

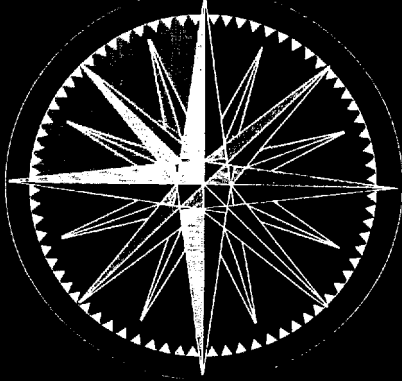
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23 December 1965

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WEEKLY SUMMARY

State Dept. review
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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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(Information as of noon EST, 22 December 1965)

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SOME PROGRESS MADE IN EEC-AUSTRIAN NEGOTIATIONS 18
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Castro sees the gathering of Asian, African, and Latin American delegations as a chance to build up his country's international image, attack US "imperialist adventures," and enhance his pretensions to be the mentor of world "national liberation movements."

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BOLIVIAN ELECTORAL DEVELOPMENTS

21

Four political parties have agreed to form an electoral front to support the presidential candidacy of junta Co-President Barrientos. This should prod some of the other 18 parties into similar pacts and thus ease political tensions at least for the short run.

NEW VIOLENCE IN THE DOMINICAN REPUBLIC

22

The country has experienced almost a solid week of renewed violence, and political and labor leaders are warning of new calls for a general strike unless military officers involved in a skirmish in the interior city of Santiago on 19 December are punished.

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VIETNAM

Communist military activity this week was highlighted by a campaign of terror within Saigon and small-scale attacks in its outskirts. The terrorism--small-scale incidents aimed chiefly at US personnel and Saigon police--prompted a dusk-to-dawn curfew for Americans in Saigon. The Viet Cong have promised a 12-hour halt in military activity on Christmas Eve, but evidence indicates that terrorism will continue into the new year.

Small-scale enemy attacks and harassments in the Saigon area, which have steadily increased in the past two months, may be the work of a Viet Cong regiment dispersed within 15-20 miles of the capital. Although quickly quashed by government troops, the attacks have had a psychological impact on area residents and probably have eroded confidence in the government to some extent.

A major allied effort concentrated along the Quang Nam - Quang Tin border, which began on 8 December, ended this week after only sporadic contact since its initial stages. Confirmed Communist losses during the operation totaled some 422 killed and 53 captured. Allied casualties were 650 killed, wounded, or missing.

In Binh Tuy and Long Khanh provinces, a long-term security operation was successfully concluded this week. Although little fighting occurred, nearly 14,000 civilians were safely re-

located, 1,200 tons of rice were harvested during the 24-day operation, and 207 Viet Cong surrendered.

Government troops in the delta region scored some success in Kien Tuong Province, but suffered relatively heavy losses in two engagements in adjacent Hau Nghia Province.

Montagnard Uprising

A Montagnard uprising in four provinces of South Vietnam's central highlands on 18 December clearly indicated that the dissident tribal autonomy movement FULRO has increased its political and military influence among the tribesmen. Although the rebellion was quickly put down by regular government troops, a surprising degree of security and coordination on the part of the dissident tribesmen was evident. The precise extent of FULRO support among the Montagnard members of the government's special forces units is not clear, but reports suggest that many tribesmen are becoming sympathetic to the organization.

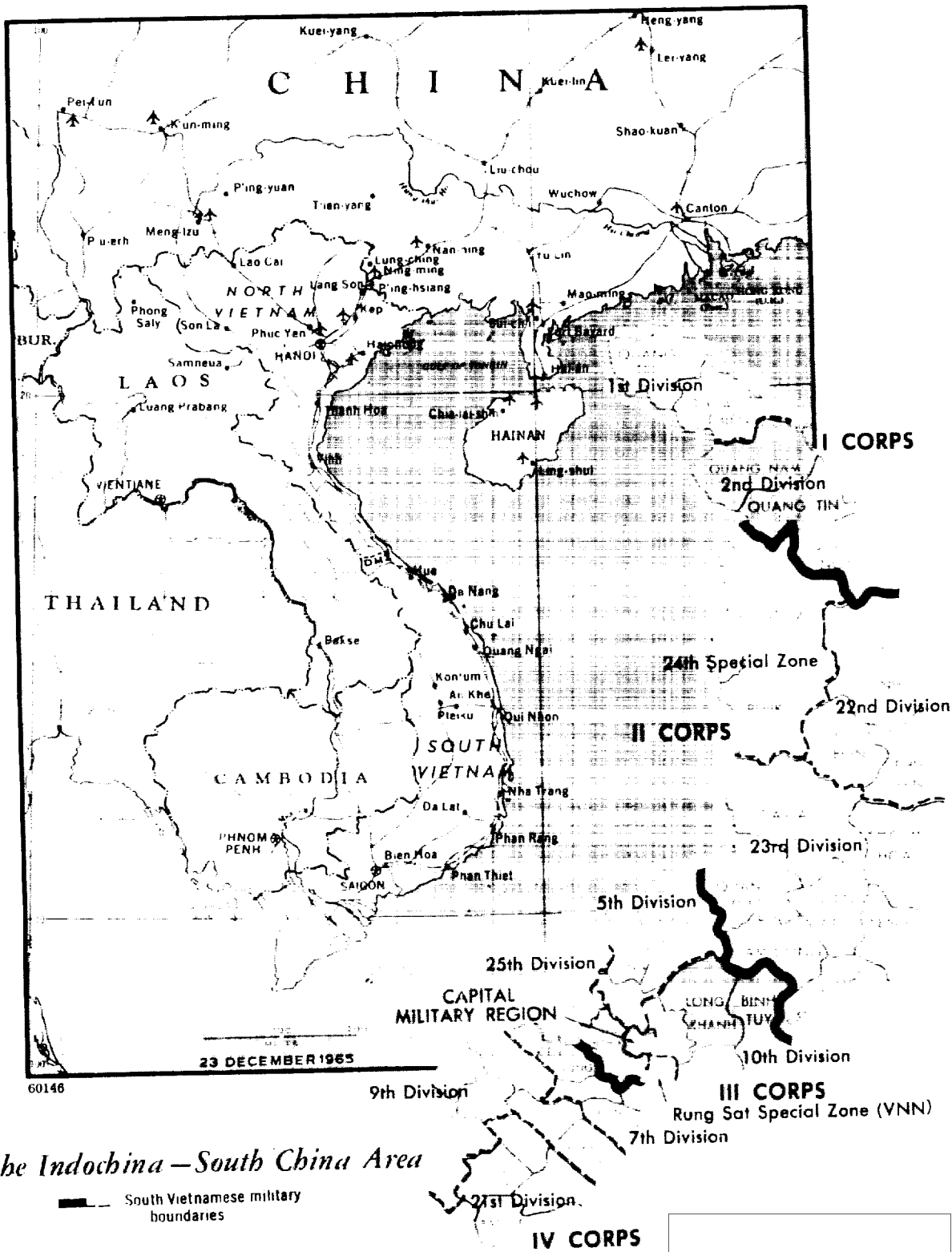
FULRO leaders may have hoped to prod the government into concessions in negotiations which have dragged on for months, and to focus international attention on long-standing Montagnard grievances.

the government is planning to take severe measures against FULRO, including execution

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The Indochina - South China Area

— South Vietnamese military boundaries

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of those responsible for the uprising.

NFLSV'S Fifth Anniversary

Celebration of the Liberation Front's fifth anniversary on 20 December held the propaganda stage in both North and South Vietnam this week. The official communiqué went beyond the front's usual claims to be the "sole legitimate representative of the South Vietnamese people" and asserted that it was "in practice now assuming the functions of a strong, stable, really democratic state." However, it stopped short of claiming that it had established a national government.

Cuba gave a strong assist to the Front's claims to "exercise a broad influence...in the international arena" by raising its Havana mission to an embassy. Like the Front communiqué, however, the Cuban Government announcement avoided the question of whether the Front was the legitimate government of South Vietnam. This is the first time that an overseas front mission has been formally accredited to a government rather than to an unofficial front organization of the host state.

