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INTERNAL TROUBLES KEEP INDIAN GOVERNMENT ON DEFENSIVE

Leftist-instigated rioting in Calcutta, Hindu-Sikh communal clashes in the Punjab, a revolt of Mizo Hill tribes, and continued economic gloom have kept the Gandhi government on the defensive during the past few weeks. None of the crises has proved unmanageable, but their combined effect has forced New Delhi into a continual scramble for emergency solutions. Opposition elements can be expected to make the most of New Delhi's discomfiture, with general elections less than a year away.

West Bengal State was quiet again late this week after two weeks of rioting in which 37 persons died. The disorders in and around Calcutta were sparked by leftist opposition parties, particularly the state's two Communist units. The Bengali leftists have been negotiating arrangements for a 1967 electoral alliance. Their agitation over the government's food policy appears to have been more a test of their joint strength than a reflection of real food shortages. The food supply situation will worsen in West Bengal, as elsewhere, in the spring and summer, and the leftists will probably redouble their efforts to discredit the Congress Party's state and national governments.

Indian forces have regained the initiative against tribal rebels in the Mizo Hills District of Assam State. Several thousand Mizo guerrillas, who had launched raids against government installations on 1 March, have been

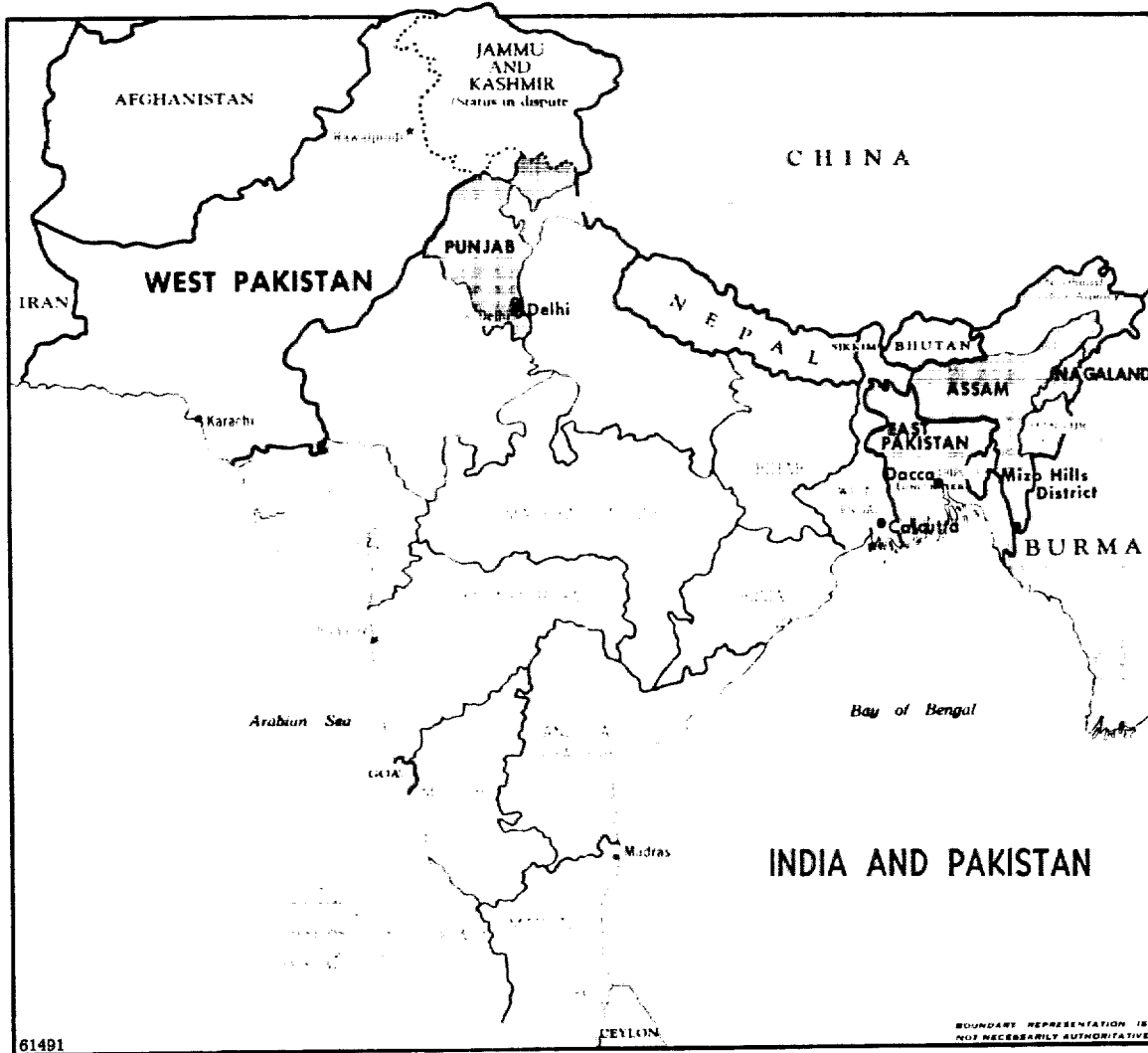
driven from the district's major administrative centers by a brigade of Indian Army reinforcements. Flushing them from their jungle encampments throughout the district will be a more difficult matter, however. Meanwhile, there are indications that the neighboring Naga tribes may renew their own ten-year-old armed struggle for independence.

