





## 11 February 1961

## CENTRAL INTELLIGENCE BULLETIN

Approved for Release: 2020/08/11 C02000193)

SECRET

#### CONTENTS

- 1. Communist China: Peiping selling silver bullion to help pay for recent grain purchases. (Page 1)
- 2. Laos: Vientiane government to hold special cabinet meeting with King Savang today; may propose negotiations with Souvanna Phouma as tactical gesture. (Page t)
- 3. France-Algeria: De Gaulle says preliminary talks with Algerian rebels under way in Tunis. (*Page it*)
- 4. Congo: Fate of Lumumba still uncertain.
- 5. Sudan: Opposition groups active against Abboud government. (Page 111)
- 6. Iran: Attempt to foment general strikes today expected to have only limited success. (Page 111)
- 7. British Cameroons: Disorders likely during selfdetermination plebiscites on 11 and 12 February. (Page 111)

SECRET-

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## DAILY BRIEF

<u>USSR</u> - Communist China: Reports from Hong Kong indicate the Chinese Communists are selling silver to increase their foreign exchange holdings in order to pay for part of the recent grain purchases from Australia. Two British vessels recently departed China for London with cargoes of bullion silver reportedly worth more than \$5,000,000. This amount is less than ten percent of Peiping's commitment to Australia, OKand goes only a small way toward meeting its over-all current foreign exchange obligations. These shipments may foreshadow more substantial sales.

According to the US Embassy in Moscow, a Soviet representative in Tirana recently asked the French Embassy if the Chinese Communists had lived up to their contract covering purchases of French wheat for delivery to Albania, and particularly whether Peiping had paid for the wheat on time. Such a request suggests that Moscow does not know how the Chinese plan to meet their current balance of payments crisis, and has not advanced a hard currency loan for Chinese emergency imports from the free world.

Laos: The Boun Oum government is casting about for ways of improving its political standing, both at home and abroad. A special cabinet meeting, presided over by King Savang, is to be held in Vientiane today. General Phoumi has said the cabinet will propose to the King that while intensifying military pressure on the Plaine des Jarres area, the government at the same time should announce its readiness to negotiate with its "enemies and rivals--even Souvanna Phouma." There is general agreement in the cabinet, however, that negotiations with the Pathet Lao

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i

<del>SECRET</del>

would be futile. Consideration will also be given at the cabinet session to broadening the base of the Boun Oum government. Peiping on 10 February broadcast a People's Daily editorial attacking "continued US intervention in Laos," and charging that its southern borders are threatened by Chinese Nationalist irregulars in Laos. Peiping strongly reasserted its opposition to a reactivated international Control Commission (ICC) unless the ICC is preceded by an international conference.

the USSR also favors an international conference as opposed to Britain's proposal to reactivate the ICC. (Backup, Page 1) (Map)

#### France-Algeria:

De Gaulle said that talks with the Algerian rebel National Liberation Front (FLN) were under way in Tunis. He cautioned, however, that such talks should not be considered official contacts or negotiations. De Gaulle was not optimistic concerning prospects for negotiations with the FLN, and said he was "not in a conciliatory mood." He believes, however, that Tunisian President Bourguiba can be a "useful intermediary." According to the Tunisian chargé in Paris, Bourguiba and De Gaulle will meet either the week end of 19 or 26 February. Page 3)

<u>Congo</u>: There has been no further information concerning Lumumba's escape, which was reported by Katanga officials on 10 February. Moscow radio and several other sources have suggested that the escape story was concocted by the Katanga government to cover up the ex-premier's death. If Lumumba has in fact escaped, he faces difficulties similar to those which confronted him on his flight from Leopoldville last November. Before he can make good his escape, he must travel on poor roads through several hundred miles of territory in which at least part of the population is hostile to him.

Tshombé reportedly is recruiting pilots and soldiers in South Africa and may attempt to obtain recognition from the

11 Feb 61

#### DAILY BRIEF

SECRET

ìi

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former French Congo in return for financial assistance to President Youlou's government. (CONFIDENTIAL NO FUR-

Sudan: Opposition elements in the Khartoum area have been active in the past few days, and the leaders of important political and religious groups who have long been pressing for a return to civilian government reportedly plan to submit an "ultimatum" to the Abboud government. This list of demands was prepared by Siddiq al-Mahdi, leader of the large and influential Ansar religious sect. Mediation efforts are under way, but it appears unlikely that Abboud will make any major concessions. The opposition group, if the regime remains unresponsive, plans to stage a series of antigovernment demonstrations and strikes. (Backup, Page 4)

Iran: An attempt by Iranian nationalists (antiregime non-Communist elements) to foment a general strike in Tehran, Isfahan, and possibly other cities today, is likely to meet with only limited success but may serve to attract sympathy from the general public. Demonstrations protesting the rigging of the current parliamentary elections have been going on sporadically for three weeks.