DRV-Soviet Relations

DRV politburo member Le Thanh Nghi signed an aid agree-

ment with Soviet officials on 21 December in which the USSR extended supplementary technical assistance, additional "free economic aid" in 1966, and a credit to balance the clearing account for 1965. The Soviet pledges appear more generous than the 1966 loan agreement signed by Nghi with the Chinese two weeks ago. The Soviets pledged continued support for the DRV in the "military, economic, and political spheres."

DRV-Chinese Relations

Peking's propaganda treatment of the Liberation Front anniversary reflected concern that Hanoi's resolution may falter, but carefully avoided any strengthened commitment to assist the DRV. Chou En-lai's speech included a renewed attack on those who were giving only "sham assistance" to the Vietnamese while actually supporting the "imperialist plot of peace talks" and seeking to make a "dirty deal with the US." His statement suggests that the Chinese feel the USSR's efforts to expand its influence in Hanoi are having some success and betrays growing concern over the possibility that Moscow might be able to call the tune in Hanoi some time in the future.

Chou underscored Peking's earlier warnings against being taken in by US "tricks"--such as a pause in the bombing and offers of unconditional talks--and exhorted the Vietnamese to

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hold fast to Pham Van Dong's "four propositions" and the five-point statement by the Front last March. He asserted that the only course is to fight on.

Hanoi itself demonstrated this same resolve this week in its denunciation of US statements on the Fanfani - La Pira peace initiative. On 18 December, Hanoi denied making any negotiations probe through the Italians, and on the 20th chastised La Pira for misinterpreting what Vietnamese leaders had told him.

Chou's speech also contained a long discussion of alleged US plans for escalation of the war. He asserted that the US was preparing to step up the pace of the war in South Vietnam but was ready at the same time to begin "saturation bombing" of North Vietnam--including strikes at Hanoi and Haiphong--in order

to break the spirit of the Vietnamese people.

Other possible US actions cited by Chou include a sea blockade of the DRV, bombing and invasion of Laos, and subversive action in Cambodia by Thai and South Vietnamese "puppets"--all designed to cut off outside assistance to the "people" of South Vietnam and thus avert a US defeat. Chou declared that such US efforts were "bound to fail" but he said nothing about any Chinese moves to assure the outcome.

US Aircraft Losses

US aircraft losses were particularly heavy this week. Eleven aircraft were lost during strikes in the Haiphong area, including two to surface-to-air missiles. Ten US aircraft now have been shot down by SAMs.

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The Communist World

FURTHER DEVELOPMENTS CONCERNING THE SOVIET LEADERSHIP SHIFT

Statements by high Soviet officials last week confirm earlier indications that Nikolay Podgorny, recently named titular chief of state, has lost ground in the Soviet leadership. They also suggest that Aleksandr Shelepin is moving into a position of greater influence in the party command.

Deputy Foreign Ministers Kuznetsov and Semenov informed several Western ambassadors that Podgorny has given up his duties on the party secretariat. This would appear to open the way for Shelepin to broaden his activities and authority within the party and perhaps move into the second-ranking position behind Brezhnev. At the time the Supreme Soviet released Shelepin from his government posts "to devote all his time and energies as a party secretary to central committee work," it was rumored in Moscow that he was to take over Podgorny's place as second in command in the party secretariat."

Brezhnev, Shelepin, and Suslov are the only remaining secretaries who are concurrently full members of the party presidium. [redacted] Suslov, who is 63 and the veteran of 18 years' continuous service on the secretariat, is a specialist in ideological matters and relations with foreign Communist parties and probably does not aspire to a position of greater influence and authority in the party hierarchy. Thus, as the party congress scheduled for next March approaches, it appears that Shelepin now is in a better position to build up his power base and leader image in the professional party apparatus, traditionally the avenue to political dominance.

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Shelepin's new duties may include administration of party organizational and personnel policy, which he will oversee while new party secretary Kapitonov takes care of the day-to-day responsibilities. [redacted]

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BULGARIA REVIEWS ITS NATIONAL POLICIES

Bulgaria's long-held conservative foreign and domestic policies appear to have been under intensive study by the regime, and there are indications that some revisions have already been made. In a dramatic speech to the National Assembly on 8 December, Bulgaria's party chief and premier, Todor Zhivkov, pledged to employ all means "to develop economic and cultural relations with all countries and peoples on the basis of equality, mutual advantage, and noninterference in domestic affairs."

Zhivkov's use of this "Rumanian-style" policy formulation probably reflects the Sofia leadership's intention to alter its foreign policy to further its own national interests. Some signs of this have already appeared in recent reports of Bulgarian political and economic overtures to the West. Zhivkov first publicly associated himself with this aspect of Rumanian policy in the communiqué issued on 19 September at the conclusion of Rumanian party chief Ceausescu's visit to Sofia.

Recent months also have witnessed a limited liberalization

in Bulgaria's cultural sector. An "anti - cult of personality" play, The Prosecutor, was recently allowed to be staged in Sofia and enjoyed considerable success among the people. The regime also has somewhat relaxed its controls over writers.

In addition, the long-awaited theses on Bulgaria's new economic planning system were published on 4 December and will be considered at a party central committee plenum in late January. Under the new system, added attention is to be given to the means of increasing the quantity, quality, and marketability of production, through the application to enterprises of such concepts as profit, price, and credit.

To gain support for such ideas, top-level party figures have recently gone on speaking tours and have authored articles on the new ideas in the central press. Many of these articles and speeches seem principally designed to assure the loyalty of the army--a loyalty put in doubt by the military support for the abortive antiregime conspiracy last April. [redacted]

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EAST GERMAN PARTY ASSESSES MAJOR PROBLEMS

The eleventh plenum of the East German party (SED) central committee, held last week, adopted several changes in domestic policy, but shed little light on the suicide of economic planning chief Apel earlier in the month. The plenum devoted very little attention to foreign affairs, concentrating instead of economic and cultural affairs.

Although the only reference to Apel by name was favorable, the major addresses implicitly criticized the views he allegedly held. In his speech, politburo rapporteur Honecker painted an unusually frank picture of East German (GDR) dependence on the Soviet Union. His defensive justification of the 3 December Soviet-GDR trade agreement indicates the regime believes it must counter energetically the view attributed to Apel that Moscow was failing to cooperate with the GDR.

Party boss Ulbricht also praised the trade agreement, endorsed the new economic system, and announced several economic reorganization measures.

The high-level National Economic Council, which Ulbricht described as "superfluous," was replaced by seven industrial ministries. Their responsibilities are not clearly delineated, but they may play a greater role in planning than did the council. This appears to be a step away from the decentralization of planning envisioned when the publicly owned enterprises were given expanded powers in 1963.

Plans were also announced for alternating the present six-day work week with a five-day week, beginning in April 1966, without any reduction in pay for workers. This highly uneconomic move in a labor-scarce economy may be designed to offset the regime's failure to improve other aspects of consumer living standards.

The plenum also considered problems in the ideological and cultural fields. Honecker's frank and detailed account of the regime's difficulties with the youth and intellectuals suggested that the SED will take a much firmer line with these groups.

In touching on foreign policy issues the plenum moderately restated East Germany's support for the USSR in its dispute with Communist China, and announced the creation of a new governmental position--a state secretariat--to coordinate all dealings with West Germany.

The new state secretary for All-German Affairs is Joachim Herrmann, a former editor of the Berliner Zeitung and Junge Welt, who apparently is not an SED member. The appointment of a nonparty member to this position may have been designed to make the new office more acceptable to the West Germans.

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PEKING RECALLS SENIOR DIPLOMATS

Communist China is recalling many of its senior diplomats, apparently for a major foreign policy review. Comprehensive briefings on tactics, if held at this time, could be an outgrowth of the major high-level party meeting held in Peking in October. At that meeting, which may have in part been catalyzed by recent international policy problems, Chinese leaders apparently reaffirmed their determination to pursue a rigid foreign policy line.

Chinese Communist envoys to about a dozen African, Asian, West European, and Communist capitals are scheduled to arrive in Peking by the end of December. There are indications that other Chinese diplomats may also be returning.

