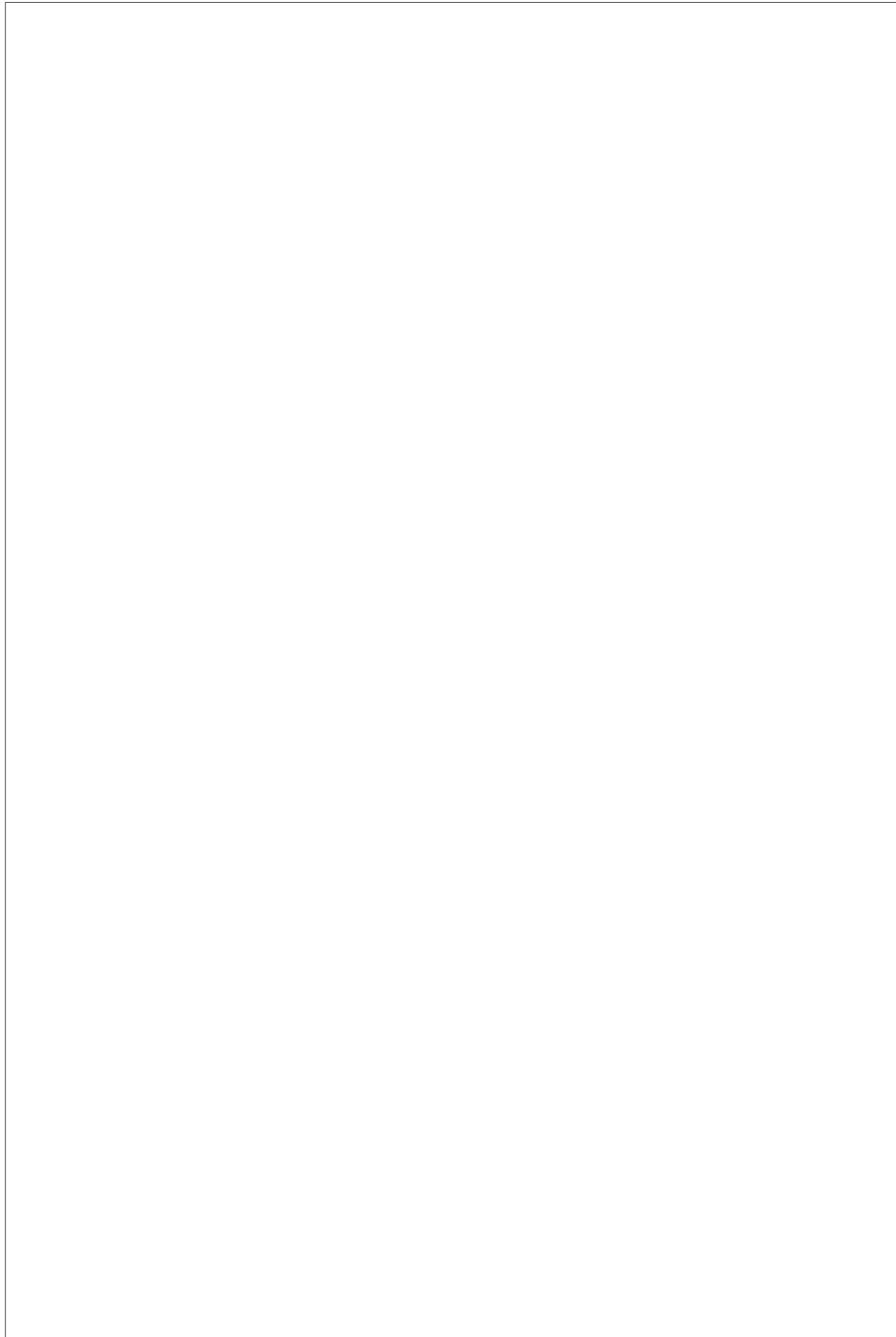
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CENTRAL INTELLIGENCE BULLETIN



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LATE ITEM

The situation in Algeria as of 0630 EST remains unclear beyond the fact that a military revolt against De Gaulle's liberal Algerian policy was launched in Algiers last night. The Paris government admits the insurrection, but insists this morning that the "coup" is confined to the city of Algiers. The insurrectionists, in a communiqué signed by four well-known French generals, claim they control all Algeria and the Sahara. However, the only military units publicly identified as supporting the revolt are the First Foreign Legion Parachute Regiment and the predominantly Moslem Seventh Regiment.

