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8 March 1961

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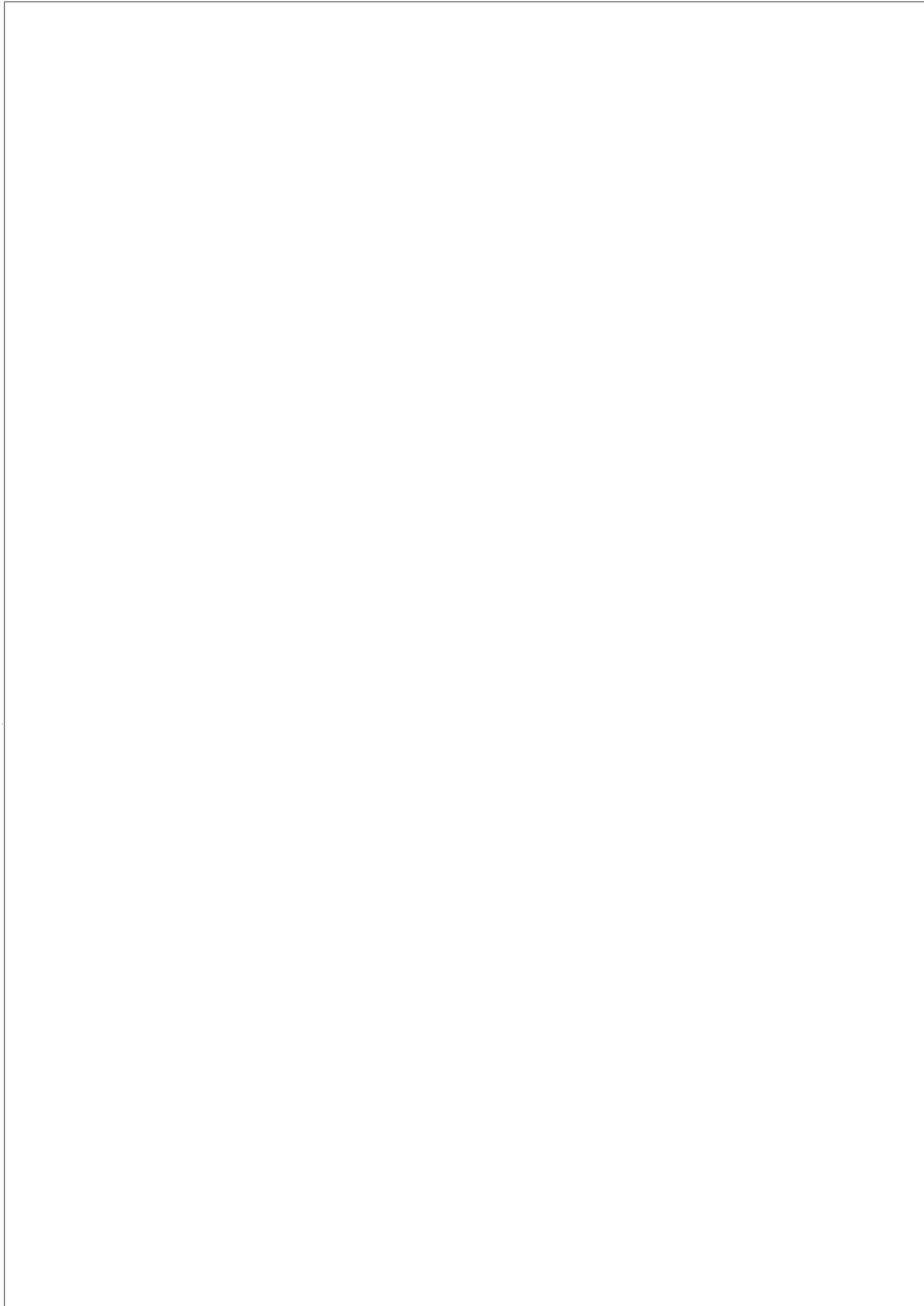
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CENTRAL INTELLIGENCE BULLETIN