The opponents of the government are calling for a shutdown of Tehran shops and the bazaar and are urging high school and university students to join the strike. The national railroad system and the textile mills of Isfahan may also participate. The tobacco workers have indicated that they are ready to strike, but the nationalists are reported to be reluctant to accept this support because of the strong Tudeh (Communist) influence among those workers.

British Cameroons: Disorders may occur in the Britishadministered UN trust territory of Cameroons as a result of

11 Feb 61

#### DAILY BRIEF

iii

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-SECRET-

separate self-determination plebiscites being held in the territory's southern and northern sectors on 11 and 12 February. Pursuant to resolutions adopted by the UN General Assembly, the alternatives posed in both areas are union with newly independent Nigeria or union with Cameroun, a French trust territory prior to its independence last year. Observers expect the northern sector to opt for Nigeria despite an intensive last minute effort by the Cameroun government to win support there. British officials anticipate that southern voters will favor Cameroun, probably by a small margin. (Backup, Page 5) (Map)

11 Feb 61

DAILY BRIEF

SECRET

iv



#### Situation in Laos

The Boum Oum government, since its formation in mid-December, has failed to generate enthusiasm in Laos or widespread international support. It is generally undistinguished in composition, and some members are known to be corrupt. Its principal weakness, however, lies in the fact that it is essentially a regional government rather than a national one; it is overloaded with individuals from southern Laos, associated with Boun Oum and Phoumi in their Savannakhet Revolutionary Committee. It is doubtful that Souvanna Phouma can be lured into any broadened government--mainly because of the animosity between him and Phoumi. However, the inclusion of representatives from the Vientiane area, from Luang Prabang, Nam Tha, and Phong Saly provinces in the north, and from Xieng Khouang Province in the east would make the government more truly national, putting it on more competitive terms with the Communist-supported shadow government in Xieng Khouang.

The government's ostensible bid to the Pathet Lao as well as to Souvanna's followers is probably merely a gesture designed to erase the impression, widely held abroad, of political inflexibility and a single-minded preoccupation with a purely military solution to the crisis in Laos.

The government advance along Route 7 toward the Plaine des Jarres area has been slowed considerably by the systematic delaying tactics of the Kong Le - Pathet Lao forces. The column has advanced only a few miles eastward from the junction with Route 13 near Phou Khoun.

three large craters in the road, making a combined break of about thirty feet. The enemy has also felled trees up to six feet in diameter, engineered landslides and rockslides in steep defiles, and made extensive use of landmines. In the Ban Ta Viang - Tha Thom area of southern Xieng Khouang Province, little action has been reported; however, there are reports that the Kong Le - Pathet Lao forces are sending reinforcements of about battalion strength to Ban Ta Viang.

Stating that Communist China takes a "particularly serious" view of Chinese Nationalist irregulars in Laos, <u>People's Daily</u> on 10 February observes that this development "cannot but

SECRET-

arouse the serious concern of the Chinese people." While Peiping seems intent on linking itself more directly with the hostilities by citing the threat it faces from an old enemy, the editorial contains no warning of action.

<u>People's Daily</u>, however, does reflect Peiping's uncompromising mood on Laos. Repeating the now-familiar charge of US "intervention," the editorial also hits at Britain and France for having "failed to take any effective action to stop US aggression." These two countries are implicitly dammed for favoring reactivation of the ICC before an international conference is held on Laos.

The Chinese insist a conference must come first. <u>People's</u> <u>Daily</u> states that the ICC's terms of reference have "become obsolete" because the ICC was originally set up to stop fighting between the government of Laos and the Pathet Lao. <u>People's Daily</u> points out that since Souvanna Phouma's "lawful government" is not fighting the Pathet Lao, a conference is necessary to issue new instructions. This stand is a reversal of that held by Peiping in late December, when Foreign Minister Chen Yi urged that the ICC "promptly resume its activities and fulfill its sacred duties."

In recent talks with Western officials, Soviet spokesmen have reiterated that it is absolutely essential to convene an international conference on Laos.

Moscow could not agree to the British proposal of 21 January, which called for the Indian chairman of the ICC to discuss with King Savang the possibility of reactivating the commission. Reflecting Moscow's position on this matter, Polish officials in Warsaw and Moscow, in conversations with Western ambassadors, have expressed their opposition to a reactivation of the ICC without first convening an international conference.

