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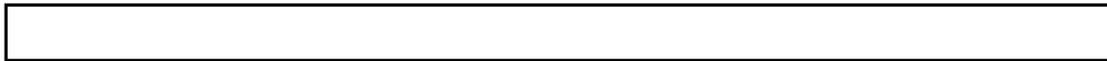
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10 October 1961



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CENTRAL INTELLIGENCE BULLETIN



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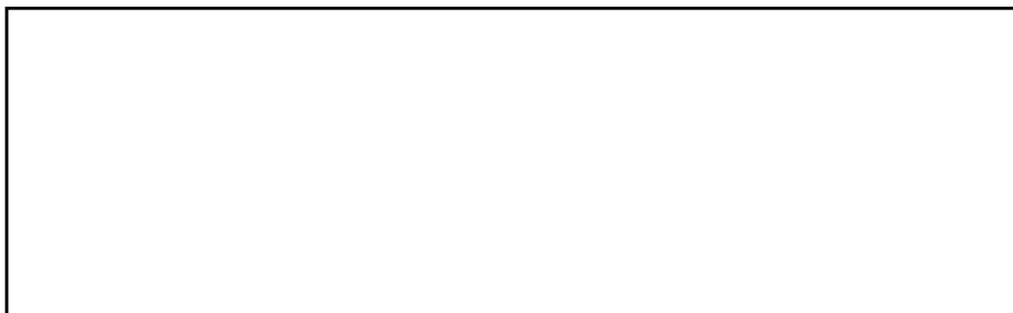
CENTRAL INTELLIGENCE BULLETIN

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France-Algeria:



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[Redacted] the anti - De Gaulle Secret Army Organization (OAS) intends to initiate violent action during October. [Redacted] cite 12 or 15 October as possible dates, and predict attempts by European "com-mando" groups to seize public buildings in Algiers and Oran and overwhelm the security forces by mob action. The French concede the possibility of considerable preliminary OAS success, but are confident that most army units will remain loyal. In view of the increasing signs of despera-tion among the Europeans and the strained nerves of the overworked security forces--many of whose members fear OAS reprisals against their families--there could be blood-shed even if the Moslem population did not become involved.)

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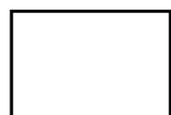
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Tunisia-France: A French demand for "resolution of all pending Tunisian-French differences" as a prerequisite for completion of an agreement on French teachers for Tunisian schools has again strained Bourguiba's relations with Paris. While the cultural agreement is of secondary importance, French last-minute imposition of such an obstacle to an agreement which the Tunisians considered vir-tually completed will afford further ammunition to Bourguiba's domestic opponents, who charge he has been too soft in his dealings with the French. [Redacted]

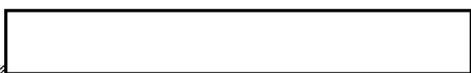
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India-USSR: The Soviet-Indian Atomic Energy Agreement, signed in Vienna on 6 October after nearly two years of nego-tiations, is apparently the broad agreement which Indian offi-cials had been seeking. It will provide a basis for subsequent