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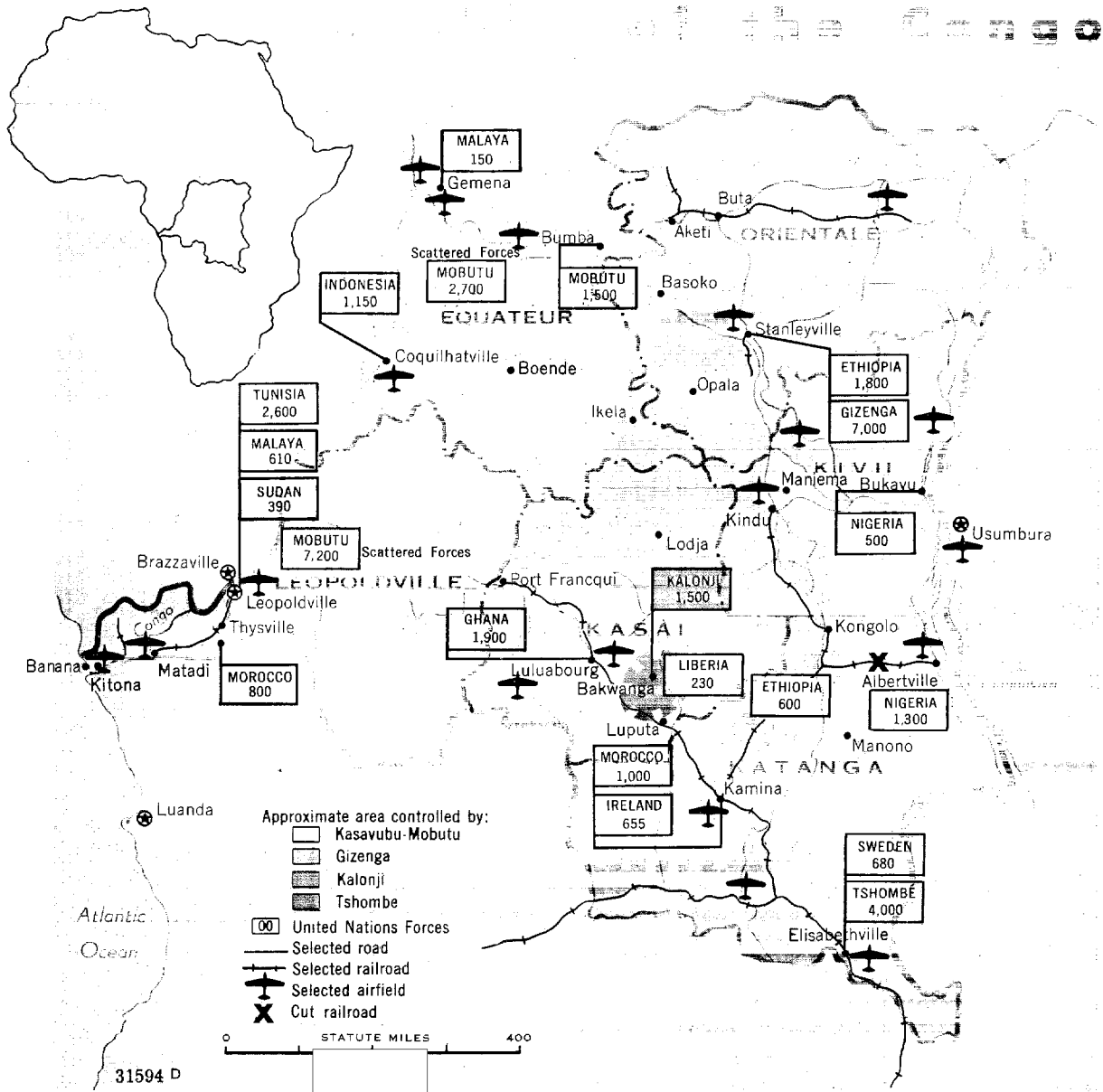
8 March 1961

CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

Congo: Gizenga's statement of 7 March to an American correspondent that he does not plan to attend the Tananarive conference appears confirmed [redacted]