SECRET

De Gaulle Acknowledges That Talks With Algerian Rebels Are Under Way

A meeting between French and rebel representatives at Melun last June failed even to resolve procedural problems involved in preparing an Algerian settlement. De Gaulle expects FLN leaders to demand the release of FLN Deputy Premier Mohammed Ben Bella and other imprisoned rebel chiefs as a precondition to negotiations.

De Gaulle's invitation to Bourguiba to visit Paris was issued about the date of the conversation concerning talks with the rebels. The Tunisian chargé in Paris emphasizes that the meeting is intended to serve as a steppingstone to conversations between De Gaulle and rebel premier Ferhat Abbas.

The rebels will resent any intimation that Bourguiba's visit involves substantive negotiations on an Algerian settlement. An official representative of the rebel provisional government told a US Embassy official in Tunis on 9 February that while the rebels have "full confidence in our Tunisian friends" and Bourguiba has "every right to go to Paris," there can be no substitute for direct negotiations between the rebel and French governments.. The rebels may evaluate the results of Bourguiba's visit by whether it tends to promote or bypass such direct negotiations.

SECRET-

## Internal Pressures Against the Sudanese Military Government

Antiregime plotting has been chronic in the Sudan since the 1958 revolution brought General Abboud to power. The opposition group which is now renewing its demands had presented a petition to the government last November calling on the army to return the government to civilian control. The Supreme Military Council--the regime's top ruling body--was split over what action to take against the signers; it finally determined to ignore the petition officially, and contented itself with mild harassment of some of the signers.

The opposition, which is by no means unified itself, has not until now sought to bring about a showdown. However, leaders of the group have recently been touring the provinces drumming up support, and they apparently feel that they now have sufficient strength to force concessions from the government.

The government's greatest strength is its ability to rely on army support in the event of public disorders. Although there is almost certainly plotting among junior officers, the coalition group of civilian opposition leaders does not appear to have strong support within the army. In recent months Major General Hasan Bashir Nasr, deputy commander of the armed forces, has improved his control over the army by ensuring that loyal officers man the key posts. He has indicated in the past that he would resist any attempt to displace the military regime.

(It is possible that Abboud will attempt to split the civilian opposition by letting Siddiq al-Mahdi fill two or three minor ministerial posts on condition that he withdraw from the antiregime coalition. As the head of the 1,500,000 members of the Ansar sect, the Mahdi in a crisis situation could presumably count on the backing of several thousand primitively armed tribal warriors. Moreover, a substantial number of Ansar sect army troops would follow his leadership.

SECRET

11 Feb 61



## Prediscite in British Cameroons

London hopes that the vote this week end will lead to a speedy and orderly termination of its responsibilities in an area it has ruled under international supervision since the first World War. Involved is a 34,000-square-mile territory with a population of some 1,600,000, which has long been divided for administrative purposes into northern and southern sectors.

Northern Cameroons was governed as an integral part of Nigeria's Moslem-dominated Northern Region prior to Nigerian independence last October, and all major political parties active in the area favor a permanent return to that Such a solution is also strongly desired by northstatus. ern Nigerian leaders as well as by Britain, which for some time has been working quietly toward this end. Within the past year a number of reforms have been introduced to redress local grievances believed to have been largely responsible for the area's failure to agree in a November 1959 plebiscite to retain ties with an independent Nigeria. At that time a majority of northern voters chose to postpone a decision on the area's future. Should the forthcoming vote unexpectedly also go against Nigeria, a severe crisis, possibly involving Nigerian intervention to nullify the plebiscite, could ensue.

(The outcome appears to be much more uncertain--and the likely aftermath more unpromising--in Southern Cameroons, which enjoys considerable local self-government and has been treated since 1954 as a potential fourth region of Nigeria. The governing party--by a slim margin--favors federation with Cameroun, but public opinion is sharply divided with major tribal groups opposing each other on the issue. The fact that some of these tribes overlap the colonial frontiers with Cameroun and Nigeria enhances the possibility that, in the event disorders do develop, either or both of those states may feel compelled to step in to protect related tribesmen. Actually neither government has been anxious to acquire the southern territory, and Cameroun's conservative rulers are distinctly unhappy over the prospect of )

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(gaining more dynamic southern tribesmen while losing the north. Of particular concern to Camerounian President Ahidjo are radical elements in Southern Cameroons affiliated with the extremist wing of the Communist-influenced Union of the Cameroons Populations in Cameroun republic. These extremists are continuing to carry on terrorist activities in southwestern Cameroun against the republic's pro-Western government.

British officials in Nigeria have expressed confidence that their battalion in the trust territory is capable of coping with any disorders which might develop. An additional battalion to the territory could be airlifted on short notice if necessary from the strategic reserve in Britain or Kenya,

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