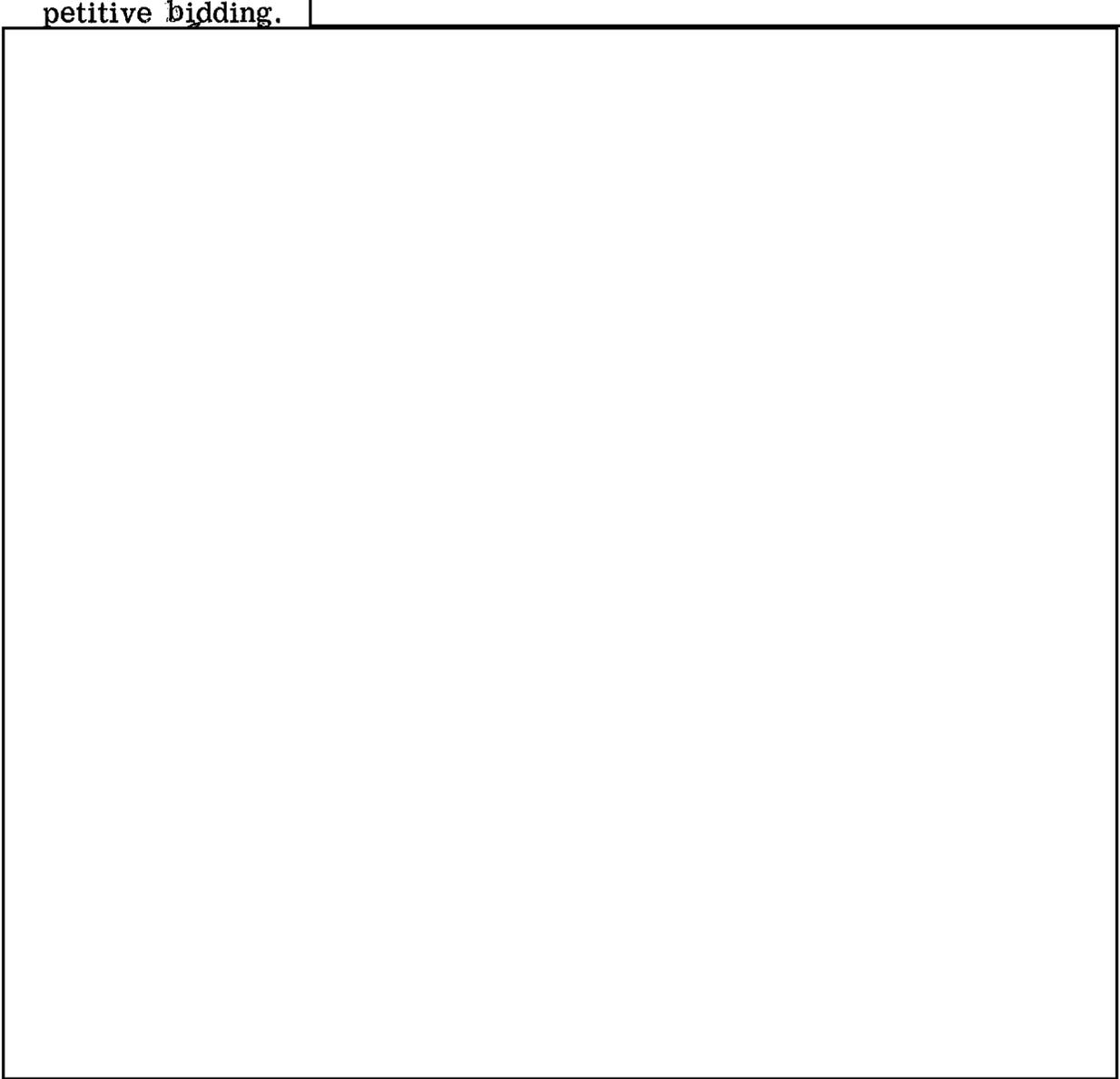
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agreements on Soviet participation in specific projects such as the construction of nuclear-powered electric generating stations and assistance in the mining and production of Indian uranium. Moscow has ruled itself out of the major project the Indians now have before them--their first nuclear-powered generating station--by refusing to engage in competitive bidding.