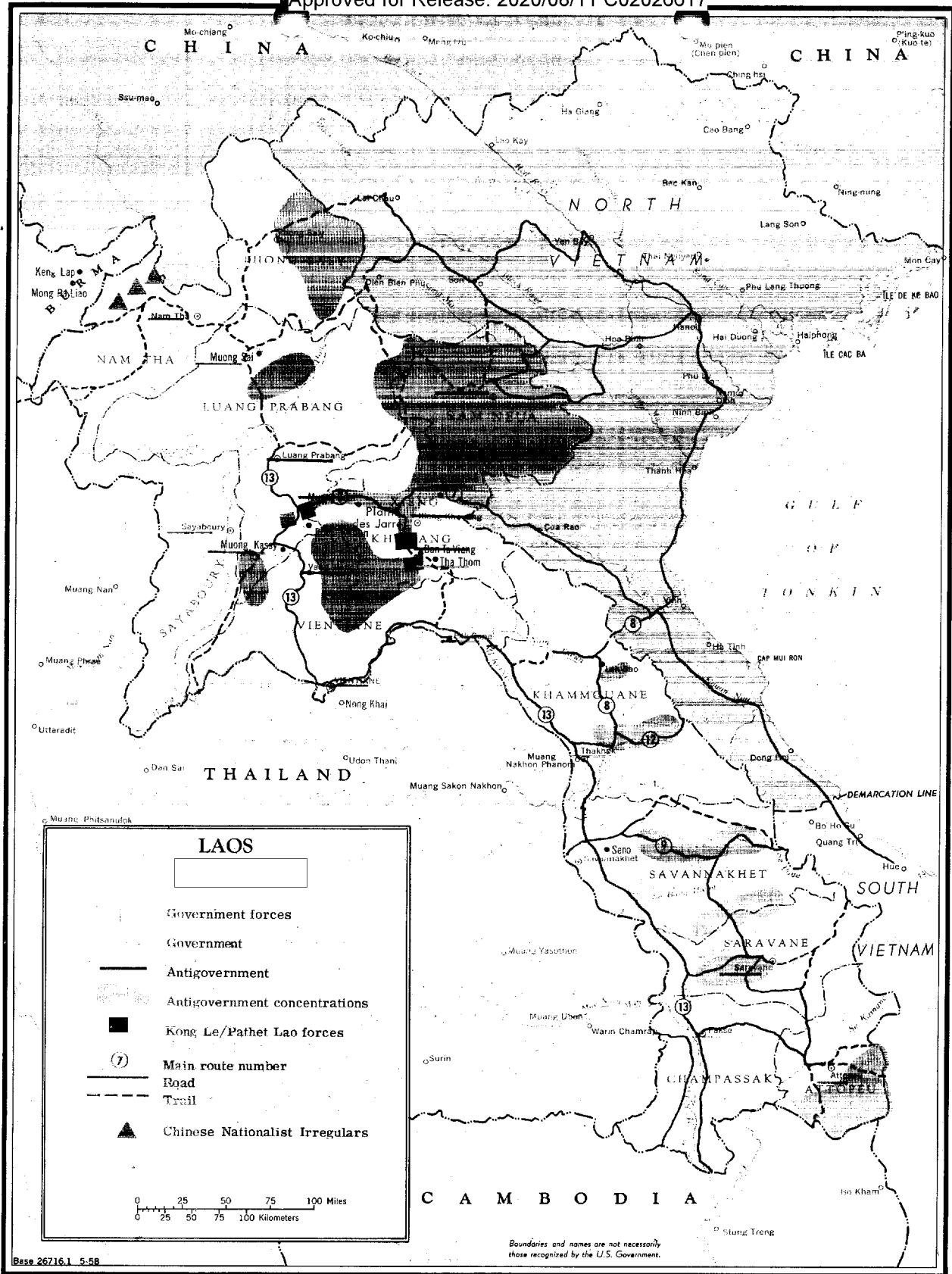
[redacted] *Scratch*
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 out Gizenga's participation, the only significant result of the conference probably will be a slight strengthening of the ties between Leopoldville and Elisabethville. In Leopoldville, American and UN officials believe that there is little time remaining before inflation gets completely out of control, with the consequent possibility of disorders in the hitherto quiescent civilian population. *no*
 Ambassador Timberlake reports that Foreign Minister Bomboko and the UN commander, General McKeown, met on 5 March and agreed on a number of measures to reduce tensions between Congolese and UN troops, particularly in Matadi. Hammarskjold admitted to Ambassador Stevenson on 6 March that Rajeshwar Dayal, his representative in the Congo, was unable to communicate with any Congolese leaders and indicated that Dayal would not return to the Congo after his trip to New York for "consultations" which is scheduled to take place in a few days. [redacted]
 (Backup, Page 1) (Map)

*Laos: (Information available as of 0400 EST) Vientiane's forces in the Phou Khoun road junction area withdrew in the face of aggressive probing actions initiated by Kong Le - Pathet Lao forces on 6 and 7 March. Indications are that the enemy forces had not planned a major attack, but were quick to capitalize on the government's hasty withdrawal and may have gained at least temporary control of the Phou Khoun road junction. General Phoumi is making urgent plans to regain the lost ground, but the

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reversal on this main front could have a serious impact on the over-all morale of the Laotian Army, and points up the inadequacy of the army's leadership and lack of will to fight.

