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Weekly Contributions 33-50
Latin America Division, ORE, CIA
15 August 1950

Of the items reported this week D/LA finds that on the possible communist violence in Brazil (p. 3) of particular interest.

CURRENT DEVELOPMENTS

NORTHERN AREA: Costa Rica's government has seized numerous Communists (p. 2). Haiti's Colonel Magloire is expected to be elected president on 8 October (p. 2).

CENTRAL AREA: Brazil has decided to offer no direct military aid to the UN at this time (p. 2).

Colombia's new president, in naming his cabinet, has taken a step towards establishing public confidence in his government (p. 3). Ecuador's government, even though it quickly suppressed the recent uprising, continues to be unstable (p. 3).

SPECIAL SUBJECTS

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DOCUMENT NO. **33**
 NO CHANGE IN CLASS. []
 [] DECLASSIFIED
 CLASS. CHANGED TO: TS S
 NEXT REVIEW DATE: **01987**
 AUTH: []
 DATE: **10-26-79**

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1. **COSTA RICA:** Communist Leaders Seized as Result of Reported Plot
The seizure of Manuel Mora and other Communist leaders on 11 August appears to be a preventive move taken by the government as a result of reported Calderonista plotting plus the continued activity of Communists who defied the government's proscription of their party. The Ulate administration, by numerous arrests and elaborate police precautions, has buttressed its stability, but there is little indication, on the basis of reports presently available, that any serious threat existed.
2. **HAITI:** Magloire Probably Will be Elected President 8 October
The junta's decision to hold popular elections on 8 October for a president, legislature and constituent assembly will probably result in the elevation of Colonel Magloire to the presidency. Magloire, strong man of the junta, has resigned from the cabinet, made extensive political tours of the provinces and has otherwise comported himself as a presidential candidate. If, as seems clearly indicated, he publicly announces his candidacy, his power and popularity are such that he will doubtless be elected. Magloire's administration in general would differ little from its predecessors but would probably be characterized by greater stability and fiscal conservatism, more assured army support, more regularized and less wasteful graft distribution, and more effective cooperation with the US in most international matters.
3. **BRAZIL:** Government Will Offer No Direct Military Aid to UN at This Time
Domestic political considerations were paramount in Brazil's decision not to offer direct military aid to the UN forces at this time. It is true that the National Security Council said that Brazil did not have the means to furnish a military contingent as desired by the Unified Command of the UN forces. The weight of the political factors in the decision, however, is illustrated by the action of President Dutra and the Combined General Staff of the armed forces in concurring with the Foreign Minister's recommendation -- that for diplomatic and moral reasons Brazil furnish military aid now -- but with the reservation that high political opinion should be sounded out. It is further illustrated in the statements of both "democratic" candidates for the presidency in the 3 October elections. Both candidates -- Machado of the government party (PSD), and Gomes of the "loyal opposition" party (UDN) -- made statements to the effect that an offer of military aid by Brazil at this time would play into the hands of candidate Vargas, the ex-dictator, who, by opposing Brazil's sending of military aid to the UN forces fighting in Korea, gained political support from many extreme nationalists, Communists, and those who have anti-US attitudes. Both Machado and Gomes apparently feel that any such action by the government now would be the factor that could swing the election to Vargas. Brazil's decision is peculiarly adverse to US interests because that country is perhaps more capable than any other in Latin America of furnishing useful direct military aid, and because the Brazilian decision, when it becomes known to other Latin American governments, may well adversely influence the decisions of many of them.

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After the elections, however, Brazil may offer direct aid if either Machado or Gómes are elected. Both of these candidates have said that after the election, if either is victorious, that they would be prepared to reexamine the question. On the other hand, if Vargas is elected, he may well decide to offer no military assistance until such time as an all-out war exists, or until Brazil is directly or indirectly attacked.

Meanwhile, Brazil may make an offer of material aid. The Foreign Minister has told our Embassy that Brazil would make a substantial offer, and it is reported that details of this offer are being worked out by Brazilian officials. The offer, if it is made, may be a free gift of money for purchase in Brazil of supplies and raw materials needed by the UN command or the US.