Hindu-Sikh communal rioting broke out in the Punjab and in Delhi itself last week following a Congress Party decision to bow to demands by the Sikh religious minority for a separate Punjabi-speaking state. The party had earlier refused to approve a division of the Punjab, where Hindi and Punjabi have been coequal official languages. It gave in, however, when it appeared that the Sikhs' most influential leader, Sant Fateh Singh, might well follow through with a threatened self-immolation over the issue.

Hindus in the predominantly Sikh northwestern Punjab are Punjabi speakers themselves, but they demonstrated violently against a partition, which they fear will lead to Sikh domination. The state unit of the Hindu extremist Jan Sangh party fanned the flames, despite urgings by the party's national leaders for moderation. Troops have been alerted, but police appear to be gradually restoring order without their help. Tempers could flare again when New Delhi begins the complex task of

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implementing the Congress Party recommendations.

Although less dramatic, India's economic woes still confront the Gandhi government with its most challenging problems. Indian leaders are now confident that widespread starvation can be avoided, but the task of distributing emergency grain will severely tax the government's

meager administrative resources. Foreign-exchange shortages may force a curtailment of industrial production this summer, and unemployment will probably rise. Both Congress and opposition party leaders in Madras State recently told US officials that economic issues will strongly influence the 1967 election results in their state, and the same is probably true elsewhere.

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EAST PAKISTANIS CALLING FOR GREATER AUTONOMY

Agitation against the national government is increasing in East Pakistan. In addition, there is a growing divergence of views on policies toward the government to be followed by opposition political leaders in both East and West Pakistan. Although opposition leaders in East Pakistan are in agreement with their West Pakistani counterparts on some issues, greater East Pakistani autonomy has recently become a major theme of the easterners' campaign.

The Bengali majority of East Pakistan has little in common with the West Pakistanis, other than Islam and a fear of India. President Ayub Khan's efforts to draw the two segments of his country closer together have had little success, and last September's war with India intensified differences.

Many Bengalis feel that East Pakistan has no vital interest in Kashmir, the cause of the war. They think that India, either exploiting its military victory or trying to offset its military defeat, would have invaded East Pakistan had the war not ended in a draw. Ayub is accused of having placed East Pakistan in great danger with his Kashmir policies without providing an adequate defense having left only one weak division in East Pakistan during the fighting.

Bengali discontent is reinforced by alleged economic discrimination, fear that the government has designs against Bengali culture and language, and a general feeling that the country is being run for the benefit of its Western province. Measures designed to bolster the Ayub regime--although not intended to work against East Pakistan--are often viewed as attempts by Ayub and other West Pakistanis to dominate East Pakistan.

Eastern opposition leaders are growing increasingly bold in their criticism of the government. Currently the most vocal is Majibur Rahman, who has proposed a six-point program which would eliminate the central government's taxing power and limit its responsibilities to defense and foreign affairs. Another of the several competing opposition parties is now following his lead by advocating a very similar seven-point program.

The opposition has hinted at general strikes, and Majibur Rahman claims to have 2,000 men ready to go to jail. Student demonstrations led to minor violence in late February. Otherwise, opposition to the central government has been limited to talk so far, but recently increased bitterness combined with traditional Bengali attitudes could lead to trouble.