In a recent discussion of the Laotian crisis with Ambassador Trimble in Phnom Penh, Souvanna Phouma suggested a course of action which he felt would obviate the need for an international conference, provided both East and West agreed to guarantee Laos' neutrality. Souvanna said he would submit his own resignation if the King replaced the Boun Oum government with a caretaker government composed of civil servants which would be responsible for preparing general elections. The elections would be supervised by an international commission, and the countryside disarmed, except for police. Souvanna made it clear, however, that he believes the eventual establishment of a government of national union, including the Pathet Lao, is essential for Laos. Meanwhile, General Phoumi reports that he will go to Phnom Penh on 9 March to confer with Souvanna.

(Backup, Page 2)

(Map)

*France-Algeria: Prospects for negotiations between the French and the Algerian rebels now seem to depend on whether agreement on a cease-fire can be reached. Premier Debré's office has denied a 7 March press report citing sources close to the government to the effect that a truce had been agreed on. There have been recent indications, however, particularly in connection with the De Gaulle - Bourguiba talks, that such an agreement may be in the making. It would remove the last major obstacle to direct political negotiations on an Algerian settlement.

(Backup, Page 4)

no

Morocco: King Hassan II has apparently convinced himself that the country has rallied around him and is showing no indication of compromising with the demands of the leftist

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[National Union of Popular Forces for an elected constituent assembly. There is indirect evidence that the new King is considering the abolition of all political parties, possibly as a maneuver to put pressure on the National Union. The King also is endeavoring to capitalize on the unilateral French decision made before his father's death to accelerate the closing of five out of six air training schools in Morocco. Hassan is likely to ask that the United States accelerate the relinquishment of its bases, which is now scheduled to be completed in 1963.] (Backup,

Page 0)

Latin America - UAR:

President Lopez Mateos "could receive President Nasir" on a state visit between 4 and 8 September. Nasir has also received invitations from Cuba and Venezuela and might use the trip to visit other Latin American countries, particularly Brazil. In January, President Quadros was said to be interested in meeting with Tito, Nasir, and Nehru. Yugoslavia has already accepted a Brazilian invitation for Tito to visit there later in the year. Nasir may hope that his trip to Latin America will present an opportunity to visit the United States.

no

CONCLUSIONS OF SPECIAL USIB SUBCOMMITTEE ON BERLIN SITUATION

The USIB has approved the following conclusions reached by its Special Berlin Subcommittee which reviewed the situation for the period 7 February 1961 through 6 March 1961.

no

1. We are still in an interim period during which the USSR is intent on reaching an assessment of the new US administration

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and the possibilities of negotiating with the West on major issues. Therefore, the USSR is unlikely to increase tensions over Berlin at this time. However, should the Soviet leaders at any time during this period calculate that additional pressure would bring the West more quickly to high-level negotiations with the USSR, they may increase the threat of unilateral action in an effort to expedite talks.

2. The Soviet memorandum of 17 February to Bonn, published by the USSR on 4 March, was intended to remind the West that the USSR still insists on an early solution of the Berlin situation through negotiations. The memorandum reinforced Khrushchev's earlier assertions that the USSR could not agree to postponing discussions beyond the West German elections set for this September.

3. The East Germans have somewhat relaxed their implementation of controls of the Berlin intersector boundary without altering their claims of sovereignty in this regard.

4. While maintaining trade with the West at the level of previous years, East Germany has initiated some of the long-range moves necessary to make its economy independent of Western imports and thereby deprive the West of this leverage in future negotiations over Berlin.

