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WESTERN HEMISPHERE

Foreign relations and visiting dignitaries preoccupied the governments of several Latin American nations this week.

Peru's military government is moving ahead with its plans to expand ties with the countries of Eastern Europe. Diplomatic relations have already been established with Rumania, and the foreign minister has hinted that relations with other Communist countries may soon follow.

Ecuador's President Velasco apparently is also interested in establishing diplomatic relations with most of Eastern Europe's Communist governments. He has already signed an agreement with Rumania, which has had a great deal of success lately expanding its economic and diplomatic ties in the hemisphere. In addition, a consul general from Czechoslovakia arrived recently to upgrade his country's trade mission. [redacted] Ecuador will soon establish diplomatic relations with the USSR, East Germany, and Bulgaria, and that consular relations will be opened with Hungary and Poland.

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The busy Velasco has also declared Ecuador's "acceptance" of last year's Declaration of Punta del Este, reserving at the same time some choice words for his predecessor, Otto Arosemena, for the grandstand play that left Ecuador the only nonsigner. Velasco says that he is looking forward to meeting President-elect Nixon and the other American presidents at a new hemisphere conference to "revitalize" the Alliance for Progress.

In keeping with its "buy Europe" policy, Argentina reportedly will soon purchase 12 all-weather French Mirage III supersonic fighters. The Argentine negotiations, which follow Peru's purchase of Mirages last year, may increase Chile's interest in the US-built F-5 or a similar aircraft built in Europe.

Cuba had an active week of foreign contacts. In addition to entertaining the Algerian foreign minister, Havana also received a top-ranking East German politburo member, accompanied by the East German interior minister. A Cuban military delegation to the 51st October Revolution celebration in Moscow has received a warm welcome from Soviet Defense Ministry officials.

A Canadian ministerial mission is on a month-long visit to nine Latin countries. The mission has been undertaken to demonstrate Canadian interest in Latin America and to determine how Ottawa can play a larger role in hemisphere affairs. Queen Elizabeth and the Duke of Edinburg are also touring South America on a good will mission. [redacted]

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DISCONTENT GROWING IN BRAZIL

Military and civilian discontent with the Costa e Silva government is increasing.

A recently published "captains' manifesto" expresses acute dissatisfaction with low military pay and poor personnel practices as well as concern over the army's deteriorating prestige. The young officers particularly criticized the government's failure to defend the army against charges that it has usurped power and is oppressing the people.

The manifesto reportedly has won support from some high military officers, especially those associated with the "hard line" who have long urged a crackdown on "subversives." Army Minister General Lyra Tavares told the press that he views the document as meant only for internal army use, and he claimed that therefore it is not a "political" manifesto. He blamed the press for "distorting the facts of the case in order to promote division and discrediting of the army."

The officers will be further irritated by recent bitter attacks in the influential newspaper Jornal do Brasil on the "shameless dictatorship" and its harassment of the press. In a second sharp editorial, the newspaper berated

the government for its failure to maintain order--citing the bombing of Jornal do Brasil's own warehouse on 7 November as well as damage done by a smaller bomb placed in the Soviet Consulate garden.

The government reportedly is tightening military security and keeping younger officers under closer watch. Costa e Silva apparently already intends to grant a substantial military pay hike, but he may soon have to accommodate some of the military's political complaints as well.

The administration's contest with Congress is another source of tension. The Supreme Court has officially requested that Congress revoke opposition Deputy Marcio Moreira Alves' parliamentary immunity so that he may be tried for "subversion"--his offense was making a speech in Congress condemning the government's "militaristic leadership." If Congress does not accede to the military's efforts to strip Deputy Alves of his political rights, it runs the risk of provoking retaliatory measures.

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In this atmosphere, any serious new incident could move Costa e Silva to adopt a more authoritarian style government.

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VENEZUELAN ELECTION CAMPAIGN ENTERS FINAL PHASE

Venezuela's close-fought election campaign is entering its final phase, but none of the four major presidential candidates has a large enough lead at this time to ensure victory on 1 December.