5. COLOMBIA: Gómez Appoints Moderate Cabinet

Colombia's new president, Laureano Gómez, has taken a first step toward establishing public confidence in his government by giving key posts in his new cabinet to men who, although unshakably Conservative in their political views, are not subservient to Gómez personally. Furthermore, the appointment of pro-US Gonzalo Restrepo Jaramillo to the Ministry of Foreign Affairs may well indicate that Gómez has been sincere in his expressed desire for good relations with the US.

6. ECUADOR: Government Still Unstable After New Revolutionary Attempt

The failure of Colonel Carlos Manchano's revolutionary attempt of 10 August will not help to increase the stability of the government. This most recent outbreak is indicative of a growing spirit of unrest in

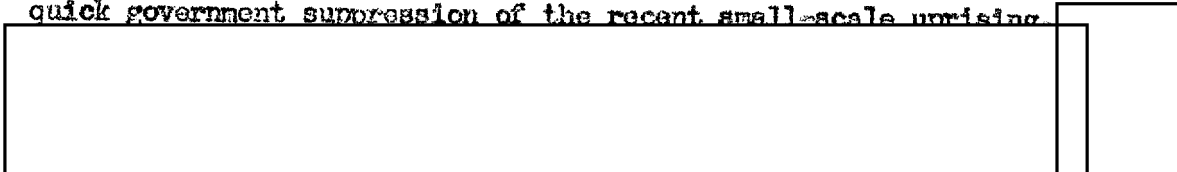
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the army and it is possible that there may be further trouble. Future outbreaks will probably meet with the same results as did that led by Mancheno, if opposed by the Minister of Defense, Manuel Diaz-Granados, whose decisive action in alerting the mechanized unit in Quito led to quick government suppression of the recent small-scale uprising.



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The Current Inter-American Situation

(Summary -- The most important development in the inter-American scene within the past three months was the unanimous decision of the CCAS to pass a resolution of support for the UN in the matter of Korea. Also noteworthy was the first report of the Special Committee for the Caribbean, stating that an "atmosphere of understanding and good will" has been reestablished in that area. The stabilizing effect on the disputant nations produced by OAS action is evidently continuing, and it is not expected that any of the countries concerned will do anything within the next three months to alter that situation. The number of states ratifying basic inter-American instruments continues to increase. A temporary rise in anti-US feeling in the coffee countries resulted from the Gillette report, and the reopening of long standing issues between certain South American republics carry a potential threat to friendly relations. On the international level there has been moral support from the nations of Latin America on the Korean matter, though little in the way of concrete military aid has been as yet offered by them.

-- Inter-American solidarity continues to be strengthened with the Korean crisis making the most important current contribution to that unity.)

Intra-Hemisphere Issues

OAS and Inter-American Treaties. The most noteworthy inter-American event of the past three months was the passage, by unanimous vote of the Council of the OAS, of a resolution supporting the UN on the matter of Korea. Although this resolution amounted to no more than a declaration of moral support, it did indicate Latin American solidarity with the UN and the US on this vital issue.

The Special Committee for the Caribbean or "watchdog" committee established by the CCAS to act as a conciliatory body in the recent Caribbean difficulties declared in its first report of 30 June that concrete measures initiated by the governments concerned have helped "to establish an atmosphere of understanding and good will" in the Caribbean area. The stabilizing effect produced by the invocation of the Rio treaty and by subsequent action taken by the Council of the OAS in its capacity as Provisional Organ of Consultation has therefore continued, and it is

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unlikely that any of the governments implicated in the Caribbean disputes will do anything within the next three months to threaten each other's security or stability. Internal changes in government and concern over serious domestic difficulties in certain of these nations, plus the distraction from narrow regional affairs caused by the Korean crisis, will probably reinforce the alleviating effect of CAS action on tensions in the Caribbean.

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The Korean crisis hastened ratification of the Rio treaty by Argentina and may stimulate similar action in some or all of the four remaining non-ratifying states. Unanimous ratification of the treaty which provides the legal basis for the mutual defense of the Hemisphere would be of considerable importance in demonstrating inter-American solidarity during this critical period.

