

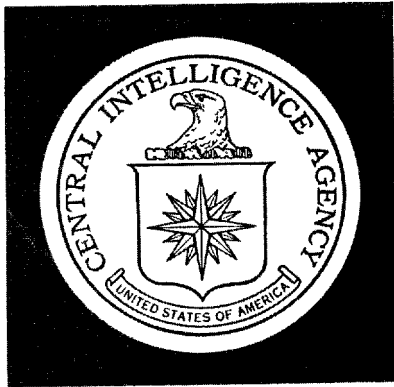
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*MCO*



DIRECTORATE OF  
INTELLIGENCE

# Intelligence Report

Weekly Report

Prepared Exclusively for the  
Senior Interdepartmental Group

State Dept. review completed

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17 April 1967  
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**WARNING**

This document contains information affecting the national defense of the United States within the meaning of Title 18, Sections 793 and 794 of the US Code, as amended. The transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law.

*[Faint, illegible text]*

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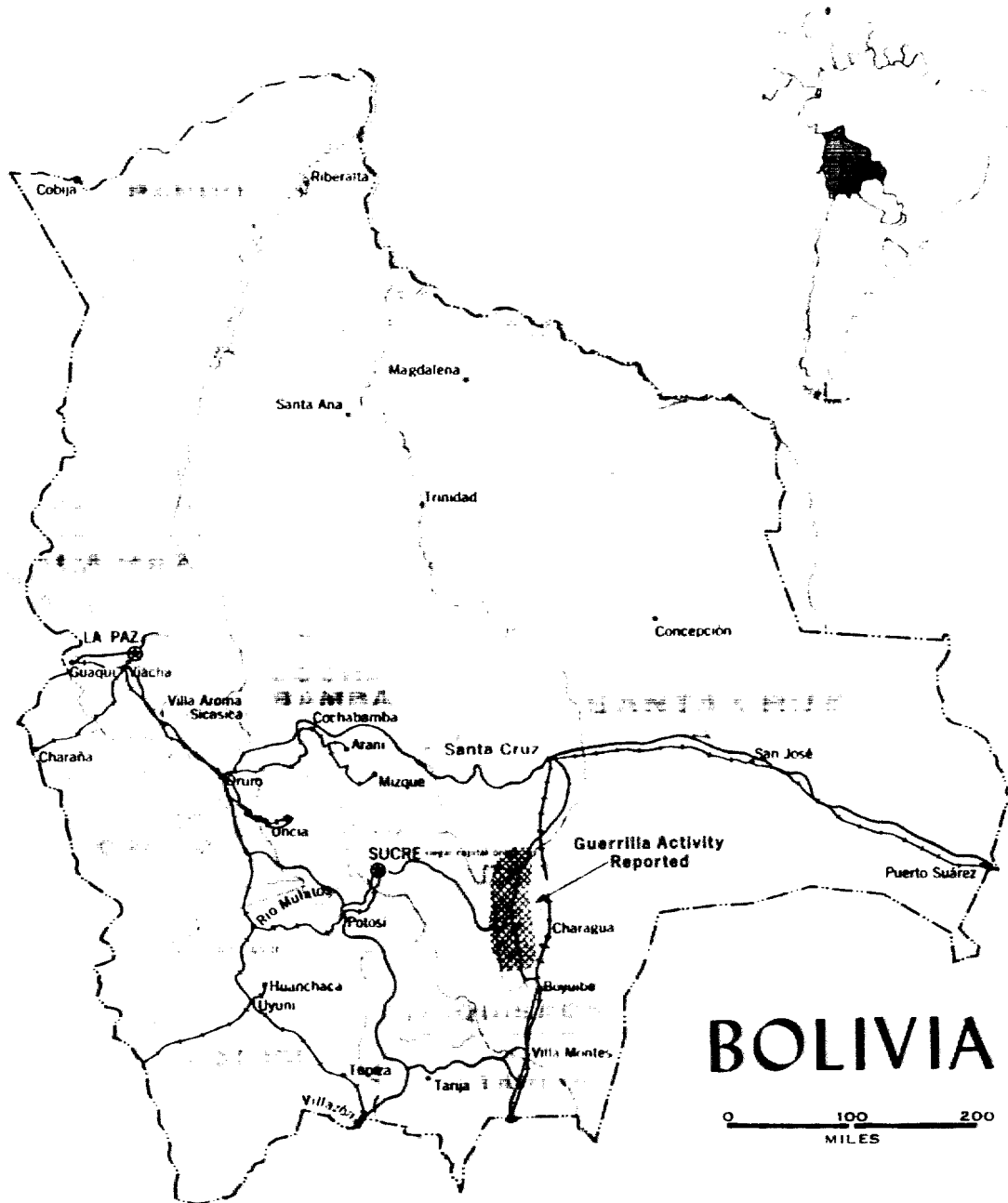
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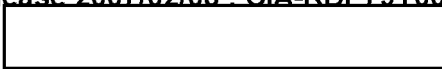
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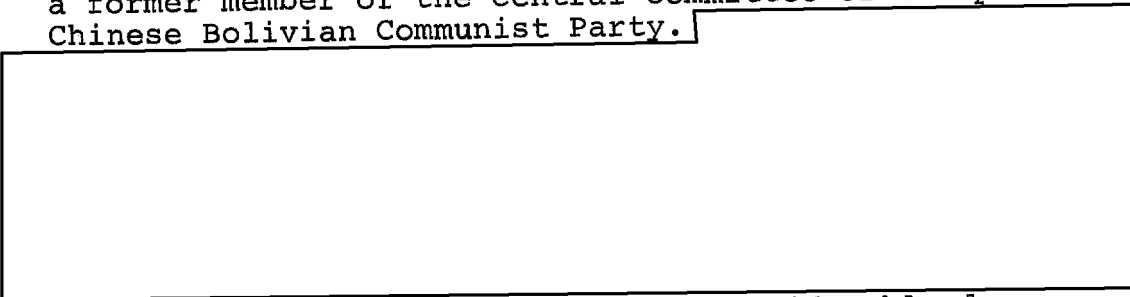