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COMMUNIST MILITARY AID ACTIVITIES

The USSR and Czechoslovakia are actively implementing military aid arrangements with non-Communist countries.

Recent comments by the Soviet military attaché in Cairo suggest that, in addition to the 48 MIG-21 Fishbed limited all-weather jet fighters delivered in the last few months, Egypt will soon receive the SU-7 Fitter fighter-bomber. This aircraft, never before sent outside the bloc, was included in the major Soviet-Egyptian arms pact of late 1964.

Syrian military aid negotiations with China late last year may have succeeded in stirring Moscow into taking the action vainly sought by several Syrian delegations sent to Moscow to work out deliveries under the 1964 arms pact. A Soviet arms delivery apparently took place recently, the first noted in many months.

Soviet relations with Iraq remain unsettled, but an Iraqi military delegation which has been cooling its heels for several weeks after the USSR canceled plans for receiving it, apparently plans to travel to Moscow in April for preliminary negotiations on a fifth arms agreement. Deliveries under the 1964 pact were completed with the arrival of 20 MIG-21 aircraft in December and January, and Iraq recently bought 18 MI-4 helicopters which are now arriving in Baghdad.

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Czechoslovakia has been more active in supplying arms to India. Deliveries of medium tanks and artillery to Bombay which began in February are continuing. The USSR also has

stepped up implementation of its contracts, and in the last month delivered 38 MIG-21 limited all-weather jets and some jet trainers, along with amphibious tanks. The aircraft shipments complete the second Soviet-Indian jet fighter contract, and the USSR has now delivered 50 such aircraft. A contract for 36 more signed in 1965 remains to be fulfilled.

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MODERATES DEAL HEAVY BLOWS TO KENYAN LEFTISTS

Moderate, pro-Western Kenya politicians, with President Kenyatta's blessing, have struck two heavy blows at Vice President Odinga Odinga and his leftist cohorts. Last week the government expelled six Communist diplomats and newspapermen known to have been funneling funds to Odinga, and on 15 March five more were told to go. Odinga himself lost his second-ranking post in Kenya's dominant KANU party in a party election over the weekend, and all his party candidates were soundly defeated.

During the past year, the moderates have progressively stripped Odinga of power. Kenyatta, however, had heretofore moved only cautiously, out of fear of provoking Odinga's Luo tribe, the second largest in Kenya and the principal ally of Kenyatta's Kikuyus in KANU. At the party elections Kenyatta for the first time joined directly in the fray and openly attacked Odinga and his followers.

The moderates, their appetites whetted by their successes,

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now will probably try to force Odinga out of the vice-presidency. Odinga's one consuming ambition is to succeed to the presidency, however, and he is still a political force to be reckoned with. He remains a power in the Luo tribe, and with Communist help he has had ample funds to dispense to politicians, youth organizations, and labor leaders.

Odinga apparently plans to stay in KANU for the present,

mainly to try to hold onto the vice-presidency. However, his followers are reported to be joining forces with former minister of housing Ngei, recently fired for corruption. Ngei is a power in the Kamba tribe, and Odinga's backers apparently hope to establish a new Luo-Kamba party to fight the Kikuyu-dominated KANU. All indications are that the struggle will intensify as Kenya moves toward general elections in 1968.

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LITTLE MOVEMENT IN RHODESIAN SITUATION

No tanker carrying petroleum for Rhodesia has arrived at the Mozambique port of Beira, despite earlier rumors [redacted] that such a shipment was imminent.

Alternative storage and pumping facilities at Beira, which are to connect with the pipeline to Rhodesia's Umtali refinery and bypass facilities owned by companies honoring the Rhodesian boycott, are still not finished. Tankers earlier rumored to be carrying Rhodesia-bound oil to Beira have unloaded at other ports.

Britain is continuing its efforts to discourage oil deliveries at Beira and to find legal obstacles to establishing the new pumping facilities. Meanwhile, Rhodesia is still receiving petroleum from South Africa, and Britain believes increasing amounts recently have arrived from Lourenco Marques in Mozambique.

Rhodesia's legal governor, Sir Humphrey Gibbs, who has figured prominently in London's plans for

ending the Smith regime's rebellion, reportedly has told Prime Minister Wilson that he would resign if force were used to settle the Rhodesian issue. One Rhodesian official believes Gibbs in any case will probably not remain in the thankless job of governor for more than two more months.

