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Weekly Contributions 44-50  
Latin America Division, ORE, CIA  
31 October 1950

D/LA finds of particular interest this week the item on Ecuadoran-Peruvian relations (p. 2).

CURRENT DEVELOPMENTS

GENERAL: Recent ratifications of the Rio Treaty mark an important point in the development of inter-American relations (p. 2). Relations between Ecuador and Peru have improved (p. 2).

NORTHERN AREA: Mexican Communists in the mining industry are seeking a showdown with the government (p. 2).

CENTRAL AREA: Dissension in Colombia's Communist Party has resulted from a struggle for power between party leaders (p. 3).

SOUTHERN AREA: Peru will be faced with a vexatious problem, whatever the decision of the International Court of Justice on the Hays de la Torre case (p. 3).

SPECIAL SUBJECTS

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1. GENERAL: Current Status of the Rio Treaty and the OAS Charter

The recent ratifications of the Rio Treaty by Guatemala, Peru, and Ecuador bring the total number of ratifying states to twenty-one, thus marking an important point in the development of inter-American relations, since it is the first time that any inter-American instrument has received unanimous ratification. \* In depositing its instrument of ratification with PAU, Guatemala attached a reservation concerning Belize which is expected to bring objections from some other American republics. Although such objections would not necessarily prevent formal acceptance of Guatemala's ratification, they could make the Rio Treaty inoperative between objecting states and Guatemala and therefore impair its complete effectiveness. If this one potential impediment to the operation of the treaty is removed, however, unanimous ratification of the instrument which provides the legal basis for the mutual defense of the Western Hemisphere will be of real significance in demonstrating inter-American solidarity, particularly during this difficult period in international relations.

Shortly after Ecuador ratified the Rio Treaty it became the eleventh state to ratify the Charter of the OAS. Prospects that this fundamental document will likewise receive unanimous ratification are very good. Inasmuch as the Charter is the constitution of the OAS, its ratification by all the American republics would also further US interest in Hemisphere solidarity.

\* Two other Pan American agreements may be regarded as having practical, though not technical, unanimous ratification because several nations adhered to rather than ratified them.

2. Armed Conflict Unlikely

The softening of Peru's attitude toward Ecuador will probably reduce the recently heightened tension between the two nations. Armed conflict, which was considered unlikely a few weeks ago (D/LA Wkly, 10 Oct 50), appears even more unlikely at this time. Despite the lack of factual evidence regarding Ecuador's aggressive intentions toward Peru, Peru notified the guarantors of the 1942 Rio Protocol -- Argentina, Brazil, Chile, and the US -- that, unless concentrations of Ecuadoran troops on its borders were withdrawn, it would dispatch its forces to the frontier. Further, on 25 October, Peru refused to grant clearance for a routine shipment of aviation gasoline for the Ecuadoran army. Nevertheless, within three days Peru's attitude had softened, and the gasoline shipment was released. It is believed that this sudden shift in Peru's stand resulted from the expression on 27 October of US concern regarding Peru's attitude and from the adoption on 27 October by the guarantor nations of the Peruvian proposal that military commissions be set up to observe the situation on both sides of the boundary.

3. MEXICO: Communist Miners Appear Ready for a Showdown

Mexican Communists, who have lost ground continuously in the labor movement during the past year, apparently have decided to have a long-postponed "showdown" with government forces in the mining industry.

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The Communists have been staging strikes accompanied by sabotage and violence in the coal fields and other parts of the mining industry, their objective being to force government recognition of Communist mine leaders. They have made no attempt to camouflage their support and purposes, since they have declared publicly that they are guaranteed financial support by WFTU and that they are also supported by Russian and Czech organizations.

The government, having sent armed troops to the critical areas to protect non-Communist workers, is being placed in an extremely difficult position, in that use of force might give grounds to Communist charges that the current case is like that of the Cananea affair under Porfirio Diaz (a bloody massacre of organized labor early in the century, one of the rallying points of the Mexican Revolution). To date, however, instructions forbid troops the use of force to put down Communist agitation.

It is possible that Communist sabotage and violence might emerge from this situation, and that it might reach such proportions as to threaten injury to the national economy; in such an event the government would feel compelled openly to use force to restore order. It is much more likely, however, that the present strikes will be settled through cooperation between the non-Communist majority in the union and the mine owners (with sub rosa advice from government authorities). Also it may be expected that the Communists, in their attempted "showdown", will not succeed in extending further their influence over Mexican labor.

4. COLOMBIA: Expulsion of Durán from the Communist Party

The recent expulsion of Augusto Durán from the Communist Party will probably weaken the Communist potential for organized action in Colombia. The expulsion is a result of the long-standing struggle for power between Durán and Vieira White. Of the two men, Durán is apparently more aware of world Communist trends and has far better international Communist connections; consequently, his expulsion from the party is a strong indication that international influences are and will continue to be relatively inconsequential to the Colombian Communist Party. The expulsion will further weaken the Communist potential as it will leave leadership of the party in the hands of the rather ineffective Vieira White and will probably increase internal party dissension, since a small faction can be expected to retain its loyalty to Durán.

5. PERU: Haya de la Torre Case Poses a Vexatious Problem

Whatever the decision of the International Court of Justice at the Hague concerning the case of Raul Haya de la Torre, Peru will be presented with a vexatious problem. If the Court decides against Peru's contention that Haya de la Torre is only a "political criminal" and

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that therefore Colombia was correct in granting him asylum in the Colombian Embassy in Lima, Peruvian national pride will be severely wounded. If, on the other hand, the Court recognizes Peru's contention that Haya de la Torre is a "common criminal" and directs that he be turned over to the Peruvians for trial on the criminal charges against him -- which are considered extremely tenuous by D/LA -- President Odría will then have an extremely difficult problem on his hands. A trial of Haya de la Torre in Peru would probably do more to regenerate dying popular enthusiasm for the Aprista cause than anything the Aprista leader himself could do, and conviction and punishment would so clinch his "martyrdom" that Aprismo would have a strong rallying cause for many years to come, not only in Peru but in some other Hemisphere countries.