Peking has in the past summoned many of its diplomats to China at one time for briefings and a foreign policy assessment. The war in Vietnam will undoubt-

edly loom large in the present series of discussions.

In addition, the past year has been one of serious problems and frustrations for Peking's policy makers. The Indonesian Army's suppression and destruction of much of the pro-Peking Indonesian Communist Party during the past three months is perhaps the most serious setback to Peking's expectations. The recent Chinese Communist failure in Algiers to marshal the Afro-Asian bloc in support of Peking's policies heightened a feeling of isolation among China's leaders. In the past year also Peking's drive to expand its influence in Communist parties around the world appears to have been somewhat blunted, and the Chinese are undoubtedly especially concerned over Cuba's recent shift to more explicit support of many Soviet policy positions.

Consultations may have been scheduled at this time to appraise the effectiveness of present Chinese tactics and operations abroad in support of Chinese foreign policy strategy.

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Asia-Africa

CHIANG KAI-SHEK SHOWS FRUSTRATION OVER US POLICIES

Chiang Kai-shek feels frustrated by US policy in Asia and appears increasingly fearful that he may be losing the chance of returning to the Chinese mainland.

Growing tensions in Southeast Asia and the strong US commitment in South Vietnam had raised Chiang's hopes earlier this year that prospects for returning to the mainland were improving. Both Madame Chiang and the President's son, Chiang Ching-kuo, were sent to the US to drum up more support for the Nationalist cause.

Chiang Ching-kuo had wanted to establish a mechanism for a continued dialogue on US policy in Asia and for planning an expanded war with Communist China. The failure of these talks to materialize, and the continued delay in sending the new US ambassador to Taipei, have reinforced President Chiang's suspicions that the US is losing interest in the Nationalists as an ally.

Chiang's feeling of isolation and frustration has been exacerbated by a rash of small problems which have developed in US-Nationalist relations. Military aid for Taiwan was cut ten percent for fiscal year 1966,

and Congress has refused to pass a ship loan bill that would have given Chiang a destroyer and two destroyer escorts. Chiang is also concerned over a US decision to reduce Taiwan's stock of ammunition and a US proposal to withdraw 18 F-104 aircraft. Friction has also been caused by the issue of criminal jurisdiction over US military personnel visiting Taiwan on rest and rehabilitation leave from South Vietnam.

Chiang still hopes that the war in Vietnam will continue to escalate and eventually bring the US and Peking into direct conflict. He has not offered to send Nationalist troops to Vietnam, but would probably welcome the chance in the expectation that Peking would retaliate in kind. Chiang's first choice, however, would be US air and sea support for a Nationalist assault on the mainland.

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INDONESIAN ARMY GAINS AS SUKARNO'S POSITION WEAKENS

The decline in President Sukarno's position vis-a-vis the Indonesian Army is accelerating.

Any unwelcome utterances by Sukarno are simply ignored by the army, and recent statements by Generals Nasution and Suharto have frequently contradicted those of the President. Sukarno's increasingly shrill speeches are heavily edited and often distorted by the Indonesian press. According to the US Embassy, most Indonesians give the impression of turning a deaf ear to the President's tirades. There are frequent comments which discount Sukarno as an active political force after the first of the year and imply that a major reshuffling of power is close at hand.

Sukarno's protection of his political allies may also be breaking down. The left wing of the Indonesian National Party --once actively supported by Sukarno--may be facing a purge by right-wing elements. Foreign Minister Subandrio is said to be distressed and nervous and may soon leave the country. Moreover, at least five cabinet ministers are to be among those brought before a military tribunal set up to deal with persons implicated in the abortive 30 September coup.

Mopping up of the Indonesian Communist Party (PKI) continues. First Deputy Chairman Lukman has been reported captured and shot. The banning of the PKI in South Kalimantan and the party's self-dissolution in Djogjakarta bring the total number of regions or provinces barring the party to 14; eleven regions remain.

The city of Surabaya in East Java--where PKI remnants have been seeking refuge--has been declared a "closed city." Persons unable to prove some occupation in the city are forbidden entry, and present inhabitants are to be screened. A massacre of the PKI has apparently been launched in Bali, where

many headless bodies can be seen on the roads.

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SUDANESE GOVERNMENT CONTINUES ANTI-COMMUNIST DRIVE

The Khartoum government is moving ahead to implement recent legislation dissolving the Sudan Communist Party (SCP).

The anti-Communist campaign was sparked in early November when a Communist student committed a public affront to Islam and the wife of the prophet Mohammed. The fanatical Muslim Brotherhood led demonstrations against the Communists and urged the government to proscribe the party immediately. The moderate Islamic Umma Party and its governing coalition partner, the National Union Party, took advantage of the widespread anti-Communist fervor and initiated the required legislation in the Constituent Assembly.

To maintain a facade of the democratic process, the assembly first passed, by overwhelming majorities, two amendments to the transitional constitution. The first banned the propagation of "either local or international Communism" and added that no person should propagate "nonbelief in celestial religions." The second, passed two weeks later, disqualified members of the Communist Party from membership in the assembly.

The assembly then on 9 December passed an "Act to Dissolve the Communist Party," confiscated

party newspapers, and closed down SCP clubs and offices.

The Communists reacted by challenging the legality of the assembly's actions and have attempted to gain a Supreme Court hearing for their case. The government has not yet arrested party leaders, many of whom are members of Khartoum's small but influential intelligentsia.

Leftist front organizations will almost certainly develop increased importance as the Communists shift their energies into new channels. The Democratic Socialist Alliance, an amorphous group sponsored by the pro-Egyptian People's Democratic Party but including the Communists as well as a number of leftist professional associations, will probably be a major vehicle. The Communists have also supported the "Conference for the Defense of Public Liberties," a new leftist grouping organized in November to protest the government's anti-Communist maneuvers.

The Khartoum government is confident that it can exercise firm control over the SCP. Nevertheless, the Communists' continuing influence in trade unions, student groups, and professional associations will leave them considerable potential for antiregime activity.

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ALGERIAN PREMIER'S VISIT TO MOSCOW

During his visit to the Soviet Union from 13 to 18 December, Algerian Premier Boumedienne strongly endorsed Moscow's policies in the Afro-Asian world and at the same time sought to ensure the USSR's continued support for his country's economic development plans. The trip probably signals warmer relations between the two countries on the government level.

Since Ahmed Ben Bella's overthrow in June 1965, Moscow's public attitude toward Algeria has been very restrained although the Soviets have continued to honor existing military aid agreements. It has been increasingly apparent that the close party-to-party relationship enjoyed during Ben Bella's reign has ended. The great majority of the Soviet dignitaries with whom Boumedienne met were government officials, and the communiqué which followed the visit also emphasized its governmental nature.

Boumedienne may have hoped his trip would improve his position with the Algerian left and offset the damage caused by certain anti-Communist measures which his regime has taken. His entourage consisted of many officials from the economic field. The Soviets were apparently unwilling, however, to commit themselves to a significantly greater contribution to Algeria's development at this time. The communiqué noted that both countries discussed the implementation of

bilateral agreements already "concluded," and mentioned the "importance" of expanding economic, scientific, and technical cooperation and "mutually profitable trade contacts." Moscow has previously extended over \$200 million in economic credits but only about \$7 million has been drawn.

Partially because of Boumedienne's desire for Soviet assistance, Moscow was able to secure from him a fairly warm endorsement of a wide range of Soviet foreign policy positions. The communiqué stated that both governments noted "with satisfaction" their "identity or similarity of views." Among other points, the US was sharply criticized for its "aggression" in Vietnam, a position consistent with Boumedienne's past statements.

Algeria supported the USSR on a number of contentious Sino-Soviet issues. The Russians expressed their appreciation of Algerian support for "Soviet participation" in the Second Afro-Asian Conference, and the Algerians welcomed the Soviet offer of "good offices" between India and Pakistan. Boumedienne also expressed his willingness to "cooperate" in the Rhodesian crisis, stressing his full support of the decisions made by the Organization of African Unity. On the whole, Moscow's position in the Afro-Asian world was somewhat enhanced.