US and UK diplomats in Lusaka believe that London's economic efforts to end Rhodesian independence, which involve a broad Zambian trade boycott, may founder on Zambian reluctance to provoke Rhodesian retaliation. In a major foreign policy speech, President Kaunda only briefly referred to bringing down the Smith regime and devoted much of his talk to longer term plans to lessen economic dependence on Rhodesia. An apparent change in economic planning priorities conforms with Kaunda's statements.

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NIGERIAN REGIME FACES MOUNTING PRESSURES

General Ironsi's military regime in Nigeria is holding its own, but faces mounting pressure from dissatisfied army elements. In the key Northern Region, ousted politicians are trying to reassert themselves.

Ironsi has neutralized most of the junior army officers who sparked the January coup by placing them under "protective custody," but he is under conflicting pressures as to the next step. The trouble seems to lie mainly with the noncommissioned officers, some of whom--especially Northerners--reportedly are threatening to rise against their superiors in revenge for the killing of Northern officers during the coup. Others resent the continued detention of Major Nzeogwu, the coup leader in the North.

Ironsi continues to make conciliatory gestures toward the potentially troublesome North, where he is trying hard to enlist the support of traditional political and religious leaders. He showed great deference to the region's Muslim leader--the Sultan of Sokoto--during the latter's well-publicized visit to Lagos on 12 March, and appointed the ex-governor of the North and a local chief to important posts.

Nevertheless, the government appears either unable or unwilling to stop the maneuvering which the ousted Northern politicians have apparently engaged in since shortly after the coup. Political party activity has been strongly circumscribed in most

of Nigeria, but in the North considerable leeway has been granted. The once powerful regional ruling party, the conservative Northern People's Congress (NPC), last week took advantage of the ceremonial visit of many ex-ministers to the North and held a series of party meetings. 25X1

The government is moving ahead with its purge of leading pre-coup personalities, with special emphasis on those who had enriched themselves at public expense. Last week it arrested four ranking Easterners--among them former regional premier Okpara--and two high Midwestern Region officials. Some twenty officials of the former Western Region government are also under detention. No high officials have yet been detained in the North.

Most of the arrested politicians have been charged with misappropriation of funds, but some have been implicated in attempts to stir up dissension in the army. 25X1

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Europe

FRANCE AND NATO

On 11 March, De Gaulle followed up his original letters to the other NATO nations with an explanatory memorandum that sought to justify his withdrawing French forces from NATO assignment and removing headquarters from France. He mentioned no time schedule, however, and left the way open for discussion of liaison arrangements between the French and NATO commands.

In addenda to the US and Canadian memoranda, Paris also specified that it would assume complete sovereignty over French territory and require that any foreign military elements be answerable only to French authority. Again, however, no timing was indicated, and each memorandum expressed a willingness to reach agreement on use of French facilities in the event of a conflict involving both countries.

Domestic opposition groups have already attacked De Gaulle's actions, but differences among them will lessen the impact of their challenge. Moreover, the French public has been conditioned to expect a loosening of French ties with the alliance and to accept the Gaullist contention that NATO "integration" is a form of American hegemony.

Allied reaction has centered on British proposals for a joint declaration in support of the North Atlantic Treaty and an integrated military organization; establishment of a special North Atlantic Council (NAC) committee, without

French participation, to deal with the problems arising from De Gaulle's move; and an early meeting of the 14 non-French NATO members at the ministerial level to frame a common policy toward France.

The proposal for an early ministerial meeting has found no support among the other allies, who believe more time is required to establish a common position. Rather than establish a special committee, the NAC members agreed, with French concurrence, to authorize their international staff and military committees to study the implications of De Gaulle's notes under close council supervision. It was agreed that the council would make no substantive decisions at this stage.

The UK draft declaration in support of NATO, revised to meet objections from Canada, the Scandinavians, Turkey, and Portugal, was accepted by the 14 NATO delegates on 14 March, although several still had to obtain approval of their governments. The Italian Government was unable to give formal approval before being officially installed in office, but action is expected soon. To obtain unanimous approval, it was necessary to agree that any member government would be free to issue official comments on the declaration.

