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Mandatory Review
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1.5(c)
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CONF.

1. Headline Graphic of 30 October is "Labour's Warning, No Independence for BG until major groups in Govt." Article is based on cable from David Smithers who had talk with "Colonial Office spokesman close to Prime Minister Wilson." Particularly alarming paras as foll:

A. "It is inconceivable to Labour Party that any suitable govt could be formed in BG without participation of members representing majority of Indian voters. (This means PPP, of course).

B. "Despite Burnham's declaration earlier this week that he will under no circumstances form coalition with Jagan, Labor Govt confident he will do so if it made crystal clear that coalition is in national interest and an absolute pre-requisite for independence.

C. "Pill will also be sweetened by promises of large injections of development aid.

D. UK Govt is confident Lyndon Johnson, having won Presidential election by overwhelming majority, will not put obstacles in way of BG's progress toward peace and independence.

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E. "Under UK persuasion, US policy of anti-Jagan pressure would be changed to one of readiness to inject aid in sufficient quantity to underwrite vast development projects, get economy moving, and preoccupy both BG Govt and people with nation building rather than sterile political deadlock."