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Weekly Contributions
Latin America Branch, ORE, CIA
9 August 1949

CURRENT DEVELOPMENTS

GENERAL DIVISION: Death of seriously ill Ecuadoran Vice President Sotomayor y Luna would mean a crisis for the Plaza administration (p. 2). The UK-Brazil trade agreement avoids features the US termed objectionable in the UK-Argentine agreement (p. 2).

SOUTHERN DIVISION: Opposition-party activity is a factor in recent Argentine moves (p. 2). Closing the US Naval Attaché's office in Uruguay would be a blow to that government's prestige and damaging to US-Uruguay relations (p. 3).

SPECIAL SUBJECTS

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Weekly Contributions, B/LA
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1. EGUADOR: The Plaza administration will be faced with a crisis if Vice President Manuel Sotomayor y Luna (a Conservative) should die of the heart attack induced by the armed attack on his house during the recent unsuccessful Mancheno coup. His successor would be chosen by congress (convening 10 August) which consists of three nearly equal groups: Conservatives, the Liberal Socialist coalition, and the pro-Plaza independents (formerly the MCDN coalition). The government consequently holds the balance of power and will alienate important groups no matter how it uses this power. To complicate the situation further, it is anticipated that the Guayaquil contingent in congress would insist upon the election of a Guayaquileño since Sotomayor is a native of that city. The physicians attending the vice president report he has a chance to recover, but his condition continues grave.

2. BRAZIL: The limitation of the Anglo-Brazilian trade agreement to one year, as predicted (See B/LA Wkly 19 Jul 49), avoids the long-term channeling of trade to which the US Department of State and US business officials objected in the case of the recently concluded Anglo-Argentine agreement. While the terms of the new agreement have not yet been thoroughly examined, a preliminary analysis indicates that the amount and pattern of trade between the two countries will approximate that of the 1948 agreement.

3. ARGENTINA: Opposition Aggressiveness a Factor in Administration Reforms
 During recent weeks increased aggressiveness of the Radical opposition minority in the Argentine Congress and more outspoken criticism by the opposition press have caused the Perón administration to take definite measures to strengthen the position of the Peronista Party in anticipation of political repercussions from current economic adjustments and to assure its success in the 1952 elections. The Peronista leadership has undertaken vigorous measures to purge disloyal and incompetent adherents. The administration has intensified its efforts to reform and reorganize in its attack on the politico-economic crisis. Although the Radical Party holds less than one-third of the seats in the Chamber of Deputies (the Senate is entirely Peronista), it has made impressive gains in recent provincial elections and it evidently counts on exploiting current difficulties of the regime for its own advantage in the 1952 presidential and congressional elections.
 The Radicals and the opposition press have recently prodded the administration with charges of permitting police to

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employ electric needles to torture confessions from criminals and alleged subversives, laxity in enforcement of immigration rules permitting Nazis to enter the country, and violating freedom of the press. But most effective have been the recent Radical attacks on IAPI, the state trading organization, which resulted in a reluctant agreement by the congressional majority to an investigation. This organization was the instrument of Argentina's post-war high-price international trade policy — a policy which the US frequently urged the Argentines to modify. It is true that Peron's recent drastic curtailment of the scope of IAPI's activities and his placing it under the direction of the Ministry of Economy was in line with his new trade policy (see B/LA Wkly, 26 Jul 49). But both the thoroughness and the timing of this reform measure appear to have been influenced by a desire to minimize the political effects of the Radicals' charges against the institution.

4. URUGUAY: Closing of US Naval Attaché's Office

A US Navy Department announcement that budgetary limitations would force the closing of the naval attaché office in Montevideo on 30 August and the transfer of its functions to the naval attaché in Buenos Aires brought, according to the US Ambassador, expressions of "dismay and disappointment" from the Inspector General of the Uruguayan Navy, who intimated that the move would be regarded as US "neglect" of Uruguay. The official said also that the accrediting of the naval attaché in Buenos Aires to Uruguay as well would not be particularly helpful, in view of the present state of Uruguayan-Argentine relations; moreover he claimed that the US Secretary of State in 1947 had given assurances that the office would be maintained and that there was no time limit to these assurances.

B/LA estimates that the move would be a severe blow to the Uruguayan government's prestige and damaging to US-Uruguayan relations, coming as it does immediately after the misunderstanding created by Uruguay's loss to Argentina of a substantial US meat contract.

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Article 16-49

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The 1950 Jamaica Elections

The February 1950 Jamaica general elections, following a campaign that is expected to be bitter and close, may determine the fate of the proposed British West Indies federation and fix the local-government attitude toward US military forces in the island. US security interests in the Caribbean area will be favored if Alexander Bustamante's Jamaica Labor Party wins these elections.

The campaign will center about domestic issues and the personalities of party leaders. Public opinion is at present about evenly divided between the incumbent Jamaica Labor Party (JLP) -- the personal party of William Alexander Bustamante -- and the People's National Party (PNP) under the leadership of Norman Washington Manley. Both are closely affiliated with labor organizations. Bustamante's flamboyancy appeals to the masses, and his vigorous advocacy of capitalism has won him the support of commerce and the prosperous planters. Manley's left-wing Socialist PNP derives its adherents from the educated middle and lower classes who admire Manley's intelligence and qualities of statesmanship. Manley has decried the "dictatorial" regime of the JLP, which has been in power since 1944, while Bustamante has labeled the PNP "communistic."

The campaign will be bitterly contested. One person has already been killed and several injured in preliminary political skirmishes. Security forces, though apparently adequate to prevent the outbreak of large-scale disorders, are unable to control scattered disturbances. The strength of the two parties appears evenly matched at present. Bustamante's reelection chances will be favored, however, if his current trip to the UK in quest of a long-term UK sugar policy vis-à-vis the British West Indies results in benefits for Jamaica, and if, as seems likely, his government can avoid raising taxes before the elections.

The outcome of the elections may determine the fate of the proposed federation of the British West Indies and the nature of Jamaica's politico-economic system. Manley is one of the foremost advocates of a federation of the British West Indies, while Bustamante, primarily because of his hatred for Manley, is cool toward the idea. Since Jamaica is the largest, most populous, and politically most advanced of the British Caribbean colonies, Bustamante's reelection would hinder the federation movement.

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The reelection of Bustamante, who is implacably hostile to any form of socialization whatever, would probably discourage any move on the part of the UK Labor government to nationalize the British West Indies sugar industry.

US security interests will be favored by Bustamante's reelection. There is considerable anti-US sentiment in Manley's PNP, especially among its color-conscious leaders. The PNP, if elected, would doubtless propose and pass resolutions opposing the peacetime presence in Jamaica of US military forces and imputing aggressive designs against Jamaica to the US, thereby placing the US in the position of occupying base sites with the consent of the UK but in opposition to the expressed desire of the local government. The disadvantages of continued US occupation of the base sites under these circumstances might then outweigh the benefits. Bustamante's JLP has a consistent record of opposition to such PNP-sponsored resolutions and can be expected to continue this opposition if reelected.

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