While no doubt the Peruvian government is well aware of this situation, D/LA believes that if the decision is in favor of Peru's contention, the government will follow through on its policy against Haya de la Torre regardless of consequences, but that it would secretly be relieved with a decision against its contention, although it would undoubtedly protest loudly for home consumption.

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The Current Situation in Cuba

(Summary -- The Prío administration remains stable. The economic situation continues favorable. There has been no significant change in the armed forces during the past three months. Communist capabilities are still substantial. Cuban international relations remain, in general, unchanged.

-- US security interests continue to be adversely affected by the substantial capabilities of Cuban Communists.)

Political

The Prío administration remains stable, although governmental action has been made difficult by the intense political pressures that have arisen in recent months. The administration's majority in congress has been reduced and rendered unreliable by the new rift (Suárez-Prío) in the Auténtico Party (D/LA Wkly, 10 Oct 50), by the strong rivalry between the Grau and Prío factions of the party, and by the continual jockeying for position among other political factions that are already seeking advantageous alliances for the 1952 presidential election. In addition, the president has been having other difficulties. He has been under continual pressure between public demand for honest and efficient government (D/LA Wkly, 3 Oct 50) and the selfish demands of Auténtico politicians. Prío has been trying to compromise the various demands in such a way as to increase the administration's prestige and to strengthen his own position as party leader. His concern for his party leadership has weakened his actions as president. As a result, he has contributed to the general lack of public confidence in both the honesty and competence of the administration.

Developing political rivalries will probably delay or prevent effective congressional action on problems having political implications, and these rivalries, plus possible administration failures, may further weaken the president's political power. It is not expected, however, that these developments will be of such magnitude as to threaten the continuance of the regime.

Economic

The economic situation is favorable. The 1950 sugar crop has been sold at favorable prices and commercial, industrial, and private construction activities are operating at a high level. A substantial program of public works is being initiated with a new internal loan of \$120 million, of which funds amounting to \$45 million are to be expended in the near future for the construction of farm-to-market roads, water works, bridges, sewers, and tourist facilities. Other plans are being formulated for agricultural and tourist developments.

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Costs of living, especially prices of staple foods, have been rising more rapidly than wages. Government enforcement of price ceiling and food distribution regulations have not prevented black market conditions. Dissatisfaction with the high costs of living may find expression in new demands by labor for higher wages, probably accompanied by labor disturbances. In that event, the Prío administration can be expected to favor labor.

D/IA estimates that the economic situation will remain favorable during the coming months.

#### Military

There has been no increase in size nor any improvement in the equipment of the armed forces during the past three months. The armed forces are not adequately equipped and trained at present for effective air and naval support of the US in the Caribbean area or for military aid to the UN (see International). The government has indicated its desire to obtain aircraft and various other arms and equipment and to have a US Air Force Training Mission assigned to Cuba. In the near future, a US Joint Military Survey Mission will be sent to Cuba to make a survey of the armed forces and of Cuban defense needs.

D/IA estimates that the armed forces are loyal to the Prío administration and are strong enough to maintain the authority of the state under ordinary circumstances, but that they might have some difficulty in preventing sabotage if it were attempted on a large scale.

#### Subversive

Communist capabilities continue to be substantial, notwithstanding the suppression of Communist publications and the intensified police repression of Communist activities. Although the government's anti-Communist measures have frightened increasing numbers of non-militant members away from the party, the Communists still retain their capacity for effective labor agitation and their influence in politics (D/IA Wkly, 3 Oct 50), in the youth movement, and with women's groups. As yet the government has taken no effective action to remove Communists from the telephone and electric industries, from other parts of the communications system and from government positions. Indeed, the House of Representatives has refused to act on a bill authorizing such action. The president, aware of the political strength of the Communists, has as yet made no request either for anti-Communist legislation or for a clarification by the judiciary of the constitutionality of basic points involved in the government's anti-Communist activities.

It is estimated that for coming months the Communists will remain a substantial force in Cuba.

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### International

Cuban international relations remain generally unchanged: relations with the Dominican Republic are still strained; relations with the US remain cordial; and the Cuban government continues to support the UN. The Dominican Republic, which has made many accusations against Cuba, now appears unwilling to regard the Cayo-Confites issue as settled by the return of the Dominican vessel Angelita (D/LA Wkly, 1 Aug 50). At the same time, the Cuban government has stated its intention to maintain normal diplomatic relations if possible. The over-all cordiality of Cuban-US relations has been occasionally marred by resentment of Cuban officials when US policy has been interpreted by them as an economic handicap or as an insult to Cuban nationalism. The government has continued its support of the UN action in North Korea. Although Cuba has been reluctant in the past to offer military aid, it has offered economic aid to the UN and the government is now in the process of determining the types and conditions of possible Cuban military assistance to the UN (see Military). In addition, the US and Cuba are negotiating an accord similar to that of World War II, allowing Cubans to join US armed forces without losing Cuban citizenship. The currently negotiated accord may facilitate Cuban participation in UN military activities.

D/LA estimates that, during coming months, Cuban-Dominican relations will remain strained, that relations with the US will continue to be generally cordial, and that Cuba will continue to support the UN.