

SECRET

25X1

revolution as a means to achieve social improvements.

In his address to the bishops' conference, however, the Pope appeared to reverse his position as he defended conservative theology including his recent birth control encyclical. Moreover, his emphasis on non-violence and a gradual approach would seem to contradict his earlier emphasis on the "immediate need" for social reform.

Speaking to workers and peasants on 19 August, the Pope denounced the violence advocated by radical priests. He assured the poor of his concern for their miserable conditions and, as part of a five-point program for social reform, stated that the governments and upper class Latin Americans should strive for more social awareness and sharing of the wealth.

The five points, which are in effect a partial restatement of his encyclical "On the Development of Peoples" of March 1968, are: to proclaim the Christian dignity of the poor; to continue to denounce economic inequality; to support fraternal assistance from developed countries to underdeveloped countries; to have the church serve as an example of generosity and service; and, finally, to reject violence and

The result of the Pope's visit, therefore, appears to be a significant victory for the church conservatives and a loss for progressives. Although the progressives, according to press statements they have made, will probably accept the Pope's precepts, they now believe that the Pope's use of the terms "order and gradual change" are giving conservative churchmen a ready-made excuse for blocking change and maintaining the status quo. They believe further that the Pope is unwittingly aggravating the estrangement of "left-trend" radical priests and may drive more progressives into the radical camp. This, in turn, could weaken the church's influence in Latin America.

25X1

25X1

* * *

SECRET

SECRET

ARGENTINE PRESIDENT OUSTS ARMY CHIEF

President Ongania has strengthened his control over the Argentine military by removing army Commander in Chief Julio Alsogaray, one of his most vociferous critics, and replacing him with a close friend and loyal supporter, General Alejandro Lanusse. At the same time, Ongania named new commanders for the navy and air force, but both those incumbents are ready for retirement.

The relationship between Ongania and Alsogaray has been a stormy one. Alsogaray demanded a greater role for the army in policy making, and several times accused Ongania of wanting to establish a fascist or personalist dictatorship. Alsogaray drew his backing from the "liberal" faction in the government, which included his brother Alvaro, the ambassador to the US until early this month, when he, too, was removed by Ongania. The Alsogarays supported the "liberal" economic reforms of Economy Minister Krieger Vasena but objected to Ongania's refusal to

plan some return to constitutional or elected government.

Ongania's choice of Lanusse should end military pressure for political reform. Lanusse has said that he will permit Ongania to oversee the army, rather than try to make the army the watchdog over the President. [redacted]

25X1

[redacted]

Alsogaray is reported to be bitter over his abrupt dismissal and his inability to line up support among his fellow officers to prevent it. Lacking such support, however, he will probably fade into the league of retired generals who make occasional ineffective statements opposing Ongania.

25X1

Strong backing from the military should enable Ongania to continue economic reforms while avoiding a return to normal politics. [redacted]

25X1

25X1

* * *

SECRET

SECRET

BOLIVIAN SITUATION EASES BUT TENSIONS REMAIN

Public disorders have abated in accordance with agreements the Barrientos government has reached with student and labor groups. Bolivia remains tense, however, because of reports of continued plotting and the possibility of renewed disorders.

The government secured agreements from student and labor groups to cease their disruptive activities by granting most of their demands and releasing arrested leaders of both groups. The labor groups have accepted President Barrientos' explanation for the state of siege and other actions they had opposed, but local student federations are bitterly divided over the agreement their leaders reached with the government on 23 August. The national federation has recommended accepting the agreement, interpreting it, however, as only a "temporary truce."

The recent student and labor disorders were apparently not di-

rectly associated with a plot by the three major opposition political parties to overthrow Barrientos, but the plotters hope to capitalize on what they view as a steadily deteriorating situation. General Marcos Vasquez, who has evaded arrest since failing in a coup attempt on 21 August, has reportedly allied himself with leaders of the opposition, many of whom are in exile and is seeking support for another attempt to oust Barrientos. He has been deprived of support from within the armed forces by the government's swift arrest of officers suspected of having been in contact with him.

The government appears to retain the support of the military and to be capable of turning back any new challenge. President Barrientos, however, has indicated that he has doubts about the motives and continued loyalty of armed forces commander General Ovando. [REDACTED]

25X1

25X1

* * *

SECRET

INCOMING ECUADOREAN ADMINISTRATION FACES MANY PROBLEMS

When Jose Maria Velasco Ibarra assumes the presidency on 1 September, he will be greeted by essentially the same problems that kept him from serving out three of his four earlier terms.

Velasco's talent for obtaining political power has been matched by his inability to exercise it wisely. Although over the years he has commanded the respect and the support of many able men, he has tended to ignore their advice in favor of unscrupulous, self-interested counselors. A similar situation appears to be shaping up for his new administration. Many moderate and capable men are supporting him, but so are opportunists such as ex-president Carlos Julio Arosemena and Castroite Manuel Araujo.

In shaping his economic policy, Velasco will be hampered by a budget situation that is deteriorating rapidly. Provinces whose funds have been cut this year are threatening strikes and civil disorder. Velasco is faced with the problems of reducing current expenditures, meeting the needs of the provinces, and planning for future budgets.

The election of center-left vice presidential candidate Jorge Zavala, who ran on a ticket opposed to Velasco, could also cause problems. Zavala has

claimed publicly that his job entails undefined but unlimited powers, which he will exercise as he sees fit. Although it is doubtful that Zavala will have official powers beyond those mentioned in the new constitution, there are a number of ways he could harass Velasco. He could make public statements criticizing the President and his policies and expose cases of alleged Velasquista graft or corruption. Finally, he could emulate Velasco's last vice president, who succeeded in overthrowing Velasco and having himself installed as president.

During three of his four previous administrations, Velasco's inability to maintain good relations with the armed forces played a major role in his fall from power. Although many military men have no desire to intervene in politics after the difficulties their governing junta encountered from 1963 to 1966, their willingness to tolerate the activities of leftist or irresponsible officials who threaten the nation's welfare is not unlimited. The military may already be concerned by a statement attributed to Velasco's probable defense minister that some senior officers will be retired involuntarily. This statement conflicts with assurances by other Velasquista leaders that Velasco is not planning an extensive purge of senior officers.

25X1

SECRET

Page Denied

Next 1 Page(s) In Document Denied

Secret

Secret