Eight states have now ratified the Charter of the CAS (the most recent being El Salvador and Nicaragua) and five republics have ratified the Pact of Bogota. The increase in the number of nations ratifying the Charter is encouraging, and it is expected that this trend will continue to the benefit of inter-American solidarity.

ILLEGIB

The trend in Latin America toward uniformity on the question of recognition of governments brought to power by coups d'etat continues with the reestablishment of diplomatic relations between Uruguay and Peru and Chilean recognition of the Haitian Junta providing the most recent

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25X1 examples. Despite this, however, the first meeting of the Inter-American Council of Jurists [redacted] was unable to reach agreement in principle on the criteria governing recognition of de facto regimes, and the matter has been referred back to the American governments for further study.

Extra-Hemisphere Issues

25X1 UN and Specialized Agencies: All the nations of Latin America approved the decisions of the Security Council on the matter of Korea, but thus far only Bolivia, Costa Rica, Panama, and Uruguay have made specific offers of military assistance [redacted]. Others have responded to the UN request with offers of economic assistance or have indicated a willingness to consult with the Unified Command concerning the possibility of rendering military aid. It is not likely though that much in the way of such assistance will materialize from these consultations (Brazil has decided not to send combat forces at the present time) unless the Latin Americans come to realize more clearly the interests they have at stake in the East-West struggle. Because of the Korean affair, however, they will probably give stronger and more consistent support than heretofore to US policies in the UN.

Relations with Nations outside the Western Hemisphere: Spain: If a resolution annulling in whole or in part the 1946 UN resolution concerning Spain is introduced at the fifth session of the GA (as seems likely) Latin America, except for Mexico and Guatemala, is expected to support it.

USSR: There has been no change in the status of diplomatic relations between Russia and the five Latin American countries which maintain representatives in Moscow. The continually increasing intensity of the anti-Communist campaign in some of these nations could eventually lead to a diplomatic rupture. Even if this does not occur, however, none of these five republics is expected to exploit its relations with the USSR to the detriment of US security interests.

China: No Latin American nation has extended recognition to the Chinese Communist regime, and it remains extremely doubtful that any would do so as long as the US maintains its present attitude toward the Peiping government. Moreover, at least for the moment, the Korean situation has eliminated the possibility of any Latin American support for the admission of Communist China delegates to the UN.

Support of Important US Foreign Policies: The other American republics continue to support the US vis-a-vis the USSR, though even their solidarity with us on Korea has not been free from hints (especially from Brazil) that they would have been in a better position to render concrete military and economic assistance if the US had not neglected them in the post-war era.

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The Current Situation in Mexico

(Summary -- Even though political tension has arisen over the question of presidential succession, basic stability of government is probably not seriously threatened. The economic and labor situations are generally favorable. Communist potentialities have been slightly reduced, and popular anti-Communist feeling has increased since the Korean crisis. The military are participating more actively in domestic politics. International relations remain good.

-- US security interests have been favorably affected by a decline of Communist influence in labor, by popular support of the US-UN position in Korea, and by strengthened relations between Mexico and the US.)

Political

Political activity during the last three months has centered around the issue of reelection of the president, a step prohibited by the Mexican constitution and tradition since the Revolution of 1910. Alemán's tours of the country were interpreted to be part of his political campaign, and tension has so mounted by mid-July that a crisis seemed imminent

while the possibility of political turmoil has not been eliminated, there should be no threat to the stability of the government provided Alemán announces in his 1 September address to Congress -- as it is anticipated he will do -- that he does not want reelection. Radical opposition to the administration has become even less significant as forces have rallied around the government in support of UN activity in Korea.

In the next few months there will probably be considerable activity within the official party, particularly involving the army over the presidential reelection issue.

Economic

The economic situation, although slightly depressed in recent months by a continuation of unfavorable trade balances, rising cost of living, and an electric power shortage which has worked hardship on industrial production, has not altered general economic stability. On the favorable side are increased metals prices and prospects of increased production, which would result in higher government revenues and improved balance of payments; increasing petroleum productions; the recently improved position of the peso in relation to the dollar; completed public works projects of long-range value; and prospects of increased trade with Europe under agreements obtained by the Mexican commercial mission, which should produce needed imports and conserve dollars. Because of the anticipated continuation of such favorable factors, the economic outlook for the next months is good.