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NEW MILITARY TAKEOVER IN DAHOMEY

General Christophe Soglo, Dahomean Army chief of staff, seized power in a bloodless military coup on 22 December. He immediately announced the dissolution of parliament, local government bodies, and all political parties and the suspension of the 1963 constitution.

Soglo's action appears to accord with the desires of several of the principal civilian politicians, especially ex-Presidents Maga and Apithy. They feared that the early elections called for by the provisional government installed after a military coup in November would favor the more entrenched political machine of former premier Ahomadegbe. Soglo will be reluctant to surrender power again, however, and his sweeping actions against all aspects of civilian government seem to indicate that he intends to impose direct military rule for a prolonged period.

The government of Dahomey has long been stalemated by factional maneuvering and has made

little progress in solving its very serious economic problems. Soglo had previously hinted that he planned to rescind the 25-percent pay cut imposed last summer on government employees, who constitute about half of the country's wage earners. He also has persuaded Nationalist China to seek re-establishment of diplomatic relations, although the Chinese Communists currently maintain an embassy in Cotonou. The French, who still provide massive budgetary support to their former colony, appear willing to go along with General Soglo's undertakings, although their ambassador evidently tried to discourage an outright military regime.

If Soglo plans to extend the duration of his personal power, he risks a split in the army. Military rivals, particularly third-ranking Major Alley, may dispute his authority and try to set up another type of regime.

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INCREASED ECONOMIC WARFARE PRESSES RHODESIA AND ZAMBIA

Economic sanctions against Rhodesia were stepped up this week with the British announcement of an oil embargo against the Smith regime. Rhodesia countered by immediately halting oil shipments into Zambia and levying a high tax on coal shipments to that country.

Normally, Rhodesia and Zambia get almost all of their petroleum requirements from the Umtali refinery in Rhodesia. The refinery receives its crude oil via pipeline from the Mozambique port of Beira. Rhodesia is thought to have several months' reserves of petroleum, but Zambian reserves are only 8,200 tons, about two weeks' normal consumption.

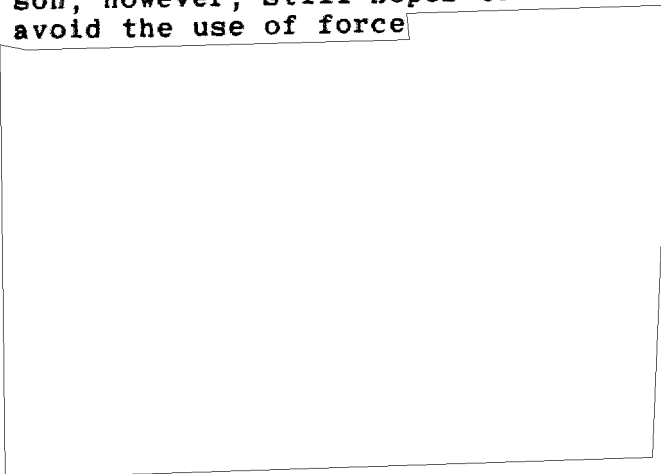
The UK is instituting an emergency airlift which it hopes will be carrying 700 tons of oil weekly to Zambia by the first week of January. However, this amount and the supplies being brought in by surface routes will fall far short of satisfying Zambia's current needs. President Kaunda, fearing an exodus of whites should severe rationing become necessary, has insisted that the costly emergency supply program be stepped up to meet at least 80 percent of the country's normal consumption.

The new tax on Rhodesian coal shipped to Zambia is \$14 per ton. This should yield Rho-

desia some \$15 million annually. The financial advantages to Rhodesia of Smith's insistence that all Zambian purchases of Rhodesian goods be paid for in nonsterling hard currency has been partially offset by British demands that all Rhodesian purchases through London be paid for in nonsterling convertible currency such as dollars.

Kaunda remains convinced that only military force or a complete embargo of Rhodesian goods and services will bring down the Smith government. He has rejected an offer from the International Bank to place an inspection team, but no troops, at the Kariba power complex.

British Prime Minister Wilson, however, still hopes to avoid the use of force

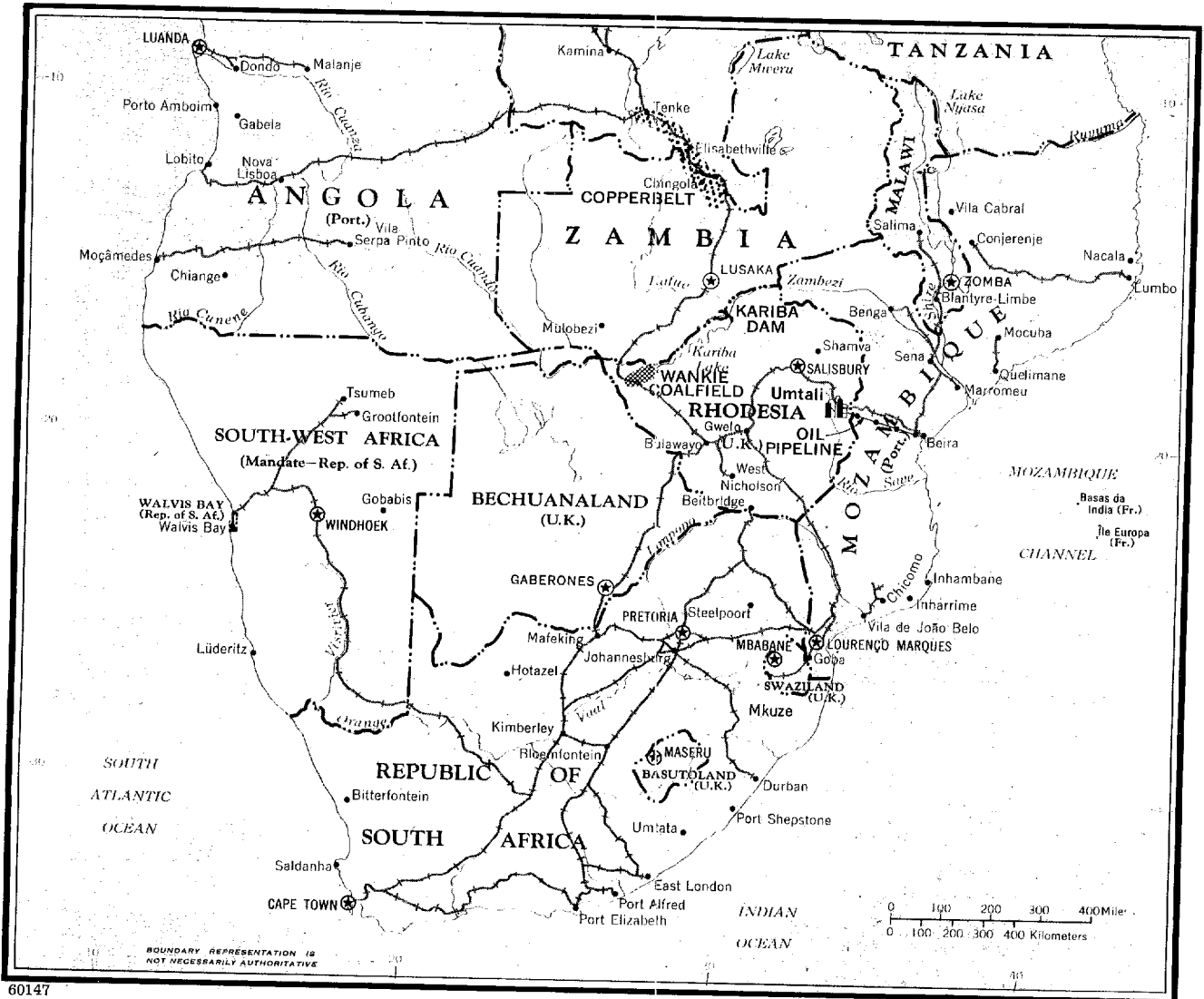


Despairing of armed intervention by the British, Kaunda

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is groping for means to lessen Zambia's dependence on Rhodesian power, coal, and transportation facilities and to pressure the UK, the US, and Commonwealth countries into increased commitments that will carry Zambia through a complete rupture with Rhodesia. The US Embassy in Lusaka feels that as the critical pressure point shifts from oil to the indispensable Rhodesian coal, frustration may drive Kaunda into a premature total embargo with disastrous consequences.