The difficulty in obtaining agreement on a simple statement of support for the Alliance and its integrated military structure

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indicates the problems which will influence future decisions. The Scandinavian countries, for example, are worried about latent neutralist sentiment and the appeal of a separate Scandinavian defense alliance. Turkey and Greece view the difficulties with the French as a lever to obtain support in the Cyprus dispute.

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The Portuguese have held back their support in view of NATO's failure to support them in their colonial problems in Africa and Asia.

Most of the 14 also view with alarm the possibility that Germany will demand a more independent military role and the prospect that its position in the Alliance will grow stronger as France ceases active participation. These fears will be encouraged by a suggestion made by a high German official that the time may now be ripe to push ahead with an Alliance nuclear force. On the other hand, Chancellor Erhard has explicitly denied that Germany might seize on the French withdrawal as an excuse to transform its totally NATO-committed military forces into a new Wehrmacht.

[redacted]

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CATHOLIC-LIBERAL COALITION IN BELGIUM

Agreement of the Belgium Catholic and Liberal parties on 15 March to form a coalition with Paul Vanden Boeynants as prime minister foreshadows the establishment of a more conservative government.

Its outlook will probably be demonstrated first in its approach to the country's central problem, that of reducing the rapidly rising national budget deficit. Catholics in the outgoing government opposed Socialist proposals to solve the problem by raising taxes, and the business-oriented Liberals have just put themselves on record as sharing this view. Cuts in social welfare expenses are expected, and political considerations will probably demand balancing cuts in the unpopular defense establish-

ment, which could affect both NATO and Congo commitments.

The government may be left more vulnerable to pressures for defense cuts by the departure from the cabinet of Socialist Paul Henri Spaak, foreign minister for 22 years since 1936 (except for 1958-61, 1949-54, and a few months in 1939). Spaak has maintained a broader view of Belgium's foreign responsibilities than is normal among Belgian political leaders.

Some Catholic labor elements have voiced reservations over the more conservative policy implicit in their party's alliance with the Liberals. Auguste Cool, the most powerful man in the Belgian labor movement, said on 14 March, however, that the Catholic labor groups would back Vanden Boeynants

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at least initially while following government labor policy closely.

President of the Catholic Party since 1961, Vanden Boeynants' political popularity is

based on personal appeal rather than on the support of pressure groups from either the right or the left of his party. He is expected to present his cabinet for parliamentary approval around 22 March. [REDACTED]

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Western Hemisphere

GUATEMALAN ELECTION ROUNDUP

Revolutionary Party (PR) presidential candidate Julio Cesar Mendez Montenegro is likely to become Guatemala's next president.

Although he failed to capture an absolute majority on 6 March, as required by the constitution, his party apparently won at least 29 of the 55 seats in the congress which will choose between the top two candidates after it meets on 5 May. The Institutional Democratic Party (PID) may have won 20 seats and the National Liberation Movement (MLN) six.

Final figures from the electoral tribunal give Mendez 201,070 votes to 146,085 for Juan de Dios Aguilar of the government-backed PID. Ponciano of the MLN received 110,145.

Conservative businessmen and military leaders, fearful that Mendez would allow Communists to return to power, have apparently been persuaded by Chief of Government Peralta to accept the election results. [REDACTED]

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In the meantime, Guatemalan security forces have curtailed the capabilities of the subversive movements to take advantage of the postelection void. Many leaders of the Communist Party and guerrilla organizations have been arrested, and at least four have been executed. Stepped-up raids, searches, and arrests in the urban areas have kept the opposition off balance. Security forces activities over the past several weeks may well have sapped the will to fight of at least some of the marginal terrorists and guerrillas. Hard-core elements, however, may react with renewed violence to give public evidence that they can still perform effectively.

Although the country is peaceful on the surface, Guatemalan stability will be seriously tried, at least until the new president is installed on 1 July. [REDACTED]

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ALLEGED COUP PLOTTERS NAMED TO HEAD URUGUAYAN MILITARY

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The announced appointment of controversial General Mario Aguerrondo as commander of Uruguay's First Military Region (the Montevideo area which includes the majority of Uruguayan Army troops) has set off a spate of political maneuvering. Aguerrondo, a militant member of the ruling Blanco Party, has in the past been associated with elements favoring a coup. His promotion to general in 1964 was fought by the opposition Colorado Party

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the Ruralist faction of the Blanco Party, as does new Interior Minister Nicolas Storace. Storace has told US Ambassador Hoyt that if the popular will for reform is frustrated, he is prepared to stage a coup. All of the alleged military plotters, as well as Storace and Heber, are reportedly strongly anti-Communist. Most of them, however, are members of the highly nationalistic Herrerista faction of the Blanco Party and have expressed some anti-US views. Heber has further been characterized as mercurial and impulsive. 25X1

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Aguerrondo and several other officers--including the newly appointed top army officer, the inspector general--were participating in a coup plot scheduled to occur sometime after Alberto Heber became president of the National Council of Government (NCG) on 1 March 1966. According to their plan, Heber would take sole power, dissolve the NCG, and rule by decree.

