

Confidential

Foreign Report

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Coping with Castro's Guerrillas

The Vice-President of the United States, **Mr Hubert Humphrey**, has recently claimed that **President Johnson** persuaded **Mr Kosygin** at Glassboro to speak 'firmly' to **Fidel Castro** about the dangers in Cuba's policy of training guerrillas to subvert other Latin American governments. Mr Humphrey may believe this: most observers are sceptical.

At the moment **Castro** is said to be spending over \$1,000,000 a month in support of underground movements; and Russian experts are said to superintend the guerrillas' training. (When the Mexicans arrested a leading Guatemalan communist who was shipping arms from Mexico to Guatemala, they discovered his paymaster was a Cuban embassy third secretary, **Julian Lopez Diaz**, whose wife was both the ex-wife of the Cuban minister of the interior, **Ramiro Valdez**, head of the Cuban general-directorate of intelligence, and the daughter of **Victor Trapote**, a Russian agent. The Cuban intelligence directorate has Russian advisers.)

Mr Khrushchev has claimed in a television programme that he won the Cuba missile crisis in 1962, persuading President Kennedy to promise that **Castro** could remain in power in return for Russia's withdrawal of its missiles. Khrushchev's claim drew an immediate indirect retort from **Mr Rusk**, the Secretary of State, who in reply to a journalist's question said that the United States regards the **Castro** regime as 'a temporary one'. **Castro** is now expected to give his retort to that in a speech at **Santiago de Cuba** on 26 July, the anniversary of the launching of his movement.

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Mr Rusk also attributed the rise of the guerrilla movements in Latin America to the Asian, African and Latin American 'people's solidarity' conference in Havana in January of last year; at the end of this month there will be a similar performance in Havana, when Latin American communist chiefs stage a conference which, according to Mr Rusk, is aimed at 'stirring up a series of Vietnams' throughout Latin America.

How are the Johnson Administration and the more pro-American governments in Latin America reacting to this challenge? The foreign ministers of the Organisation of American States may meet in Washington in August to discuss the situation. No hard decisions are likely. The United States, Brazil and Argentina would favour an OAS police force, but this is opposed by Chile, Mexico, Colombia, Venezuela and others. Most Latin Americans took a dim view of Brazilian troops being sent to the Dominican Republic in 1965.

At the same time, the countries which have guerrilla organisations operating on their soil are worried about Castro. The Bolivian president, **Mr Barrentios**, says the guerrillas in his country include Brazilians, Argentinians and Peruvians as well as native Bolivians, and claims that they are led by **Che Guevara**, the missing Cuban revolutionary leader. (The Central Intelligence Agency does not accept this.) But there is certainly no disposition in Washington to treat the guerrilla movements lightly, nor to believe that Castro will easily fall. Castro, it is recognised, runs a tight police state – and, besides, nobody in Cuba is hungry.

Mr Rusk has said there is 'no grass-roots support' for Castro's guerrillas and that Latin America is taking large strides toward 'eventual economic integration of the entire area,' helped by American economic aid, which may be increased this year by 30 per cent. But two checks on this optimism exist:

(i) Latin America may get a quarter of the total American economic aid funds, as Mr Rusk has predicted – but those funds are more likely to shrink than to grow. Congress is out to slash foreign aid this year more sharply than ever before.

(ii) One reason Mr Rusk gave for lack of grass-roots support for the guerrillas was 'the contacts made by our Peace Corps volunteers in many parts of Latin America'. But many of the volunteers themselves tell a different tale. They complain bitterly about the lack of social conscience among wealthy Latin Americans, and some have asked whether the road to change in Latin America lies not through a 'tame' Alliance for Progress but through violent revolution. (These doubts were laid very frankly before the Senate Foreign Relations Committee in March by **Mr Seth Tillman**, the committee's consultant, after he had visited the Peace Corps in Latin America.)

How then is it proposed to counter the guerrilla movements? Alongside scepticism that Mr Kosygin was really persuaded by Mr Johnson to deal sternly with Castro goes the firm belief that the Russians nevertheless do hold the key to the situation – and may be persuaded to turn it.

It is argued that if Castro does not seem to face much internal dissatisfaction, this is largely due to his getting western credits – which are based on western faith in Russia's credit-worthiness, not in Castro's. This is just another way of stating the familiar truth that it is Russia that keeps Castro going, and pays heavily to do so.

However, Russia is anxious to increase its trade with other Latin American countries. When the Economic Commission for Latin America met in Caracas in June, the largest group present consisted of non-members – Russian 'observers' who were eagerly seeking trade and who offered Latin American countries technical assistance.

The president of Colombia, **Carlos Lleras Restrepo**, adroitly made it clear that Russia could expect to do little business with him unless the guerrillas that plague Colombia ceased their activities. The United States hopes to persuade other OAS countries to follow this promising lead (this point will be pursued if the foreign ministers assemble in Washington next month).

Perhaps Mr Kossygin, having mended his fences as best he can after the Middle East debacle, may in fact be persuaded to tell Castro firmly to cut it out - and to cut out the Russian advice and funds known to be channelled to the guerrilla movements through Castro's intelligence organisations.

Nigeria: Shell and the Oil Imbroglio

What are the chances of a solution to the Nigerian oil dispute?

Shell-BP has been ordered by the federal government to pay immediately, and in full, the royalties on oil produced in the former eastern region. This money is also claimed by Biafra, as the eastern region now calls itself, and has in fact been promised to it. The company's request for more time has been refused; the federal government argues that Shell's obligations arise from its contract with the federal authorities, and that the £250,000 token payment which has been promised to Biafra - with the rest to follow by the end of July - would provide the rebel regime with arms to sustain its rebellion.

'The excuse pleaded was that the insurgents were in a position to threaten the oil installations in the area. Shell-BP thus tried to ignore the federal government's effective control of the territorial waters and the oil ports': so the federal government's line runs.

The last point at least is in question. Shell-BP, which considers that Nigeria has no right in international law to penalise a company for paying under duress to an insurgent regime, is doubtful about the federal government's ability to enforce the blockade. At least one frigate (and possibly more) of the Nigerian navy is in Biafran hands, and such of a navy as the federal authorities still have is obviously insufficient. Biafra has assured the oil companies of safe conduct within territorial limits for all tankers calling at the port of Bonny - the assumption being that international law would protect shipping on the high seas.

The two freighters which were arrested in recent weeks by federal ships were intercepted 20 miles out to sea. Neither of the boats carried cargo; or intended to call at Biafran ports. (According to a current story in Biafra, the Panamanian boats were hired by the Nigerian government for the purpose, since the navy could not make an example of the shipping which enters Port Harcourt to load produce.)

But Shell-BP has decided to observe the embargo, and the federal government has suggested that immediate payment of the royalties as demanded would help in getting the blockade lifted. But if the company were to comply at the expense of the undertaking given to Biafra, **Colonel Ojukwu** the Biafran leader, would be certain to stop the flow of oil from his side. Moreover, since Biafra depends for foreign exchange on these oil revenues, non-payment would probably force Ojukwu to take over the company's assets and offer them to any concern which can make them pay. The prospects are sufficiently attractive to induce those who are less concerned about the Nigerian blockade to take the risk.