Algeria's break with London on 18 December completed a

show of solidarity by all the more militant members of the African Unity Organization (OAU). Further response to the 3 December OAU resolution is unlikely unless key moderates, such as Ethiopia--where there are intense pressures--follow suit. Many African nations are uncertain how to proceed and are further confused by a spate of calls for urgent meetings of African states. The most likely meeting appears to be a conference of Commonwealth nations in Lagos next month.

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Europe

THE NATO MINISTERIAL MEETING

The regular NATO ministerial review held in Paris from 14 to 16 December was highlighted by the substantial agreement reached on military and nuclear planning.

The ministers confirmed an earlier tentative agreement on rationalization of 1970 force goals planning, and agreed on a five-year planning program, beginning in January 1967, which presumes that NATO will still be going ahead in its twenty-first year. They also agreed to reappraise the mobile force of the Allied Command, Europe--now crippled by costing differences.

Long-standing cost-sharing problems on the military headquarters budget and the common infrastructure program, however, were again deferred. These are to be considered next month by a special meeting of "senior officials."

A French attempt to limit the activities and term of the new committee on NATO nuclear affairs was rejected by the other members, who confirmed the committee's legality and mandate. Although easily beaten off, the French maneuvering reportedly caused some hard feelings among the Germans in particular.

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THE FRENCH PRESIDENTIAL ELECTION

The tepid support given De Gaulle in the two rounds of France's presidential election indicates that, with stability and relative prosperity, the French voter no longer conceives of De Gaulle as the indispensable man. In the second round De Gaulle was opposed by virtually every political and quasi-political organization except those which are avowedly Gaullist. He was able to increase his first-round support primarily because fundamentally conservative voters who had voted for Jean Lecanuet now liked the Communist-backed candidate, Francois Mitterrand, even less than they did De Gaulle.

Prior to the second round, all government sources were in agreement that the size of De Gaulle's victory would not alter the goals or directions of his policies, particularly his foreign policy. Gaullist politicians played down the significance of foreign policy issues, and the variety of other reasons for De Gaulle's failure to do better gives ample support for their argument. In his first postelection statement, De Gaulle laid claim to a national mandate for his policies and said he would continue his efforts for "independence and peace." Particularly on domestic social issues, however, the opposition within France has attracted attention which may force De Gaulle to place more emphasis on these areas prior to the National Assembly elections in 1967.

There is a good chance that some cabinet changes will follow De Gaulle's inauguration on 8 January. This in itself, however, would not affect fundamental French policies.

The heavy voter turnout, which brought the abstention rate to its lowest point since the immediate postwar years, indicates not only a reawakening of political forces, but also a public awareness of the importance of the office of the presidency in the Fifth Republic.

Mitterrand and Lecanuet have already sought to profit from the wide publicity they gained during the campaign to construct broader political groupings that they hope will become meaningful political alternatives to Gaullism. Both, however, face substantial problems. Mitterrand intends formally to exclude the Communist Party (PCF) from his group, although the PCF has already called for extending its electoral cooperation to the formulation of a common program for the future.

Lecanuet must win some support from the non-Communist left in the face of Mitterrand's efforts to hold the left together. Lecanuet will also have to make inroads into the Gaullist support; although he can expect some gains as the 1967 National Assembly elections approach, an identification with De Gaulle is probably still the best hope for most Gaullist office holders.

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SOME PROGRESS MADE IN EEC-AUSTRIAN NEGOTIATIONS

Both Austrian and EEC sources are satisfied with the 6-10 December discussions on Austria's possible association with the Common Market. Considerable progress was apparently made despite the continuing EEC crisis and the caretaker status of the Klaus government in Vienna. Paris has reportedly assured the Austrians that it is generally in favor of Austrian association, and the Soviet bloc has refrained since October from attacking the talks.

The latest round of discussion focused on the extent to which Austria will have to reconcile its national policies with those of the community and how this could be done without violating its neutrality commitments. Some measure of agreement was apparently reached to formulate a "neutrality clause" which would excuse Austria in some circumstances from the general obligation to conform to Common Market policies.

This neutrality question will be an issue again in February, when the delicate question of institutional ties between an associated Austria and the EEC is scheduled for dis-

cussion. Another question only partially resolved is what rights the community will have in taking compensatory measures if it believes Austrian policies remain too far out of line.

Although substantial problems remain to be solved, the talks may shortly reach a point where their political ramifications have to be faced. Among these, and in addition to the possible Soviet reaction to increased Austrian ties to Western Europe, are the eastward extension of the EEC's direct economic influence and the weakening of the European Free Trade Association (EFTA).

Within Austria's coalition government, the Socialists will be more reluctant than the People's Party to choose EEC membership over the more socialist-oriented EFTA. There are also differences of opinion on how far Austria can afford to go in offending the Soviets. Finally, it will be difficult for the Austrians to adapt their delicately balanced coalition system to permit Austria to speak effectively in the joint EEC-Austrian institutions resulting from association.

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HAVANA READIES FOR TRI-CONTINENT CONFERENCE

Extensive preparations are under way in Havana as the Castro regime prepares to host the scheduled 3-10 January Tri-Continent Conference. Special party delegations have been sent to a number of African and Asian countries to publicize the gathering. Downtown Havana is being renovated in an effort to impress the visiting dignitaries.

The Cubans view the conference as an unparalleled opportunity to build up the country's international image as well as a forum for attacking US "imperialist adventures" around the world; Castro will also try to enhance his pretensions to be the mentor of world "national liberation movements." Havana hopes the conference will pave the way toward an eventual replacement of the present Afro-Asian Peace and Solidarity Organization (AAPSO) with a "tri-continent" organization including representatives from Latin America.

Fireworks resulting from the Sino-Soviet dispute may well seriously disrupt the conference, however. The recent arrival of the Chinese delegation in Havana makes it clear that Peking is prepared to make its presence felt at the conference. Peking will have some allies in attendance such as the Cambodians and the Japanese Communists despite the fact that a majority of the

delegations--particularly from Latin America--will line up with Moscow.

Moscow apparently has taken an active part in arranging transportation to Havana for African delegations. The Soviets have also sent members of their Afro-Asian Solidarity Committee to selected African countries to line up support in advance should the Chinese initiate an anti-Russian offensive in Havana.

AAPSO officials as well as Cuban propaganda media have reiterated that the main business of the conference will be to discuss ways to "combat imperialism in all its forms," and provide "effective assistance" to liberation movements on the three continents. The main thrust of the conference's final communiqué, however, undoubtedly will be a ringing indictment of Washington's actions from the Dominican Republic to Vietnam.

