

LATIN AMERICA

- I. Recent outbreaks in Central America symptomatic of acute political, social unrest in Latin America which is being effectively exploited by Castro regime.
 - A. Cuban propaganda and subversion playing part in recent developments in Guatemala, Nicaragua, Costa Rica, El Salvador.
 - 1. No present evidence of direct Cuban involvement in latest revolutionary attempts in Nicaragua and Guatemala, although Somoza and Ydigoras claim they will produce this.
 - 2. Cuban government reliably reported last month to have given Guatemalan Communists and pro-Communists financial support and promise of arms for revolution against Ydigoras.
 - B. Guatemalan revolt launched 13 November by disaffected army officers still not completely suppressed three days later, although government has recaptured key cities of Zacapa and Puerto Barrios which had been seized by rebels.
 - Insurgents seized quantity of military equipment from minor base in capital on the 13th, and then, with help of defecting soldiers, briefly held garrison in key rail city of Zacapa. They are still at large in vicinity that town and may be able to set up guerrilla redoubt.

A number of rebels driven from Caribbean city of Puerto Barrios Wednesday also remain at large.

Government weakened by refusal many airforce personnel to continue air strikes against insurgents and by rapid deterioration aircraft under combat conditions.

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- 4. Communists and leftists, who apparently surprised by revolt, now seeking to capitalize on it by stirring up populace in capital; anti-government demonstrations 15 November dispersed by police, but new ones planned nightly until fall of government.
- 5. Government position weakened in capital by withdrawal troops to fight outside, although some of these troops may now be returning.
- 6. Further military defections possible and another coup attempt could occur even if current revolt suppressed.
- 13(2) (4) 7. President Ydigoras told CIA representatives 15 November that Atimits and Methods he believes he can suppress present revolt, but situation like erupting volcanoes and he cannot "continue putting tops back on."
 - 8. Guatemala high on Cuban target list and earlier this month Cubans made reconnaissance flights over Guatemalan coast.
 - C. Nicaraguan rebel exiles attacks of 11 November, based in Costa Rica, were more severe than most of the numerous rebel raids into Nicaragua in past 18 months and government felt obliged to declare martial law.
 - Costa Rican action against Nicaraguan rebels in border area, during which Costa Rican civil guard chief killed, prevented border crossings in support of rebels who briefly held two Nicaraguan towns some 55 miles inside country.
 - 2. Rebels apparently included both rightists and leftists, some of whom had recently been in Cuba. A few Cubans also reported among rebels, but this not yet confirmed.

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- D. Leftists continue to entrench selves in Salvadoran government set up after 26 October coup; current situation there is ripe for Cuban exploitation.
 - 1. Cultivation and encouragement of Salvadoran leftists by Cuban embassy in El Salvador contributed in some measure to current leftist resurgence.
 - 2. Counter revolt by moderate military leader being plotted.
- E. In Honduras, Cuban embassy assiduously cultivating Communistoriented student and labor groups and President Villeda Morales faces strong leftist influence in his own Liberal party.
- F. Intensive Cuban propaganda and subversion in other Latin American countries is aggravating existing tensions.
 - 1. Strong pro-Castro groups in Venezuela, however, have recently suffered a setback. Following their serious challenge to the Betancourt government last month, the President plans to exclude their representatives from a reorganized cabinet.
 - 2. While all Latin American governments, in varying degrees, oppose Castro--who describes them as "tools of imperialism" unrepresentative of the people- Castro continues influential among lower income groups in many countries.
 - 3. Castro agents—with the backing of local Communists—continue to exploit these groups and Castro seems convinced that Cuban revolution is destined to spread throughout Latin America.
 - 4. In its propaganda and subversive efforts throughout the hemisphere, the Castro regime has become an effective instrument of the Sino-Soviet bloc in its drive to weaken and eventually destroy US influence in Latin America.

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