The timing of this move against De Gaulle by military partisans of "French Algeria" is connected with the widespread belief that a negotiated settlement involving Algerian independence was about to be achieved. Although the rebel Provisional Algerian Government (PAG) refused to initiate public negotiations with the French government as scheduled at Evian on 7 April--because of De Gaulle's refusal to recognize the PAG's claim to represent all Algeria--the fact that behind-the-scenes PAG-French talks have continued has been an open secret. Moreover, De Gaulle's 11 April press conference--in which he emphasized more clearly than ever before his intention to negotiate Algerian independence--appeared to have dispelled PAG doubts as to his intentions and it was expected that negotiations would soon be announced. The PAG has not yet commented on the situation, and will probably take a cautious attitude until the picture becomes clearer.

The outcome of the insurrection will depend largely on the reaction of the European settlers, Moslems, and other military units in Algeria, but also on the reactions in France itself. The settlers and their rightist sympathizers in France are expected to welcome the coup as a blow to the "abandonment" of Algeria by De Gaulle. The Moslem population of Algeria, which was reportedly discouraged by De Gaulle's 11 April press conference because of fear that it had reduced chances for an early end of hostilities, could react violently--with or without PAG incitement--to any indications that the French army intends to prolong the war.

De Gaulle's skillful management of military sensibilities and his firm stand during the January 1960 insurrection in Algiers,

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in which some army paratroop units wavered in their loyalty, had for some time apparently discouraged active military plotting against him. The four generals heading the new insurrection--retired Army generals Henri Zeller and Raoul Salan (a former French commander in Algeria), retired Air Force General Edmond Jouhaud, and Air Force General Maurice Challe (who resigned early this year from the position as NATO commander for Central Europe)--are prominent largely because of their anti-Gaullist sentiments and activities. They are not believed to enjoy widespread support in the armed services, although much of the French military have sympathized with their "French Algeria" views. The current insurrection appears more serious than the settlers' revolt of 1960 in that this time some army units are overtly opposed to the government, and thus openly pose the problem of "unity of the army." The new French Chief of Staff of National Defense, General Jean Olie, who took office on 1 March, lacks the prestige of his predecessor, General Paul Ely, who had played a major role in maintaining the armed services' loyalty to De Gaulle.

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DAILY BRIEF

Sirah

*Laos: Souvanna Phouma claims that the start of a cease-fire in Laos--a possible reference to the beginning of negotiations with the Pathet Lao--will coincide with his return to Laos, presumably to Xieng Khouang, possibly on 25 or 26 April. He appears confident that the Pathet Lao will be cooperative and feels that cessation of hostilities can be arranged within a few days after an appeal by the Geneva cochairmen. [Gromyko, on 20 April, told British Ambassador Roberts that the USSR and UK "should aim" for issuance of such an appeal on 22 April.]