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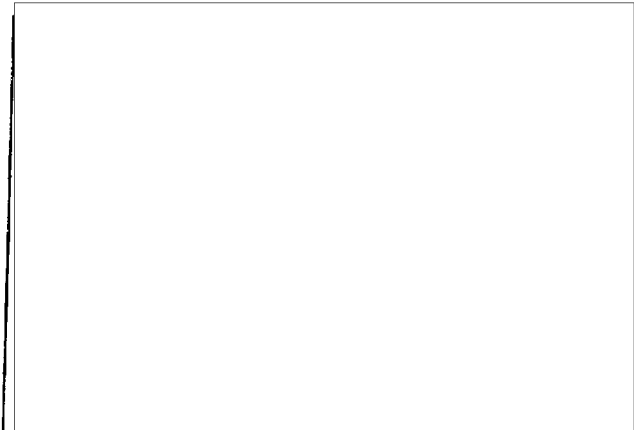
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BOLIVIAN ELECTORAL DEVELOPMENTS

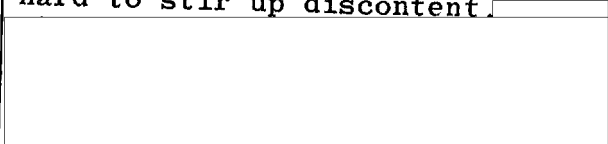
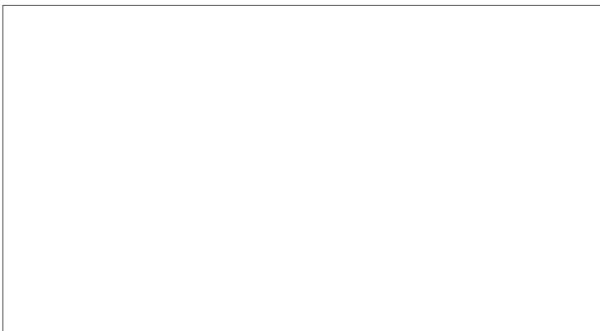
After weeks of sporadic negotiations, four Bolivian political parties agreed on 15 December to form an electoral front to support the presidential candidacy of junta Co-President Rene Barrientos Ortuno. The coalition, to be called the Front of the Bolivian Revolution, is made up of the Authentic Revolutionary Party (PRA), the Leftist Revolutionary Party (PIR), the Popular Christian Movement (MPC), and the Social Democrat Party (PSD). These are all minor parties, but if their front survives it will at least give Barrientos the appearance of having national political support in addition to his strong personal appeal.

Luis Adolfo Siles of the PSD has agreed to be the front's vice-presidential nominee. He is the half-brother of former president (1956-60) Hernan Siles Zuazo, and is a political moderate. The front has already decided how many congressional seats each party will have, but disagreement over who should run in what district could cause the front to break up.



The formation of the pro-Barrientos front should prod some of the other 18 parties into similar pacts and thus ease political tensions at least for the short run. Plotting will continue, however, since the major parties, such as the Nationalist Revolutionary Movement, the Bolivian Socialist Falange, and Juan Lechin's National Leftist Revolutionary Party, are unlikely to agree on a candidate and have little chance of winning the election individually or collectively.

In the meantime, the junta faces some problems, particularly in the tin mines. The miners have been temporarily pacified by wage increases, but these are due to lapse the first of the year. Extremists are working hard to stir up discontent.



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NEW VIOLENCE IN THE DOMINICAN REPUBLIC

The Dominican Republic has experienced almost a solid week of violence, and further trouble threatens for the week ahead. Political and labor leaders are warning of renewed calls for a general strike unless military officers involved in a skirmish in the interior city of Santiago on 19 December are punished.

The violence began on 16 December with riots in Santo Domingo over the Christmas bonus issue. Rioting was brought under control next day, but the subsequent brief interlude of calm was shattered on 19 December during memorial services in Santiago for a rebel "martyr." Former "constitutionalist" President Francisco Caamano, accompanied by an estimated 150 supporters, had traveled to the north-central city, ignoring warnings from President Garcia Godoy that such a trip might provoke trouble.

Despite the uncertainty over who fired the first shots, it is clear that both sides were spoiling for trouble. The consensus is that unidentified persons fired several shots during the cemetery observance, and that shots were fired by the former rebels during their trip to the Hotel Matum on the outskirts of the city. Military forces then fought a pitched

battle with rebel personnel in the hotel--where Caamano held the US consul and other Americans as hostages--until a contingent of the Inter-American Peace Force hurriedly airlifted to the city interposed itself between the forces.

Caamano's supporters in Santo Domingo reacted to the incident and to erroneous reports of his death by turning out in the streets and trying to organize mobs and further violence.

The Dominican military has been pressing Garcia Godoy to prevent Caamano and his followers from traveling around the country in armed caravans. [redacted]

[redacted] The military--especially "young Turk" officers and NCOs--also have been disturbed by the government's continuing delay in disarming the rebels and disbanding their camp. [redacted]

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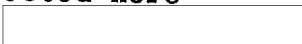
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Garcia Godoy has privately informed Ambassador Bunker that he believes responsibility for the Santiago incidents is shared by the former rebel leaders and regular military personnel. The President said he realizes he must punish those involved. Garcia Godoy believes air force Chief Juan de los Santos bears a great deal of the responsibility but he fears that the military would strongly oppose any move against De los Santos. On the other hand, Garcia Godoy feels--probably too optimis-

tically--that Caamano would support action against rebel personnel involved in the incidents.

Garcia Godoy hopes for a standdown in violence until Christmas, which would permit tempers to cool and promote a climate in which constructive action could be taken to punish those responsible for the Santiago incidents and work toward preventing a recurrence. However, commenting on the week's violence, the US Embassy stated, "excessive concessions granted to the constitutionalist camp in the early weeks of the provisional government are reflected here without any doubt." 

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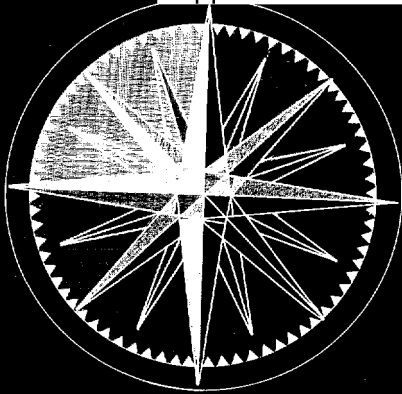
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23 December 1965

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SPECIAL REPORT

AFGHANISTAN AND ITS EXPERIMENTS WITH REPRESENTATIVE DEMOCRACY

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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AFGHANISTAN AND ITS EXPERIMENTS WITH REPRESENTATIVE DEMOCRACY

The latest phase in Afghanistan's experiment with representative democracy has gotten off to a boisterous start. Elections held last August and September--the first conducted under universal suffrage--returned a legislative assembly which was generally seen as conservative and docile. To the astonishment of most observers, however, the People's Council (the lower house of parliament) asserted its independence by refusing for more than a week to confirm the reappointment of Prime Minister Yusuf.

Meanwhile, virtually unprecedented rioting by politically oriented students led the alarmed government to take overly repressive counter-measures, resulting in a number of student deaths. Given a new issue, the legislators redoubled their criticism of the Yusuf regime, and the prime minister was forced to step down just four days after receiving a vote of confidence.

