

REF ID: A66555

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**CENTRAL INTELLIGENCE GROUP**

~~INTELLIGENCE REPORT~~

121997

COUNTRY Venezuela

DATE: 25X1A6a

SUBJECT Friction Between Accion Democratica and Army and National Guard Leaders

INFO. [REDACTED]

DIST. 28 October 1947

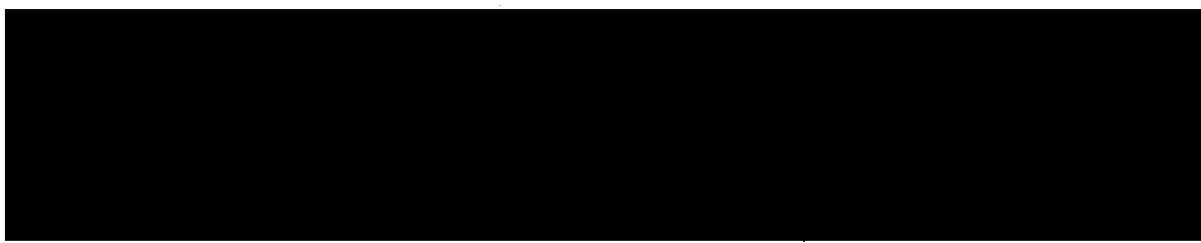
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ORIGIN [REDACTED]

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SUPPLEMENT



1. During the past month there allegedly has been a pronounced resentment within the armed forces in Venezuela toward the Accion Democratica Party. Precautions have been taken by members of the Army and National Guard to preserve their prestige and to strengthen their position in case Accion Democratica endeavors to remove them. The Army and National Guard are particularly dissatisfied with the domination of the Constituent Assembly by the Party and with its approval of accounts of various ministries in which there have been allegations of fraud and graft. Members of the Army, particularly, feel this situation could be corrected, although not without dissension within the Party ranks, if Romulo Gallegos, official Accion Democratica candidate, is elected to the presidency.
2. Reports of graft by Romulo Betancourt, amounting to approximately 5,000,000 bolivares, have been received. This amount allegedly has been transferred to New York through an agent of Betancourt. Other Accion Democratica government officials have been accused of graft amounting to some 20,000,000 bolivares from the Ministry of Finance through the collection of import duties at the port of La Guaira. Information has also been received concerning graft in the amount of 11,000,000 bolivares in the Linea Aeropostal Venezolana (LAV), which is government-owned and controlled. It is reported that practically no records of accounts are kept by LAV.
3. Lt. Colonel Carlos Delgado Chabaud, Minister of Defense, and Lt. Colonel Mario Vargas, Minister of Interior and a commanding officer in the National Guard, have stated their lack of concern in the immediate future over any civilian uprising. However, they are extremely concerned about what might happen upon the closing of the National Constituent Assembly. In the event that this body terminates its work without making provisions for changes in the decisions of the Jurado de Responsabilidad Civil y Administrativa with regard to the financial assets of former government officials in the old Gomez, Lopez Contreras, and Medina Angarita regimes, there is apt to be serious disagreement among the leaders of Accion Democratica. It has been stated that Dr. Carlos Morales, Minister of Foreign Relations, and Andres Eloy Blanco, President of Accion Democratica and President of the National Constituent Assembly as well, will resign from the Party if these revisions are not made.

This document is hereby regraded to CONFIDENTIAL in accordance with the letter of 16 October 1978 from the Director of Central Intelligence to the Archivist of the United States. CLASSIFICATION ~~CONFIDENTIAL~~  
 Next Review Date: 2008

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Document No. 008  
 NO CHANGE in Class.   
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 Class. AUTHORITY: TS  
 DDA Form, 4 Apr 77  
 Auth: DA REL 77/1765  
 Date: 20 APR 1978 by: 015

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