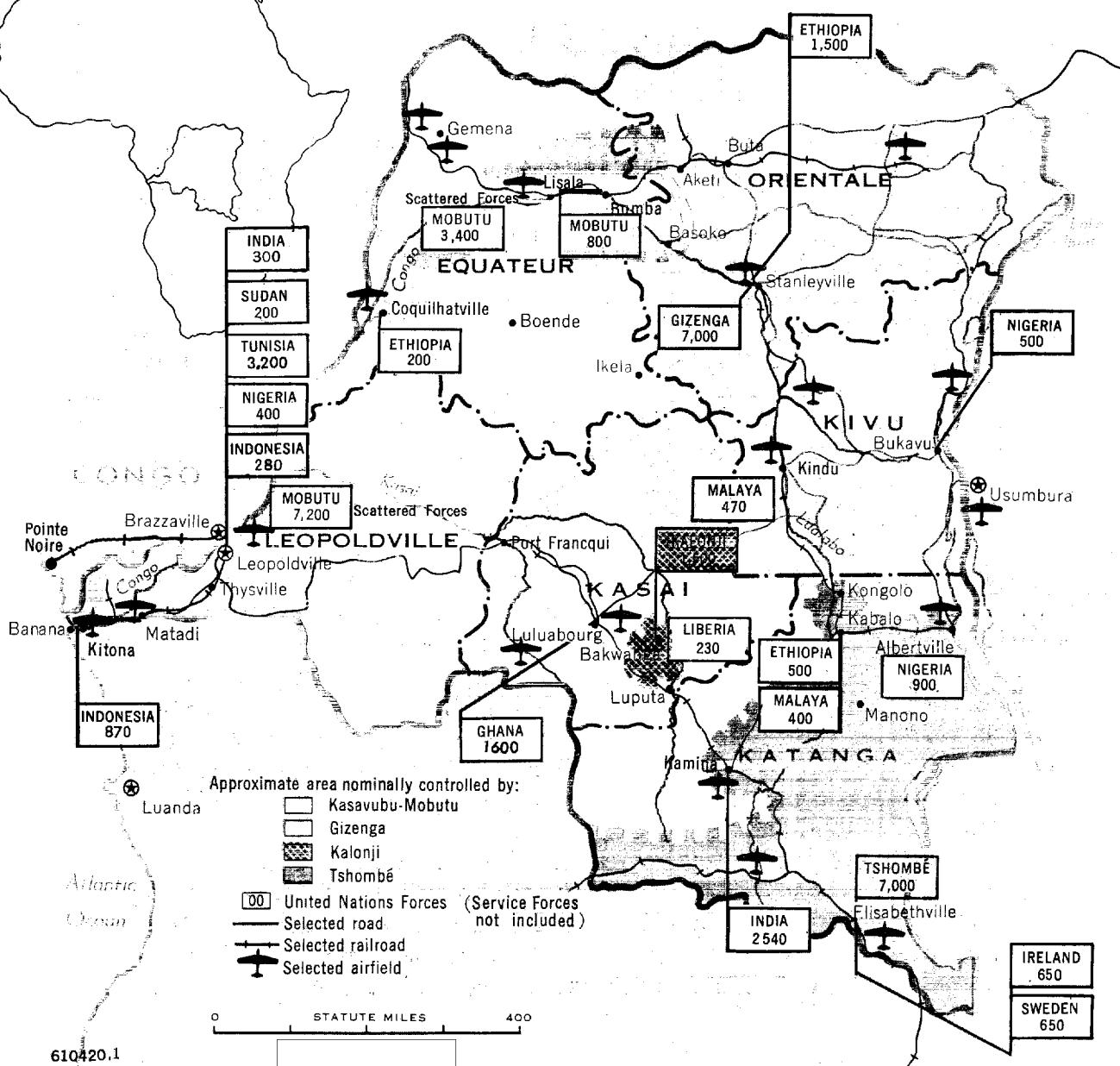
[] a representative from Phong Saly to "participate on central committee for cease-fire" [] *No*

[] Souvanna told the Canadian ambassador in Moscow that his half brother, Prince Souphanouvong, had come to Moscow at his request and that they had discussed problems connected with a cease-fire. Souvanna was optimistic over chances for putting together a coalition government before an international conference on Laos is convened, and said he thought he could prevent the Pathets from using their position in the government to take over control of the country, although "time was running out for establishing a basis for preventing this." []

No bloc airlift flights into Laos have been scheduled for 22 April. However, there are indications that supplies are being airlifted to the Vinh and Dong Hoi areas of southern North Vietnam, from where they could be trucked into central and southern Laos. [] (Backup, Page 1) (Map)

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Republic of the Congo



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USSR: [A test vehicle, probably an ICBM, was launched from Tyura Tam at about 0226 GMT on 21 April (2126 EST on 20 April). Preliminary analysis indicates that the test vehicle successfully reached the usual impact area on the Kamchatka Peninsula. This is the tenth test shot this year of probable ICBMs from Tyura Tam. Four of these were failures. The total of generally successful test ICBM launchings to date is 34.] *No*

Angola: Rebels in northern Angola are able to move at will through large areas of the countryside. The Portuguese are continuing their military build-up. The American consul in Luanda believes that the government's repressive measures are driving increasing numbers of Africans into rebellion. He feels that unless terrorist activity in the area can be contained in the next few weeks, most of the European-operated coffee plantations will be abandoned and almost all of this year's coffee crop will be lost. Withdrawal of Europeans from rural areas could lead to an economic breakdown, which would cause increased unrest among Europeans as well as among elements of the African population at present still loyal. (Backup, Page 3) *OK*