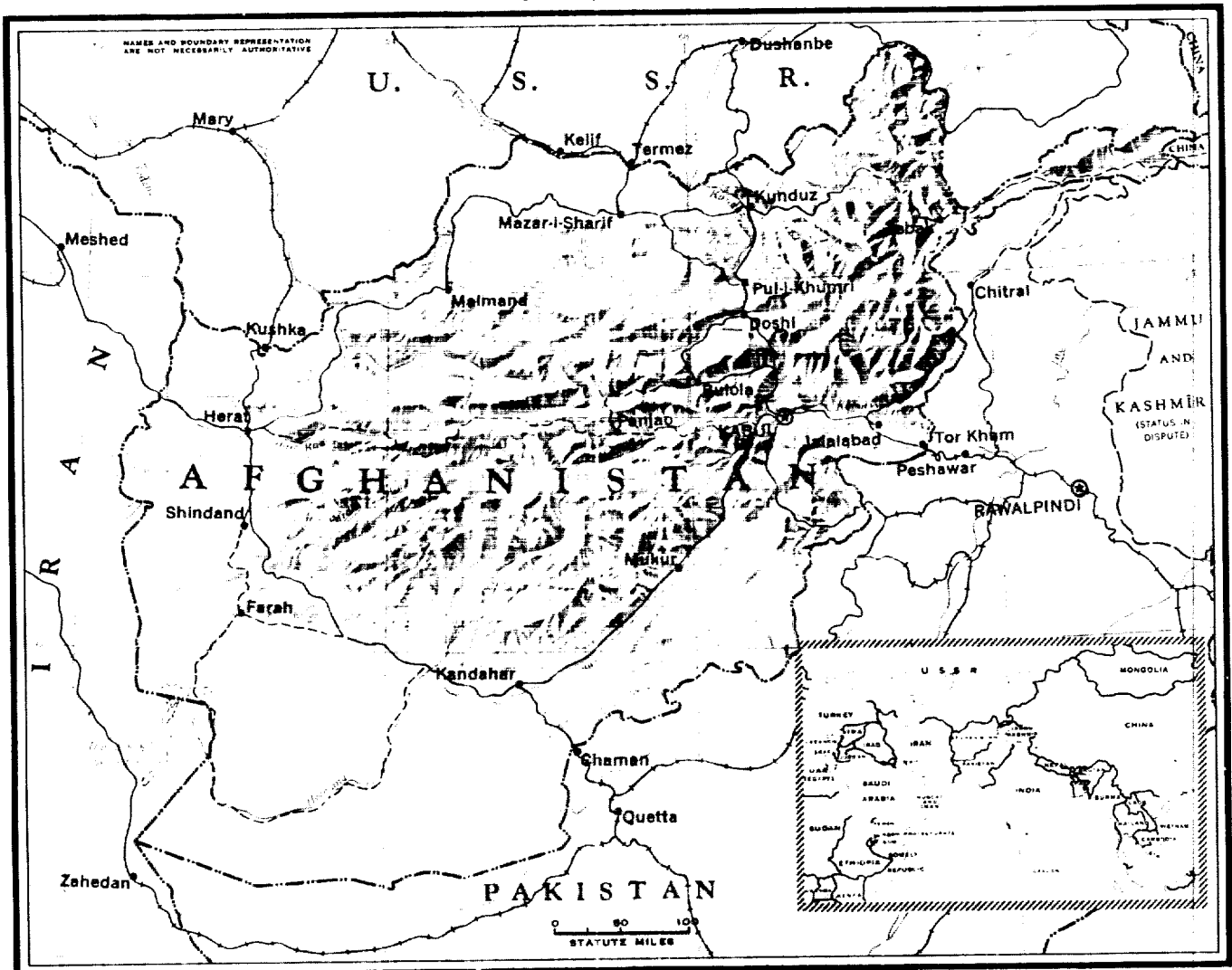
With the subsequent appointment of Prime Minister Maiwandwal and the recess of parliament for the winter, the situation now seems reasonably well in hand. The King and the powerful royal family appear willing to continue in the direction of political liberalization, but they are probably disturbed by the new forces that seem to have been set in motion and more determined than ever to proceed cautiously. No early change in Afghanistan's non-aligned foreign policy is likely.

Constitutional Reform

King Zahir's cautious program of political reform began in 1963 with the ouster of his strong-man cousin, Mohammed Daud, from the office of prime minister. Daud's ten-year-old regime had seen the beginning of an ambitious economic development program aided by the US and the USSR. Political power, however, had become strongly concentrated

in the hands of the prime minister and a coterie of his supporters, nearly all of whom were members of the Mohammedzai--the extended royal family. Control was authoritarian, enforced when necessary by political imprisonments. Throughout most of Daud's regime, the King, valuing the prime minister's role in speeding Afghanistan's economic modernization, remained relatively detached from policy questions.

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The King

The Prime Minister



ZAHIR



MAIWANDWAL

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Daud's downfall came largely as a result of a growing concern among influential members of the royal family over the consequences of his vigorously anti-Pakistan foreign policy. Ever since Pakistan gained independence in 1947, the Afghans have insisted that the Pushtoon tribes in the hill areas adjacent to Afghanistan be given an opportunity to determine for themselves their national alignment.

Nearly half of Afghanistan's population--including the royal family--is Pushtoon, and the emergence of Afghanistan as a nation was, in fact, the result of a union of Pushtoon tribes in the mid-eighteenth century. The "Pushtoonistan" issue is thus a highly emotional one among Kabul's power elite.

Nevertheless, criticism of Daud began to mount when a series of border forays by Afghan irregulars led Pakistan to close Afghan trade missions and consulates in mid-1961. Disapproval deepened when the subsequent breach of diplomatic relations and abandonment of Afghan transit rights through Pakistan made the Afghans entirely dependent on the USSR for access routes to free world markets.

Although the Soviets were accommodating in their efforts to ease the impact of trade dislocation, Afghanistan's export earnings fell off. Government revenue, heavily dependent on customs levies, also declined sharply, forcing budgetary cuts. Finally, in March 1963, King Zahir stepped in to replace Daud with Minister of Mines and Industries Mohammed Yusuf.

The appointment of Yusuf, a commoner, signaled the beginning of a gradual move toward liberalization of Afghan political institutions with the King playing a leading role. The King was probably motivated in part by a recognition that a political awareness was beginning to evolve, and that explosive forces could develop unless the citizenry were given a greater sense of participation in the affairs of state. Authoritarian measures were relaxed, and in September 1964 a new constitution was ratified by the Loya Jirgah, a traditional assemblage of tribal elders and notables. A key provision of the new constitution prevents the King's close relatives from holding high government office. Prince Daud, to whom the measure applies, unsuccessfully attempted to prevent its inclusion.

The constitution establishes a bicameral legislature comprised of a 215-member People's Council, directly elected under universal suffrage and by secret ballot, and an 84-member Council of Elders. One third of the Council of Elders is appointed by the King, while the remainder represents the various provinces--one member elected by the citizens of each province and one appointed by provincial councils which are to be established as soon as enabling legislation can be passed. Government officials, including cabinet ministers, are banned from membership in the parliament. Legislation must be approved by the King before becoming law, and there is no provision for overriding a royal veto.

The second step toward representative government was the

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promulgation of an election law. Its provision that candidates be literate automatically limits eligibility to about ten percent of the populace. Election commissions, composed primarily of educators and jurists, are established in local areas to oversee campaigning and balloting.

On paper at least, the constitution and the election law provide the basis for a free selection of legislators, but without tampering unduly with traditional local power structures.

The Election Aftermath

The parliamentary elections concluded last September produced a legislature that was, for the most part, an unknown quantity. Most members of the lower house were new to national politics. Only about 20 percent had any significant background in national public life. Of the 99 candidates who had been members of either the previous legislative assembly (a rubber-stamp body) or of the Loya Jirgah, only 29 were elected. The absence of political parties, which are envisaged at a later stage of the liberalization program, made it all the more difficult to assess the political views of the new membership.

Parliament convened on 14 October, its first task being to consider the King's reappointment of Yusuf as prime minister. From the outset the new legislators proved unexpectedly assertive. Spurred on by leftist members from Kabul and by conservative elements who disapproved of several of the cabinet assignments,

the parliamentarians demanded that Yusuf present his proposed cabinet in person to the lower house, and that each potential minister issue a statement of personal assets. Charges of maladministration and corruption were leveled at Yusuf and his cabinet colleagues.

The prime minister, disturbed by the vocal opposition to his cabinet, reportedly twice tendered his resignation to the King, but was urged to persevere. On 21 October he entered the chamber unexpectedly to defend his position, only to be challenged by several legislators who questioned his right to attend parliamentary sessions without the permission of the members. Yusuf stormed out of the hall, but was pursued by more moderate members who urged him to proceed with his presentation.

Meanwhile, the Kabul populace--particularly students from Kabul University and a high school near the parliament building--were beginning to show great interest in the proceedings. Student interest appears to have been deliberately stimulated by both leftist and progovernment elements attempting to stir up popular enthusiasm for their respective factions. A number of students were in the galleries when Yusuf gave his 21 October speech, and their vociferous approval of his remarks suggests they may have been planted there by supporters of the Yusuf regime.

On 24 October, when Yusuf returned to present his cabinet to the assembly, throngs of the

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curious and confused citizenry crowding the Council chambers and the streets outside so obstructed the proceedings that the president of the lower house was forced to postpone the session. The spectators--mostly students--were finally dispersed with help from the army.

To forestall further confusion, the People's Council met in closed session the following day. Loudspeakers outside the parliament building, which had broadcast previous sessions to the crowds, were turned off. As a precaution against further disorders, several truckloads of troops and six armored cars were positioned outside. Students who had turned out for the session were incensed at their exclusion from the Council chamber. Scuffling with security forces quickly mushroomed into wider rioting in which government forces fired upon the crowd. Several dozen civilians and a number of policemen reportedly died in the clashes.