Aguerrondo has ties not only with Heber, but also with

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POLITICAL IMPACT OF CHILEAN COPPER SITUATION

Last weekend's bloody clash between strikers and police has further confused the Chilean copper situation. It may, however, have moved the Frei government closer to action against Communist subversion.

The incident began when members of the Communist-Socialist - led copper union at Anaconda's "El Salvador" mine met to register sympathy with workers at Braden's "El Teniente" mine who have been on strike for higher wages for more than two months. Because the meeting was a violation of President Frei's back-to-work decree of 8 March, troops and national police were ordered to the scene. In the ensuing fight eight civilians were killed and 35 civilians and policemen were wounded.

In discussing the affair on a nationwide radio-TV broadcast, Frei charged that Chilean subversive groups who attended the Tri-Continent Conference last January in Havana had formulated this illegal strike strategy. He said that these subversives had deliberately provoked violence to prevent his administration from carrying out reforms in a democratic fashion. This stance contrasts with Chile's earlier abstention on the OAS resolution which condemned the conference for promoting violence in the hemisphere.

Although Frei apparently still feels that the Communists are within their constitutional rights in exploiting the situation, several leaders of his Christian Democratic Party (PDC) feel that the Communists' activities constitute a plot against the government and are guerrilla actions lacking only in weapons.

If the PDC leaders can find proof that Communist subversive groups were the direct cause of the incident, Frei may be persuaded to take action against the PCCh. With settlement of the strike at "El Teniente" delayed by the clash, he must find some way to demonstrate that he is master of the situation in order to maintain his reform program, which is based on copper industry reform and increased production.

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BOLIVIA INCHES TOWARD ELECTIONS

The Bolivian political situation is as muddled as ever, although 3 July, the date now set for national elections, is less than three months off. Four political parties have been inscribed on the electoral rolls by the newly organized national electoral court, and seven others are awaiting recognition. Courts have been set up in all department capitals, and some registration material has been distributed to registrars. Nevertheless, some government officials believe elections will have to be postponed because not enough time remains to organize the mechanics of the campaign.

At the moment former junta co-president Barrientos, who returned to Bolivia on 4 March after a two-month absence, is the only apparent candidate for president, and even he refuses to commit himself until he has had time to assess the situation. Since his return he has been on the campaign trail trying to make up ground lost during his absence. He also has been touring military garrisons to ascertain the extent of military backing for his candidacy. According to the La Paz press, Barrientos will not make an announcement on his candidacy until late March.

In the meantime, opposition forces of both the left and right are either maneuvering to force a postponement of elections, or are trying to organize political alliances strong enough to challenge Barrientos and his political vehicle, the Front of the Bolivian Revolution (FRB).

Barrientos' most important task is to try to solidify the FRB which is composed of the Popular Christian Movement (MPC), the Authentic Revolutionary Party (PRA), the Social Democratic Party (PSD), the Party of the Revolutionary Left (PIR), and the Chaco War Veterans. The front is beset with internal friction arising out of a leadership feud between Walter Guevara Arze of the PRA and Hugo Bozo, chief of the MPC. An even greater threat comes from an ill-defined rightist group, consisting of some military officers and the Bolivian Socialist Falange (FSB)

Calmly standing in the wings 25X1 is General Alfredo Ovando, now sole president of the military junta. Ovando may no longer view Barrientos as the inevitable candidate, and might begin feeding Barrientos' fears about the weakness of his political support with the hope that he would agree to postpone elections. This tactic would be in keeping with both Ovando's basic misgivings about elections and his lack of confidence in the viability of constitutional government. Since Ovando has more to gain from a postponement of elections than Barrientos, an Ovando success would indicate an important change in the power balance in Bolivia.

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