Congo: President Tshombé's control of Katanga appears more precarious than at any time since the Congo's independence. The American consulate in Elisabethville reports that anti-Tshombé sentiment is rising among the local population, and that demonstrations--stemming from economic grievances as well as resentment against Tshombé's Belgian advisers--may take place at any time. Tshombé has in large measure rescinded his boycott against UN troops, but animosity between the UN and the Katanga government remains strong. (Backup, Page 4) (Map) *OK*

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Japan-Korea: [The Japanese Government has lifted restrictions on trade with North Korea. A Japanese Foreign Ministry official told the US Embassy that Japan could not continue to be the only free world country, other than the United States, to maintain such restrictions. North Korea has sought to have these restrictions lifted for some time, and Pyongyang's propaganda has claimed that trade could be expanded considerably if Tokyo would agree to exchange--preferably on a long-term basis--certain high-priority industrial equipment for North Korean iron ore.]

[South Korea instructed Foreign Minister Chong, now attending the UN General Assembly session in New York, to seek US pressure on Japan.]

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DAILY BRIEF

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~~SECRET~~Situation in Laos

[Souvanna Phouma suggests that negotiations between representatives of the opposing sides in Laos should be held at Xieng Khouang, the location of his rump government. Vientiane is unlikely to accept this site, since acceptance would probably be portrayed by Communist propaganda as surrender to the 'lawful government of Laos.]

Souvanna left Moscow for Peiping on 21 April and is scheduled to arrive in Hanoi on 25 April. Presumably he will visit Xieng Khouang from there and then go to Luang Prabang for the late King's funeral. [He hopes to be able to visit the US in early May before a conference on Laos is held.]

The US Mission at Geneva has learned that a representative of the USSR's permanent delegation there has requested reservations for a 50-man delegation to participate in a conference on Laos at the "beginning of May." The Soviet official, in response to an inquiry regarding the level of Soviet representation, replied that it would be "the same as at the disarmament conference." Although the Soviet Union, in its 16 April aide-memoire, said that it assumed the conference would be conducted at the foreign ministers' level, Soviet Deputy Foreign Minister Pushkin had indicated to the UK ambassador on 5 April that the continuous presence of foreign ministers at the conference would be unnecessary. He said, however, that they should attend the opening of the conference to mark its importance.

Meanwhile, a proposal by Prince Sihanouk that the conference on Laos be postponed to 12 May appears to be meeting with general East-West approval.

[North of Luang Prabang, a Pathet Lao company skirmished with government troops near Muong Sai on 20 April. According to the American army attaché, who visited Muong Sai on 18 April, the local Lao army commanders appeared dispirited and were convinced that an enemy attack was imminent. There were small-scale clashes at several other points in Luang Prabang Province on 21 April, [] government forces on Route 13 north of the Phou Khoun road junction were under "heavy attack" earlier today. In central Laos,

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[government forces have advanced about 18 miles east from Thakhek along Route 12 without contacting the enemy. Two Thai 105-mm. howitzer batteries have arrived in Savannakhet; plans call for moving one battery to Thakhek and holding the other in reserve.]

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~~CONFIDENTIAL~~Situation in Angola

The area of the current disturbances is the source of most of the coffee crop, which accounted for more than a third of Angola's export earnings in 1960 and is the principal dollar earner for Portugal. Considerable coffee is still on hand from previous crops as a result of Portugal's commitments to the International Coffee Agreement, but an American official--whose company recently shut down all its oil exploration activities in the Cabinda enclave as a result of the unrest--believes the economy will run down as soon as these stocks are exhausted.

The uncertainty over Angola's future is causing concern in Lisbon over the stability of the escudo. Serious economic deterioration in Angola might threaten the stability of the Salazar regime.

Nationalists, most of them Communist oriented, from Portuguese territories in Asia and Africa have been meeting in Casablanca. The final resolution, adopted on 20 April, announced that an organization will be set up in Morocco to coordinate the activities of the various anti-Portuguese groups. This organization apparently will supersede the Conakry-based Revolutionary Front for the Independence of the Portuguese Territories (FRAIN), which recently has been weakened by factionalism and by an inability to obtain international publicity. Holden Roberto's Angola People's Union (UPA), which reportedly triggered the current outbreak, is not affiliated with the new Morocco-based organization.