Under heavy pressure from King Zahir the People's Council hastily gave a vote of confidence to the Yusuf government on the afternoon of 25 October. Rioting continued into the evening, however, now centering on protests against excessive government brutality and demands that students arrested during the day be released.

These protests were echoed in parliament in the days that followed. Yusuf appeared before the lower house on 27 October, but was received coolly.

These discordant developments must have alarmed King Zahir and the Moheemdzai, whose interest in political reform is strongly tempered by a determination not to let matters get out of hand. On 29 October the King asked for and received Yusuf's resignation, appointing in his stead Mohammed Hashim Maiwandwal, formerly minister of press and information.

Maiwandwal is a relative newcomer to cabinet-level politics, having spent much of his official career in diplomatic posts abroad. He was first appointed to the cabinet last January, after having served as ambassador to the UK, the US, and Pakistan. Although not the most politically influential of Yusuf's cabinet colleagues, Maiwandwal may well be stronger now than Yusuf was when he assumed office in 1963. Like Yusuf, Maiwandwal has the backing of the King, and with the perquisites of high office now at his disposal, Maiwandwal is in a good position to improve his stature.

The cabinet presented to parliament by the new prime minister represented a substantial revision of the Yusuf government. In general, most of the cabinet members have had extensive experience in their fields, but they do not--at least at the outset--command much political muscle.

Maiwandwal moved quickly and effectively to reduce both parliamentary and student restiveness. He appeared unescorted at

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Kabul University on 4 November to express his condolences for the student fatalities and to listen to student grievances while Maiwandwal was heckled by the leftist fringe; most students were receptive, and as the visit ended he was carried to his car on the shoulders of several enthusiastic students.

Maiwandwal has also been favorably received by parliament. This may be due in part to heavy pressure from the King, but it also reflects satisfaction with the new prime minister's willingness to cooperate with legislative committees set up to investigate corruption in government and other matters.

Problems and Prospects

After three of the most eventful and turbulent months in recent Afghan history, affairs finally seem fairly well under control. The legislature, eager to avoid the rigors of a Kabul winter in the unheated parliament building, has recessed until next March.

Student protests continue, but they are--temporarily, at least--on such relatively nonpolitical issues as difficult examinations, the policy of eliminating students who have flunked three times running, and German professors whose lectures are too obscure. The prime minister is therefore reasonably free to concentrate on the longer range problem of consolidating his political position and setting his new government to work at the major administrative tasks

involved in Afghanistan's political and economic modernization.

Maiwandwal's longevity as prime minister will depend on his ability to retain the support of the traditional sources of power--the King, the royal family, and tribal elements--while contending successfully with the growing influence of newer elements, such as the urban educated elite, the students, and an independent-minded parliament.

At present there is every indication that the King's interest in continued political reform has not been significantly dampened. He is probably more sensitive than before, however, to the danger that liberalization will lead to unrest. Renewed and protracted disorders would alarm the royal family and strengthen sentiment favoring a return to Daud's repressive methods. Rumors circulating in Kabul have, in fact, linked Daud with the recent disturbances, but they are thus far unsubstantiated.

It is therefore imperative that the new prime minister prove his ability to maintain control, and student agitation could well develop into a major test. The Kabul University students have long nursed a number of grudges, some legitimately and some in largely unjustified reaction to administration efforts to raise standards. The students did not become politically involved until the recent parliamentary election campaign. At that time, many students, under the strong influence of Kabul's small urban

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intelligentsia, actively supported the candidacy of several leftists. A small but vocal segment of the student body now seems determined to keep this political consciousness alive. They are helped by the heady feeling of the students that they were largely responsible for the fall of the Yusuf government.

In his effort to bring these forces under control, Maiwandwal has selected as education minister Dr. Mohammed Osman Anwari, a conservative and a strict disciplinarian who was formerly rector of Kabul University. The government has considerable leverage over the students through its authority to control enrollments. Because a university degree virtually guarantees the graduate a good job, the fear of dismissal can be an effective deterrent to unauthorized behavior. Seven students were expelled on 10-12 December for their part in campus demonstrations. One campus agitator, a junior mathematics instructor, has been summarily fired and sentenced to two years' imprisonment for 'crimes against the public interest and security.'

Control of parliament may prove to be a somewhat more elusive goal. Although political parties have not yet been authorized, members of the lower house already appear to be drifting into several distinct groups. By far the largest of these is extremely conservative, loyal to the King, and resistant to any changes that would disrupt their traditional Islamic society. For the most part members of this group were elected to parliament

from outlying constituencies where their selection was strongly influenced by the local leadership structure. Although this group probably would support programs publicly endorsed by the King, it is unlikely to feel as receptive toward those identified solely with Maiwandwal.

At the opposite political pole is a small but vocal group of Marxists representing several Kabul constituencies. Their following is not large--they have no influence outside Kabul--but they are better organized and more active than the conservative deputies. They are also capable of evoking the support of some student groups.

More or less in the political center, but divided into rightward and leftward leaning factions, is a group of moderates who were senior officials in the Yusuf government or who have ties with former Yusuf cabinet ministers.

The president of the People's Council, Dr. Abdul Zaher, who was deputy prime minister in the Yusuf government, is influential among the more conservative centrists, while former deputy planning minister M. S. Farhang leads a small socialist faction. The moderates generally favor the King's gradual approach to reform, but personal rivalries are strong and many disapprove of the appointment of Maiwandwal. A number of opponents of the new prime minister presumably would have preferred the selection of Dr. Zaher.

Maiwandwal risks having his position subtly undermined if he fails to conciliate the rival

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elements in the political center, both within and outside parliament. He has already taken a first step to guard against this by appointing several former members of Yusuf's cabinet as key advisers.

Just what effect the eventual formation of political parties will have remains to be seen. Several members of parliament with varying political leanings appear eager to form and lead such parties. The passage of enabling legislation must await the reconvening of parliament next March. Even then, the political parties law proposed by the government may well be couched in language designed to minimize the initial impact of the parties, allowing them only gradually to assume a meaningful role in the political system.

Apart from the immediate problem of staying in office, the Maiwandwal government must cope with the major task of administering Afghanistan's various development programs. Cabinet reshuffling has eliminated a number of key administrators and the promotion of several deputy ministers to the cabinet has left a number of second-ranking posts vacant. The dearth of administrative talent is felt even more severely at lower levels of government. These personnel deficiencies point up the pressing requirement for greater ad-

vances in education, a need that will be felt with increasing urgency as economic development enters more advanced stages.

The Afghan economy seems reasonably well in hand for the time being, although serious problems may lie ahead if the government's fiscal affairs are not handled prudently. A foreign-exchange crisis earlier this year forced the government to turn to the International Monetary Fund for help. The IMF agreed to provide \$6.75 million in foreign exchange, but only after Kabul committed itself to raising tax and customs rates and curbing inflationary government borrowing from the central bank. As a result, the steady depreciation of the Afghani ceased in May, and its free market value has since remained relatively stable. Inflationary pressures may still prove troublesome, however, if local currency expenditures for development generate more purchasing power than can be adequately absorbed.

In foreign policy matters Maiwandwal will probably pursue the nonaligned course set by his predecessors. Many of his cabinet colleagues are US educated and seem generally well disposed toward the US. Nevertheless, the proximity of the USSR, and the major Soviet contributions of military and economic aid, argue for continued close ties with Moscow.

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Strains may again develop in Afghanistan's relations with Pakistan, but a repetition of the 1961 diplomatic rupture is unlikely. During the recent India-Pakistan hostilities, Kabul remained neutral and refrained from taking advantage of Pakistan's commitment of nearly all its regular troops to the Kashmir and Punjab war zones. There are indications, however, that Afghanistan now intends to press hard for some Pakistani conces-

sions on the Pushtoon question. The new Afghan foreign minister, Nur Ahmed Etemadi--until recently ambassador to Pakistan--has appeared in the past to be in sympathy with Prince Daud's hard line and can be expected to present Afghanistan's case forcefully. The King and the Mohammedzai, however, will probably not allow a repetition of anything like the unhappy developments that ended the Daud regime.

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