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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO.

COUNTRY El Salvador

SUBJECT Crisis in Osorio Government

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SUPPLEMENT TO REPORT NO.



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- 1. Opposition to Major Oscar Oscrio, head of the Salvadoran governing Junta, has become so serious that he must risk his popularity by declaring martial law. Otherwise, it is felt, civil war is a definite possibility.
- Principal leaders of the opposition to Osorio are Felix Olivella, Carlos Llerenz, Agustin Alfaro Moran, and Rafael Urquia, the Foreign Vinister. These persons are known collectively as the "Sector Popular".
- 3. Salvadoran interests are divided into two groups. So-called "reactionary capital", represented by Roberto and Miguel Duenas, is supporting Osorio and favors his eliminating the Junta and assuming complete control of the country.
- 4. The so-called "progressive capital" faction, opposed to Osorio, advocates a civilian president, probably Agustin Alfaro Moran, with Col. Humberto P. Villalta in control of the armed forces. This faction is headed by Olivella and Andres Molins.
- 5. As of 18 January, Osorio was in control of the army through the regimental commanders, although he lacked its complete support. With the possible exception of Defense Minister Col. Fidel Quintanilla, the cabinet was opposed to him. The civilian members of the Junta were likewise opposed to Osorio. The cabinet met on 17 January and decided to form a bloc against Osorio to threaten blanket resignation if any cabinet member were oussed.
- 6. Nine army officers, including Humberto Villalta (december ) were relieved of their positions and placed under house arrest on 17 January. This action followed the exposure of a plot against Osorio to place Villalta in power. The result of this was the consolidation of Osorio's control of the army. The extent of the opposition among lesser army officials is not known.
- 7. The government of Guatemala is expressing its dissatisfaction with Osorio's regime by transmitting financial aid to oppositionists among the civilian elements of the government and the Olivella faction. Guatemalan army officers in civilian dress were reported to be in El Salvador fomenting opposition among Salvadoran army lieutemants and captains.

8. The student sector of the Partido de Orientacion Democratica (POD) is allegedly receiving arms from Quatemala CONFIDENTIAL

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