The movement of additional troops from Portugal to Angola is continuing, both by air and by sea. More than 12,000 troops, of whom more than 4,000 are white, are now stationed in the province. Approximately 35,000 army troops remain in metropolitan Portugal. In addition, about 8,000 troops, the bulk of them native, are stationed in Mozambique.

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~~CONFIDENTIAL~~Tshombé's Position Deteriorating in Katanga

Tshombé's regime is threatened by a combination of UN hostility and fading popular support. He has rejected demands of his recalcitrant legislature that he share his executive power with a premier, but it is doubtful that he can continue his one-man rule indefinitely, aided only by Belgian advisers.

Tshombé's rule in northern Katanga has long been threatened by hostile Baluba tribesmen, but until recently he appeared to enjoy the support of most non-Baluba groups in the south. Lately, however, there has been an increasing reaction to Tshombé's extensive reliance on Belgians and his employment of South African mercenaries in the Katangan armed forces. Popular dissatisfaction with prevailing low wage levels has stimulated resentment against the Belgians, who are felt to have monopolized highly paid positions.

Tshombé's difficulties are compounded by his bad relations with the UN, which recently airlifted Indian troops into Katanga. One UN official predicted on 20 April that "a showdown" between the UN and Tshombé was rapidly approaching.

A Belgian adviser to the Leopoldville government has opined that Tshombé has become a liability for the Belgians and that Brussels would take a "hard line" with him. Belgians in Elisabethville reportedly are apprehensive concerning their future there in view of renewed UN efforts to secure the withdrawal of foreign advisers.

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~~TOP SECRET~~Japan Lifts Restrictions on North Korean Trade

[Since 1955, Japanese trade with North Korea has been conducted indirectly, principally through Hong Kong. The higher transportation costs of this triangular trade have served to limit the exchange of goods, particularly of bulk cargoes, such as iron ore, coal, and minerals, which account for most of North Korea's exports. North Korean - Japanese trade totaled about \$7,000,000 in 1960.]

[Tokyo has now placed this trade on a direct basis and in effect has abolished the compulsory barter requirement--the exchange of goods of equal value in each transaction--and substituted cash settlement. Hedging against possible US and South Korean reaction, however, Japan has required case-by-case approval for each trade contract concluded with North Korean interests.]

[The Japanese Government's action probably is in response to a request by the Japan - North Korea Trade Association in Tokyo. This organization in January negotiated an agreement reportedly providing for the purchase of North Korean industrial raw materials valued at \$14,000,000, and for the sale of Japanese products--bearings, steel bars, wire rope, automobile and tractor tires, wheat, and light manufacturing equipment--amounting to \$42,000,000.]

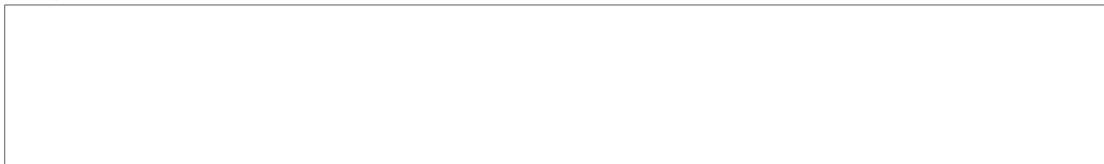
[] Foreign Minister Chong to support his representations to US officials by arguing that the Japanese move is a violation of a 1950 UN resolution against aid to North Korea and that it "will impede the progress" of negotiations between Tokyo and Seoul for over-all settlement of their differences]

[Because of its own stake in maintaining commercial ties with Japan, the South Korean Government is continuing preparations for signing a new trade agreement with Tokyo.]

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[However, reaction in South Korea could be sufficiently severe to force the Chang Myon government to abandon this course in favor of a tougher policy toward Japan.] [redacted]



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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

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The Deputy Secretary of Defense

The Secretary of the Army

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The Assistant Secretary of Defense (International Security Affairs)

The Assistant to Secretary of Defense (Special Operations)

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Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

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

Supreme Allied Commander, Europe

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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

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