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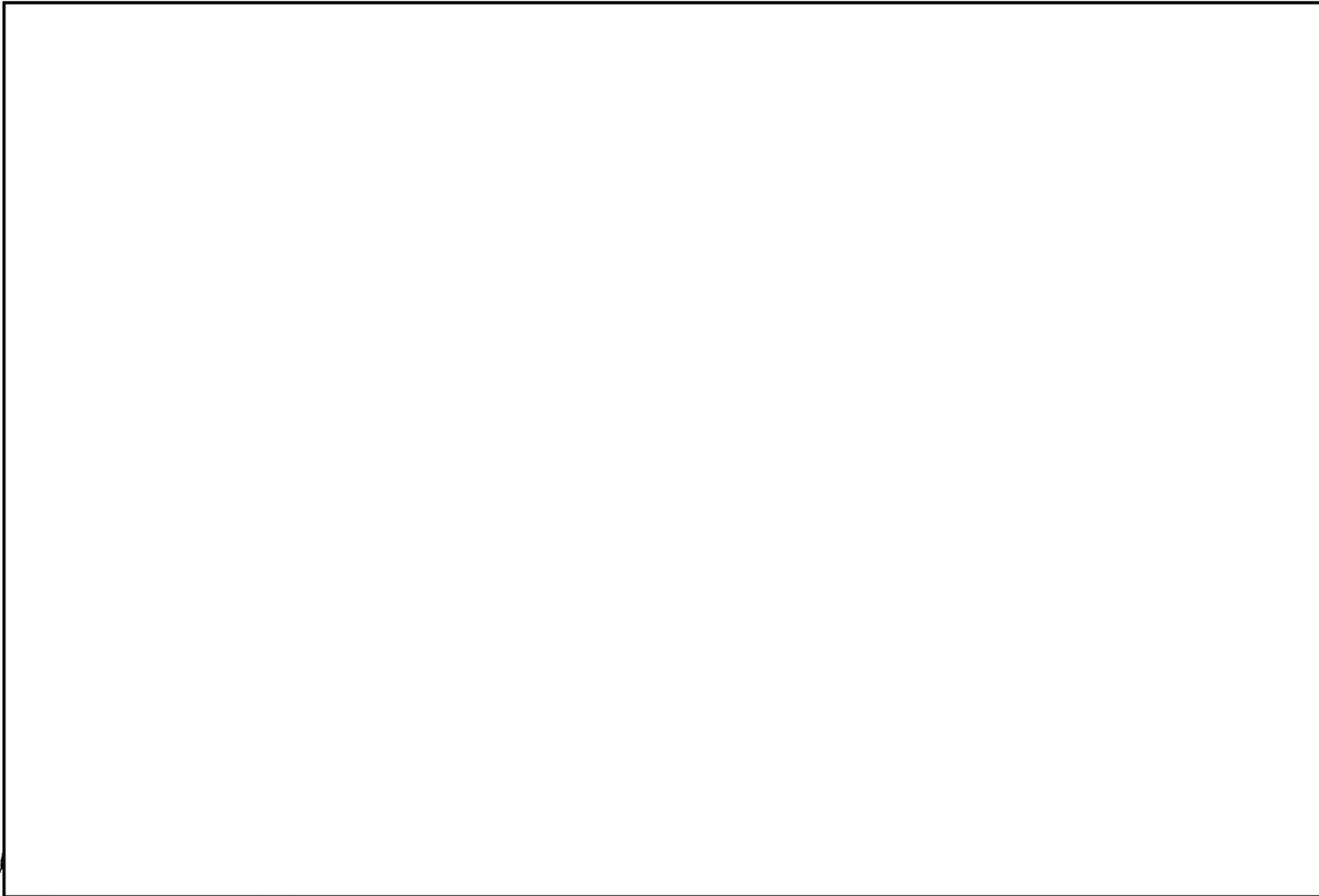
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Malaya-Singapore: Progress toward the proposed federation of Malaya, Singapore, and British Borneo might help Singapore's moderate government stave off a challenge by pro-Communists when the legislature meets, perhaps late this month. Macmillan and the prime ministers of both Malaya and Singapore have declared the "Greater Malaysia" scheme essential to future stability of the area. Malayan Prime Minister Abdul Rahman, however, insists on the inclusion of British Borneo to ensure a Malay majority over Singapore's Chinese. British reservations center on two points: continued availability of Singapore as a British and SEATO military base, and the unpreparedness of the Borneo peoples for self-government.

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(Map)

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New Strain in Tunisian-French Relations

Negotiation of a cultural agreement to provide some 2,000 teachers for Tunisian schools had been under way in Paris for the past two weeks. Tunisian officials claim that Tunis acceded to "90 percent" of France's conditions and had expected to conclude the agreement on 6 October. However, France then imposed a new condition--prior resolution of all French-Tunisian differences such as those regarding properties, companies, status of French residents, and the return to Tunisia of expelled Frenchmen. Tunisian schools were being reopened on 9 October under an emergency plan involving the drafting of Tunisian secondary students to fill teaching vacancies and the exclusion of foreign students.

The American ambassador in Tunis believes that Paris--whose relations with Bourguiba have been difficult since Tunisia obtained its independence in 1956--has concluded that Bourguiba is expendable or intends to humiliate him beyond further usefulness. The ambassador added that Paris may also seek to delay the opening of negotiations on France's interim use of the Bizerte base. Bourguiba in a dramatic about-face on 8 September, designed to break the prolonged impasse on a pullback of French forces outside the base from the position they seized in July, offered France continued use of the base for the duration of the Berlin crisis, which he at that time stipulated to be a matter of only a "few weeks," and to provide a respite during which a timetable for the ultimate evacuation of the base could be worked out. French forces were returned to the base proper early this month after France withdrew conditions so unacceptable to the Tunisians that Bourguiba was on the verge of retracting his offer. At the same time Tunisian troops were pulled back from the Bizerte area.