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Situation in the Congo

[Hammaraskjold stated that Makki Abbas of Sudan would immediately be installed as the UN's acting representative in the Congo and that Dayal would leave "this week." Continuing tension in Matadi apparently has postponed Dayal's departure. He continues to hold himself aloof from the Congolese; recently he failed to turn up at a meeting with Foreign Minister Bomboko, reportedly for fear that Bomboko "might make a political attack on him."]

{Hammaraskjold also plans to set up a Congo planning and advisory group within the UN secretariat, composed exclusively of Africans and Asians. Within a few weeks he hopes to send to the Congo as his permanent representative either Adnan Pachachi of Iraq or Robert Gardiner of Ghana, both of whom would be members of the proposed group.}

According to the American Embassy in Leopoldville, the UN Command has failed to provide leadership in the economic field as a result of its preoccupation with political questions, coupled with Dayal's ignorance of economic factors and his tactic of withholding budgetary support as a means of pressuring the Leopoldville government. Moreover, foreign aid furnished so far has suffered from a lack of coordination as well as from inefficiency and venality on the part of Congolese officials. UN financial experts in Leopoldville believe that the establishment of a flexible fund under UN control is the only way to salvage the economic situation, which apparently has not resulted in popular outbreaks so far only because most of the population is not dependent on the money economy. However, the population in Leopoldville, where most of the working force is unemployed, is vulnerable to inflation in basic commodities, and the UN economists believe outbreaks will occur when the price spiral takes hold.

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~~SECRET~~ [REDACTED]Situation in Laos

[Souvanna. [REDACTED]

[REDACTED] has stressed the urgency for a political settlement in Laos. Souvanna told them that judging from the reception he had received from the people during his visit to northern Laos he felt the Communists could still be kept from dominating the situation, but that time was growing short. He claimed Pathet Lao leader Souphannouvong--his half-brother--had agreed with him that Laos should follow a policy of "Cambodian-type socialism."}]

{Souvanna said his visit to North Vietnam had gone well, and that he was pleased by the atmosphere he had found in Hanoi. He claimed that Premier Pham Van Dong and Defense Minister Vo Nguyen Giap had told him that North Vietnam and Communist China were content to see "true neutrality" re-established in Laos, and that the bloc's strong reaction against the United States had been caused by "sure information" of American plans to develop rocket-launching facilities in central Laos.}

{While Souvanna continues to be sanguine of his ability to control the Communists, he seems to feel it necessary to try to retain freedom of action. [REDACTED]

[REDACTED] on his return from a world tour, which he plans to start this week end, he might establish himself in Phong Saly. This province is largely controlled by Laotian forces under Colonel Khammouane--a local strongman and supporter of Souvanna Phouma--who apparently has succeeded so far in getting the Communist-supported Pathet Lao forces to respect his "middle position."}]

{Before his recent trip to North Vietnam and Laos, Souvanna made a similar proposal for a caretaker government. He may have discussed aspects of this plan with his Communist hosts and possibly found them receptive to the idea of a general election as long as some supervisory scheme}

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[could be employed to ensure sizable Pathet Lao representation in the government and in the National Assembly.]

[REDACTED]
[REDACTED] the only feasible solution to the Laotian crisis lies in an international conference which would lead to the partition of the country "following the Indochina pattern." Bloc governments, however, have never acknowledged partition as a possible basis for a Laotian settlement. The bloc position is and probably will continue to be that an international conference must be called before any commission can be sent to Laos.]

[Cambodian officials, including Sihanouk, are indicating growing anxiety over developments in Laos, and have [REDACTED] expressed doubt as to whether Souvanna can still salvage the situation from the Communists. [REDACTED] Sihanouk now believes Souvanna has gone over to the Pathet Lao side; Son Sann, personal adviser to Sihanouk on foreign affairs, has expressed the same view [REDACTED]

[Soviet transports continue to be scheduled for airlift operations into Laos. Since the arrival on 22 February of a Soviet AN-12 at Hanoi, two others have flown to North Vietnam. The one which arrived at Hanoi on 22 February reportedly crashed and is apparently still there. One of the last two to arrive has returned to the USSR and the third is at Haiphong scheduled for Canton. [REDACTED]

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~~SECRET~~Prospects for French-Algerian Negotiations

De Gaulle, ever since his pre-referendum speeches in December, has been blurring his previous insistence on a cease-fire as a precondition for negotiations. (He implied to Bourguiba during their 27 February talk that there would be no preconditions for talks, and Bourguiba conveyed this impression to Abbas. The rebel leaders, however, were reportedly confused when a subsequent "authoritative" statement from Paris reversed this position. Tunisian Information Minister Masmoudi has alleged that members of Premier Debré's entourage also made statements--published abroad, but not in France--that a cease-fire must precede negotiations. Tunisian officials, and probably the PAG, are said to have regarded this as an attempt by "ultras" around Debré to jeopardize the commencement of negotiations.)