The four leading presidential contenders--Gonzalo Barrios, Luis Prieto, Rafael Caldera, and Miguel Burelli Rivas--have tried to enliven the campaign by trading charges of coup plotting, election fraud, and violence, but without any major issues at stake these tactics do not appear to have aroused the electorate.

Attempts to portray the Christian Democratic Party and its leader, Rafael Caldera, as exponents of excessive state control and New World Fascism apparently have convinced only those already committed to other candidates. Charges by the governing Democratic Action Party and its candidate, Gonzalo Barrios, that Luis Beltran Prieto of the People's Electoral Movement has entered into an "unholy alliance" with the Communists have cost Prieto some support, but not enough to put him out of the race. Although leftist splinter groups and the Communists are attracted to Prieto he says that he is not actively seeking Communist support.

The ruling Democratic Action Party is banking heavily on the government and its own extensive electoral machinery to secure a victory for Barrios. A large amount of government funds has

been spent on public works projects in electorally important areas.

The fourth contender, Miguel Burelli Rivas, is running as an independent backed by three minor parties. 25X1

In addition to the presidency for the next five years, the approximately 4.1 million voters will elect all 197 members of the chamber of deputies and all 42 members of the senate. In accordance with Venezuela's unique electoral system, several other senate and deputy seats will be awarded to under-represented parties on the basis of their share of the total vote. Because of the number of parties involved in the race and the complexity of the system, no party will have a majority in either congressional chamber. By the same token, it appears likely that the new president will receive less than 30 percent of the popular vote. A long period of bargaining therefore is expected before the new president and congress assume office in March.

The military has increased its security precautions as a result of recent clashes with guerrillas of the Castro-supported

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Movement of the Revolutionary Left. Troops have also uncovered a substantial quantity of explosives and ammunition, which reportedly were to be used before the elections. Although the ability of the guerrillas to

disrupt the elections is limited by their small numbers and effective government security procedures, some sporadic incidents may occur during the electoral period.

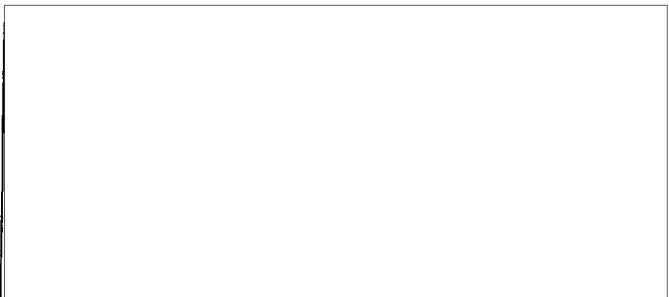
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PANAMA'S MILITARY GOVERNMENT RELAXES CONTROLS

The Panamanian junta has taken some steps toward returning the country to normality, although some constitutional guarantees remain suspended and press censorship continues.

In a move designed to improve its image and pave the way for further diplomatic recognitions, the government on 8 November re-established provisions prohibiting the death penalty, retroactive laws, and double jeopardy, among others. The articles relating to habeas corpus and freedom of expression remain suspended, however. Newspapers owned by relatives of deposed president Arias resumed publication last week, but were not permitted to criticize the government. Some pro-Arias radio stations are still off the air.

A reshuffle in the national guard command is under way that will set the stage for coup leaders Colonels Torrijos and Martinez to take over the top posts. The present guard commander is scheduled to retire shortly, allowing Torrijos to take his place. Meanwhile, Martinez was appointed second in command on 11 November.



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Active internal opposition to the government has waned since the failure of student groups to spark disorders during the independence holidays earlier this month. The university resumed classes this week with limited attendance and there have been no signs of renewed antijunta activity.

Die-hard Arias supporters have been planning to initiate guerrilla activities near the Costa Rican border and an "invasion" was planned for sometime this week by armed refugees in Costa Rica. Exile activities, however, are unlikely to present more than a local problem for the guard; Arias supporters in the border area are poorly trained and organized, and have little prospect of rallying popular support at this time.

