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CENTRAL INTELLIGENCE AGENCY

30 March 1954

MEMORANDUM FOR: Mr. Allan Evans (OIR)
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SUBJECT : NIE 80-54: The Caribbean Republics

1. The attached terms of reference, indicating allocations of production responsibility, were agreed on at the meeting of the IAC representatives on 29 March.

2. By agreement, Service contributions are due on 1 June. The State contribution is due by 1 July, but will be made earlier if possible.

Paul A. Borel

PAUL A. BOREL
Deputy Assistant Director
National Estimates

Distribution "B"

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CENTRAL INTELLIGENCE AGENCY

30 March 1954

SUBJECT: TERMS OF REFERENCE: NIE 80-54: THE CARIBBEAN REPUBLICS

THE PROBLEM

To estimate the situation and probable developments in the Caribbean republics with reference to their internal policies, their political stability, and their relations with one another, with the United States, and with the Soviet Bloc.

SCOPE

This estimate is intended to cover, from a regional point of view, the internal situation in, and international relations of, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Cuba, Haiti, and the Dominican Republic. As regards Guatemala, contributions should take for granted the more extensive analysis in NIE 84, 19 May 1953, and merely note any significant change in the situation since that date. Some reference to the situation in Venezuela will be necessary to explain the influence of Venezuelan

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exiles and international alignments in the region. Venezuela should be brought into the extent necessary for those purposes, but a detailed analysis of the situation in Venezuela per se should be considered outside the scope of the estimate. Some reference to Mexico will also be necessary in connection with exiles, alignments, and Communists. The estimate should be open-ended, looking forward as far as possible.

QUESTIONS BEARING ON THE PROBLEM

I. STRATEGIC IMPORTANCE

Defense

A. Geographic

1. How does the location of the Caribbean republics affect their strategic importance?

Defense

B. Military

1. What militarily significant facilities or sites exist in these republics? To what extent are they available to the US?
2. What are the strengths and capabilities of the armed forces of the Caribbean republics?

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3. In the event of general war during the 1950's, to what extent could and would the republics provide forces capable of preserving internal security? Of contributing to hemisphere defense? Of serving overseas?

OIR

C. Economic

1. What strategic and other important materials from the republics are available to the US and the West in significant quantities? From which republics? How essential are they in terms of the total supply available to the US and the West? Briefly, what plans or programs for further development are under way?

OIR

II. BASIC CONDITIONS

What are the basic social, economic, and political conditions of the Caribbean republics? (Racial diversity; poverty and illiteracy of the masses; underdeveloped, raw-materials-producing and exporting economies, dependence on foreign capital and enterprise (e.g., the United Fruit Company); political immaturity and instability; personalized authoritarian regimes; expanding pressures for economic, social, and

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political reform.) To what extent do these conditions cause unrest and to what extent will they probably continue to do so?

OIR III. COMMUNIST STRENGTH AND INFLUENCE

A. Guatemala

In the present regional context, what modification of the estimate contained in NIE-84 is necessary, if any? Does a Communist objective in Guatemala appear to be that of goading the US into intervention in order to aggravate US-Latin American relations.

B. Cuba

(Defense) What are the organization, strength, and capabilities of the Communists in Cuba? What is the extent of their influence in labor? What is the attitude and policy of Batista toward the Communists? Of the Armed Forces? Of the oppositionists in Cuba and in exile? What are probable developments?

C. Elsewhere

What is the current Communist strength in the other Caribbean republics and what is the trend?

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D. International Contacts

How do the Communists in the Caribbean republics maintain international contacts? Is there any identifiable headquarters (for example Guatemala) for intra-regional contacts? Do Soviet Bloc diplomatic and consular missions in the Caribbean area play a significant role in maintaining these contacts? To what extent does Cuba serve the Communists as a base of operations? What are probable developments?

E. Anti-Communist Measures

To what extent are the republics adopting anti-Communist measures individually and in cooperation with one another? What will be the probable effect of the anti-Communist declaration adopted at the Caracas conference?