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Labor

The Mexican labor situation in recent months has been characterized by an intensive struggle between the Communists and anti-Communists for union control, with the former having lost some ground. It is true that the Communists have been active in inspiring the electricians' campaign against foreign-owned Mexlight and in exploiting the third telephone strike in less than a year as well as strike threats from the railroaders. However, disaffection of several important syndicates from the Communist bloc (UGOCM, CTAL, WFTU) has left these unions dissension-ridden with Communist influence restricted to individuals in local groups. Moreover, CROM, in sponsoring a congress of all anti-Communist groups, and the pro-government CTM in its energetic organizational campaign are proving themselves the most effective proponents of anti-Communism. The previous trend of anti-Communist labor toward independence from any international organization may also be reversed with the possibility that the CTM and other groups may become affiliated with the ICFPU.

Despite the loss by the Communists of union control and the probability that the Mexican government will make sure in the present crisis that labor moves toward closer cooperation with US and other Western powers, Communist-controlled labor unions can still call certain important local strikes and could temporarily disrupt some industries.

Military

Military activity in recent months has been closely associated with the foremost political issues of futurismo and reeleccionismo (see Political). Normally, all political campaigning by the military would be done on a personal basis and while on leave. However, with the increasing activity for the proposed constitutional changes leading to presidential reelection, army elements, especially "revolucionarios", were aroused to voice this opposition in order to stem such a movement and may prove a major contributing factor should the President decide against reelection. The army also can be expected to take a more active participation in the campaign for military candidates running for election.

Outside the sphere of reelection, the army remains loyal to the present administration and can be counted upon to support any official decision regarding cooperation in the UN action against communist aggression in Korea.

Subversive

Communist potentialities in Mexico have been slightly reduced in the last three months. Furthermore, the government is believed capable of containing any major communist activity aimed at impairing Mexico's cooperation in the present emergency. Whereas potential Communist strike and sabotage capabilities still exist, intensified anti-communist activity in labor (see Labor section) has decreased these capabilities. It is true that front organizations and splinter groups are now more able to reach various sectors of the population with propaganda which might embarrass the Mexican government. However, these Communist gains are less significant than their labor losses.

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No restrictions on CP or front organization activities have been imposed nor is it likely that the government contemplates any extreme measure such as outlawing the Party or breaking relations with the USSR. The recent arrests and detention of known communists, however, illustrates the government's ability to round up known subversives. Although no organized resistance to Mexican support of the UN action has been reported other than that of the leftist press, police precautionary measures against possible communist manifestations have been taken.

The Korean crisis has added considerably to the general anti-Communist feeling and it is believed that press discussions of basic East versus West issues have clarified the thinking of many Mexicans, including some who may have in the past supported a Communist-sponsored movement.

International

The Mexican government is now conducting discussions with the Unified Command concerning the effective aid it can render to the UN in its action against aggression in Korea. From the beginning of the emergency, official sources have expressed the government's intention to fulfill its obligations under the UN Charter and the conservative press has given undeniable moral support to the US. No definite commitments, however, have been advocated in editorial or other press comments, and opposition from Congressional and labor circles to sending Mexican troops at this time is reported. It is estimated that, whether or not Mexico sends ground troops in the event of further acts of aggression, Mexico's major contribution now will consist of farm laborers for US agricultural needs and strategic materials for the war effort.

Relations with the US are excellent. Normal diplomatic negotiations have remained friendly throughout the discussions of problems incident to the joint denunciation of the Mex-US Trade Agreement and to the implementation of the Farm Labor Agreement. The visit to Mexico City of Assistant Secretary Miller, during which important matters, including outstanding unsettled issues between the two countries, were discussed informally, has also contributed to strengthening the cordial state of Mexican-US relations.

Mexican-Argentine cultural relations have been highlighted by the successful Argentine campaign of emphasizing the celebration in Mexico of San Martin Day as a common bond between the two countries. These unceasing propaganda efforts by the Argentine have resulted in the recent organization of an Association of Friends of Argentina.

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