[redacted] following discussions last week between rebel premier Ferhat Abbas, Bourguiba, and a high French official representing De Gaulle, the PAG agreed to a cease-fire and would soon appoint representatives to discuss its implementation with the French. On 6 March Abdelkader Chandlerli, PAG "delegate" to the UN, told US officials in Washington that the PAG had proposed to the French that both sides simply agree at the beginning of negotiations to stop fighting, without entering into any formal agreement.)

[redacted] Bourguiba had told De Gaulle that commencement of direct French-PAG negotiations could not safely be delayed much longer and should start by 20 March. Chandlerli, however, asserted, [redacted] that Abbas and De Gaulle will not meet until lower level--but official and formal--negotiations have made substantial progress.)

Within Algeria, there are diverse elements on both sides still capable of precipitating incidents that could either prevent formal negotiations from beginning or jeopardize their success once begun. De Gaulle is reported to have said that he could scarcely imagine his reaction, if, while seated at a conference

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table with Abbas, an aide were to hand him a note saying that French children had just been killed in Algeria by rebel terrorists.

The Algerian National Liberation Army is estimated at approximately 10,000 men within Algeria and is dispersed into small bands difficult to control. Rebel terrorists, who have acted semi-independently throughout the rebellion, may consider that the Tunis-based PAG does not represent their interests. There are also indications that the outlawed Algerian Communist party now may be in a position to foment terrorism designed to disrupt negotiations. Well-armed, die-hard European settlers are not now considered capable of threatening De Gaulle's government without military support--which has seemed increasingly unlikely. They could, however, especially in view of the Moslem-European rift evident since the December riots, create spectacular incidents which would antagonize the PAG and cause its leaders to question De Gaulle's good faith.

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Moroccan Political Situation

{ King Hassan II appears not to have made any progress toward the formation of a broadly based government of national union and may have abandoned further moves in that direction for the present. However, he is continuing his efforts to ensure military control throughout the country. The intelligence chief of the Moroccan Army has informed the American military attaché in Rabat that the territorial reorganization of the army, under way since 1959, has been accomplished and the country divided into five military regions, each commanded by an officer with a regional staff. The King's younger brother, Prince Abdallah, may replace Hassan as chief of staff, and General Ben Hamou Kettani, who recently commanded the Moroccan troops in the Congo, may continue operational control of the army. }

{ Meanwhile, political maneuvering among various groups and factions continues. A three-sided division of opinion has developed within the National Union of Popular Forces (UNFP). An extremist faction headed by Labor Union Secretary General Mahjoub Ben Seddik wants the UNFP to demand dissolution of the rival right-wing labor group and abrogation of the decree issued last October permitting the creation of other unions. A second faction led by former Premier Abdallah Ibrahim and self-exiled Mehdi Ben Barka continues to insist on the early election of a national constituent assembly, while a third group, led by resistance leaders Abderrahman Youssefi and Mohamed el-Basri, favors reconciliation with the conservative Istiqlal party from which the UNFP split in 1959. }

{ The Istiqlal party, on the other hand, fearful that it may be outdistanced by the UNFP's more dynamic program and leaders, may be seeking an alliance with the tribal-based Popular Movement and the small but well-entrenched Constitutional Democratic party, both of which along with Istiqlal are represented in the present government. }

{ Istiqlal seized on Hassan's 5 March announcement of a "new victory" in securing accelerated French evacuation to reiterate }

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[various demands, including the "liquidation of American bases" prior to the end of 1963 in order to achieve complete French evacuation.]

[French Ambassador Seydoux indicated to US officials on 6 March that France may attempt to remain at Kenitra for "another year or so." [redacted] are reported to consider the recent transfer of some 500 French military personnel from France's recently dissolved headquarters in Rabat to Kenitra as seeking sanctuary in the "American-controlled" base in an effort to keep the evacuation issue alive.]

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