Bourguiba's unexpectedly conciliatory attitude toward Paris last month--a decision made without consultation with any adviser--has aroused considerable criticism within the Tunisian Government. The reported dismissal on 7 October of the secretaries of state for Information and Industry, Mohamed Masmoudi

and Ezzedine Abassi may be an attempt on Bourguiba's part to stifle criticism and isolate potential critics. The French-language weekly Afrique Action, the policy of which is established by a clique headed by Masmoudi, carried an editorial on 7 September assailing the conduct of government by absolute "personal power," a statement interpreted by the American Embassy as the first clear public challenge to Bourguiba's governing methods from within the administration. Abassi is a leftist supporter of Ahmed ben Salah, who is secretary of state for Planning and Finance and a strong potential contender for Tunisian leadership. Both Masmoudi--who has long been the most pro-French member of Bourguiba's cabinet--and Ben Salah were previously dismissed when their actions displeased Bourguiba, but both were subsequently returned to authority.

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[Redacted]

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Details Delay Progress on the "Greater Malaysia"
Federation Scheme

The conflict of British and Malay interests under the proposed "Greater Malaysia" federation scheme threatens to undermine the position of Prime Minister Lee's moderate People's Action party (PAP) government in Singapore. Merger discussions so far have failed to take up two vital factors: British access to Singapore's military bases and the acceptability of merger to the British Borneo territories of Sarawak, Brunei, and North Borneo. Malaysian Prime Minister Abdul Rahman plans to discuss these with Prime Minister Macmillan in London in early November.

While the British have consistently urged the expansion of the Federation of Malaya to include Singapore, British authorities are reluctant to plunge the Borneo peoples abruptly into a grouping with which they may not wish to be associated. Britain also seems unwilling to surrender sovereignty over the bases in Singapore to Malaya. Unless the British are willing to make these concessions, Prime Minister Lee will face a hostile assembly with a majority of only one and a strong possibility of defeat. His successor would probably be Lim Chin Siang, pro-Communist leader of the Socialist Front.

Rahman's insistence on Malaysian control over the Singapore military bases and on the transfer of the Borneo territories to the new federation is based on considerations of domestic politics. He is willing to allow continued use of the bases by the Commonwealth but not by SEATO, of which Malaya is not a member.

On the Borneo territories, he feels that only by their inclusion can the Malay element of the population defend itself against the political domination of the Chinese. His assumption is that the indigenous peoples would make common cause against the Chinese but, he may be misjudging the prospects. There are indications that the non-Malays of Borneo are finding their interests more closely aligned with the Chinese population than with the Malays. Should this

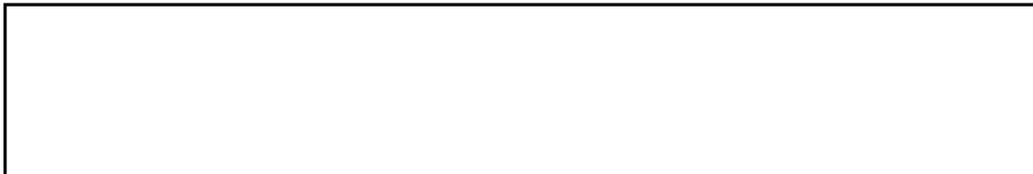
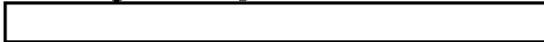
develop, "Greater Malaysia" might find itself dominated politically and economically by its Chinese elements.

Commonwealth dissatisfaction with Malaya's military outlook first emerged when Australia discovered that its men committed to the Commonwealth brigade in Malaya would not be available for use in Laos. Although Rahman has asserted that the Singapore bases obviously would be available in emergencies--as Malaya is pro-Western--Britain, Australia, and New Zealand are not willing to have the implied restrictions on their military activities further extended. With reference to the Borneo territories, one of the prime concerns is that public opinion, so far as it exists, is opposed to present merger with Malaya. Borneo commissioners fear that forcing a merger at this time might result in future crises.

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