1. BOLIVIA

The guerrilla situation in southeast Bolivia is becoming increasingly serious as the government repeatedly demonstrates its inability to cope with the problem.

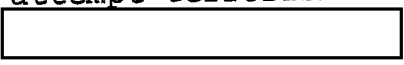
On 10 April guerrillas ambushed another army patrol near the site of the initial clash on 23 March (see map). Eleven soldiers were killed and several were wounded in this latest encounter, bringing the total known dead and wounded to almost 30. Guerrilla casualties have been negligible.

Very little is known about the guerrillas, but they are obviously well organized, well trained, and heavily armed. They are believed to number somewhere between 35 and 100 and to be led by Moises Guevara, a former member of the central committee of the pro-Chinese Bolivian Communist Party.

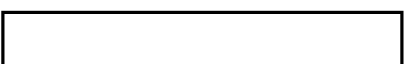


Guerrilla successes are to a considerable degree a reflection of the ineptitude of the Bolivian counterinsurgency forces. The 650 troops committed to the campaign are ill equipped, poorly trained, and badly led. [redacted] unless the army is retrained in counterinsurgency techniques it will continue to suffer reverses. These losses in turn could result in a deterioration of the government's over-all position.

The guerrillas will probably continue their hit-and-run tactics. It is unlikely that they are strong enough to seize control of any portion of the country, but their success may encourage other extremists to attempt terrorism and subversion.



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## 2. UN AND SOUTH-WEST AFRICA

The special session of the UN General Assembly convening on 21 April is unlikely to solve the problem of divesting South Africa of its mandate over South-West Africa. The assembly committee set up last fall to deal with the problem has failed to agree on any proposals and will merely summarize the committee's discussions without making recommendations.

Three proposals have been discussed. The African proposal goes the furthest. It calls for the establishment of a UN administration in the territory, and coercive action against Pretoria under Chapter VII of the UN Charter if it resists. The Latin American plan contains no enforcement measures and would rely on a UN "council" to negotiate the transfer of the territory to UN control. The third proposal, put forth by Italy, Canada, and the US, would ask a special representative to survey the situation and leave the problem of implementation to the next assembly.

It is unlikely that the African proposal has majority support in the assembly. The third proposal is not acceptable to the Africans or to the Communist bloc. The only possibility for assembly action would appear to be something along the lines of the Latin American plan.

This plan, however, would require moderation on the part of the Africans, a prospect which has probably been reduced by South Africa's recently announced willingness to offer eventual self-government to the different peoples of South-West Africa. The African governments have charged that this is merely a subterfuge to cover the annexation of the valuable white areas of the mandate to South Africa.

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3. BURMA

Burgeoning economic problems may force General Ne Win to back away from his highly doctrinaire "Burmese Way to Socialism" and seek foreign economic assistance.

The steady decline of Burma's economy over the past several years has accelerated in recent months. A drop in rice exports, which account for 70 percent of Burma's foreign exchange earnings, is a major factor. A government official has estimated that total export earnings this year will not exceed \$115 million, a decline of 40 percent from last year.

Aside from decontrolling a few commodities late last year, Ne Win has been reluctant to modify his drive toward socialism. There are signs, however, that more fundamental changes may be forthcoming. Ne Win appears to have quietly laid the groundwork for the forced retirement of Brigadier Tin Pe, regarded as the theorist behind the "Burmese Way to Socialism," and now serving as vice chairman of the ruling Revolutionary Council.

Ne Win is reported to be considering asking for help from either the United States or Britain. Heretofore he has carefully refrained from entering into major new economic assistance programs with leading world powers, although government officials initiated discussions with US representatives in Rangoon last January about the possible acquisition of substantial amounts of new military equipment. Also, the Burmese are now drawing heavily on an \$84-million credit originally extended by Communist China in 1961.

Unless Ne Win is at least partially successful in reviving the nation's moribund economy, he could conceivably lose the support of the armed forces, which he needs both to maintain his regime and to carry out his policies. [REDACTED]

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