OIR IV. INTERNAL POLICIES AFFECTING US INTERESTSA. Guatemala

What is the present policy of the Guatemalan Government toward the United Fruit Company? Toward other private US enterprises in Guatemala? How important is the Fruit Company economically to Guatemala? Is the

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government's present policy calculated to expel the Fruit Company or rather to preserve it as a "whipping boy"? What are the probable developments?

B. Elsewhere

1. What are the present policy and probable long-range intentions of:
 - (a) Figueres toward the United Fruit Company and other private US enterprises in Costa Rica?
 - (b) Trujillo toward the US sugar companies and other private US enterprises in the Dominican Republic?
2. Are there any internal policies in the other republics significantly affecting US Government or private interests?
3. Are any of the above likely to cause serious friction with the US?

OIR

V. INTRAREGIONAL RELATIONSHIPS

A. "Democracies vs Dictatorships"

What was the early postwar alignment of "democracies" versus "dictatorships" in the Caribbean and the nature of the conflict between the two groups? To what extent did the alignment

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represent ideological differences and to what extent considerations of personal or group self-interest? How firm were the alignments? How has this situation been affected by the subsequent revolutions in Venezuela and Cuba, by other changes in administrations, and by the intervention of the OAS? Is there any comparable alignment at present? If so, what are the bases of common action and how strong are the ties in each group? What are probable developments?

B. The Exiles' Activities and Influence

What are the present activities, influence, and capabilities of exiles from the Dominican Republic, Cuba, Venezuela, and the other countries? Do they collaborate? What is the relationship between Figueres and the exiles? To what extent are Guatemala, Costa Rica, Mexico, and the US used by the exiles as bases of operations? How are their operations financed? Does the Caribbean Legion still exist? If so, where is it based and what are its present strength and capabilities?

C. Guatemala

What is the state of Guatemala's relations with the other Caribbean republics? With ODECA? With British Honduras? What are probable developments?

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VI. POLITICAL STABILITY

A. Guatemala

Is any modification of the estimate in NIE-84 necessary?

B. Cuba

What is the present stability of the Batista regime in Cuba? To what extent does the regime depend upon the support of the Armed Forces? Upon other elements? What is the present of the Armed Forces toward Batista? What are the strength, capability, and influence of the oppositionists in Cuba and in exile? In the event of Batista's removal from the scene, what would be the probable character of the successor government?

C. Honduras

Will the split in the traditional ruling group cause increasing unrest and increase the influence of leftist, anti-US elements?

D. Elsewhere

Are there any other countries where there is a present potential threat to stability? What are probable developments?

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VII. COOPERATION WITH US

OIR

A. In International Organizations

1. Guatemala

What has been Guatemala's record in the United Nations on basic issues between the US and the Soviet Bloc? On economic issues? Its record in the Organization of American States? What are the implications of its controversy with the US at the Tenth Inter-American Conference at Caracas? What are probable developments?

2. Costa Rica's Absence from Caracas Conference

Why did Figueres elect not to send a Costa Rican delegation to the Caracas Conference? What are the implications of this?

3. Other Republics

What has been the record of the other Caribbean republics in international organizations? With respect to basic issues? Economic matters? Their record at the Caracas Conference? What were the reactions of these republics to Guatemala's controversy with the US at the Conference?

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Defense

B. Hemisphere Defense

Which republics have military assistance pacts with the US and/or US military missions? Which have military commitments for hemisphere defense and what are these commitments?

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DefenseC. Panama and the Canal Zone

What are the present policy and long-range intentions of Ramon regarding Canal Zone treaty revision? To what extent is this issue likely to cause friction with the US?

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D. Influences Affecting Cooperation with the US

Aside from Guatemala, do internal Communist, Peronist or any other influences affect significantly the relations of the Caribbean republics with the US?

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VIII. RELATIONS WITH THE SOVIET BLOCA. Diplomatic and Commercial Relations

Which republics maintain diplomatic relations with the Soviet Bloc? What is the extent of their commercial relations with the Bloc? What are probable developments?

B. Vulnerability to Soviet Economic Warfare

What are the current situation and probable developments in regard to vulnerabilities of the Caribbean republics to Soviet economic warfare?