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COLOMBIA'S QUIET POLITICS BEGIN TO HEAT UP

An impasse in the Colombian Senate over President Lleras' constitutional reform bill has surfaced growing strains within the National Front coalition. Lleras had made adoption of the reforms a major issue, and the senate's recent refusal even to bring the bill to a vote is a rebuff to his strong leadership. The repercussions could have an upsetting effect on the carefully regulated arrangement that has brought some order to Colombian politics after a period of violence and dictatorship.

The National Front was formed in 1957 when the Liberal and Conservative parties agreed to subordinate their long enmity during a 16-year period in which they would share equally in offices at every level and alternate the presidency each four-year term. It has worked reasonably well, but problems are increasingly apparent as the time for dismantling the coalition approaches.

Many of Lleras' Liberal colleagues want to begin the process with the 1970 elections, instead of waiting until 1974. They do not believe that Lleras' reforms--such as strengthening the power of the executive and reducing the number of legislators--are in their interest, particularly inasmuch as the president to be elected in 1970 will be a Conservative. Some Liberals also resent Lleras' decisive and sometimes high-handed approach, such as his recent appointment of provincial governors without con-

sultation with local party representatives. This resentment was responsible for an unfavorable legislative vote that caused Lleras to offer his resignation last June, as well as for the defeat of the reform bill on 5 November. This latest rebuff has raised rumors of a possible political crisis.

On the other hand, the majority faction of the Conservatives favors the bill, which in addition to strengthening the executive in relation to the legislature, would restore simple majority rule in congressional voting, increase presidential power in the economic field, restructure departmental and municipal governments, and spell out the process of dissolution of the National Front. These Conservatives, led by aging former president Mariano Ospina and his ambitious and strong-willed senator-wife, believe that they stand to gain by having the reforms in force during the tenure of a Conservative president.

Lleras appears to be planning to work with this group to influence their choice of a president and to find ways to accomplish his program. He appears ready to drop his efforts to force recalcitrant Liberals into line, and recently said he would treat them as political oppositionists. This break could mean that Lleras' supporters will lose control of the party directorate, deepening the internal Liberal rift.

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Lleras reportedly has decided not to resort to a plebiscite to prove popular support for his program because of Ospina's opposition to such a move. The President may seek other means to develop the more efficient governmental system he considers

as necessary as the far-reaching economic reforms he has instituted. The more forceful the means he chooses, however, the more marked the opposition may become, as is apparent in recent student and labor as well as political difficulties. [redacted]

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PRESIDENT PACHECO MAKING SOME PROGRESS IN URUGUAY

Uruguayan President Pacheco's policy of economic austerity--combined with stiff penalties for antigovernment agitation--is meeting with some success.

Pacheco unilaterally imposed a wage and price freeze in June and as a result the cost-of-living increase will probably not exceed 70 percent this year, compared with a 136-percent increase in 1967. The Communist Party has prudently adopted a program of peaceful rather than violent opposition. Rowdy student demonstrations continue to occur sporadically, but their frequency and intensity do not approach the levels reached this summer when several youths were killed and many buildings looted.

Despite the fact that Pacheco does not have the support of all sectors of his party, and therefore is virtually a minority President, he is still able to maneuver his legislation through Congress. On 6 November, the senate approved a labor, price, and wage bill that forms a major plank in Pacheco's economic reform program. Its passage,

intact, by the chamber of deputies is still not assured but its approval by the senate was a victory for the administration. In addition to providing the means for slowing down wage-price spirals, the bill contains provisions aimed at diminishing the number and seriousness of strikes.

Pacheco's growing confidence in his authority was demonstrated last week when he removed two of the nation's top security officers--the Montevideo police chief and the general commanding the army in the capital area. Neither removal was challenged, and both were accompanied by a minimum of publicity. If the labor, price, and wage bill is approved by Congress in essentially its present form, Pacheco may risk lifting the limited state of siege under which he has governed since June. With the approach of summer--traditionally a relaxed time in Uruguay--short-run prospects for continued stability and concomitant progress are good. [redacted]

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