

Weekly Contributions
Latin America Division, ORE, CIA
13 December 1979

CURRENT DEVELOPMENTS

GENERAL: The East German government's efforts to obtain recognition from Latin American countries is expected to be unsuccessful (p. 2). Latin American governments' views regarding recognition of Panama are generally in line with those of the US (p. 2).

SPECIAL SUBJECTS

The Current Situation in Venezuela 3

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Weekly Contributions, D/IA
(CIA Working Paper)

13 December 1949

1. GENERAL: East German government bid for recognition by Latin America
The USSR-sponsored East German government has recently sent two emissaries to Latin America to seek recognition from several countries in that area and to arrange for an exchange of diplomatic representatives. D/IA believes that this move will be unsuccessful.

2. Latin American Views on Recognition of Panama
Replies from the other American Republics to the US inquiry of 3 December regarding recognition of the Arias regime in Panama reveal general agreement with the US policy of consultation and delay pending decision as to whether the Arias government has control of the internal situation and intends to live up to its international obligations. Of the three countries which have in the past led the opposition to recognizing governments brought into power by unconstitutional means and which have now expressed their disapproval of the Arias regime, Chile and Uruguay have indicated that they may feel obliged to accord recognition in this case, though Bolivia's position appears so far to remain unchanged. (Cuba, which had immediately recognized the Arias government, was not consulted; Venezuela and Ecuador extended recognition after consultation.)

US recognition, which Department of State plans for 14 December, will probably be followed by that of practically all Latin American nations that have not already acted.

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Weekly Contributions, D/LA
(CIA Working Paper)
Situation Memorandum 72-49

13 December 1949

The Current Situation in Venezuela

(Summary -- The prospects for political stability have improved. With petroleum production at record levels, the economic outlook is favorable. Disunity in the army appears not to have increased. Communist influence in the petroleum workers' syndicates may be extended. No serious international problem threatens.

-- Recent developments, apart from the incipient extension of Communist influence, have not adversely affected US security interests.)

Political

The political situation in Venezuela has improved considerably in recent weeks. Two Acción Democrática anniversaries, which might have been the occasion for AD-inspired uprisings, passed without serious incident, and rumors of an AD plot to overthrow the government have subsided. Dis-satisfaction in the army appears not to have increased. The prestige of the junta was damaged by the arbitrary confinement of twenty-three youthful political offenders even though they were released later. A cabinet crisis and reorganization of the junta was averted, however, as the episode appears to have been closed by a sharp reprimand and warning delivered to Lt. Col. Luis Felipe Llovera Pérez, junta member and Minister of the Interior, who was responsible for the imprisonment.

The first positive steps towards the reestablishment of a constitutional regime were taken on the anniversary of the 24 November 1948 coup. Municipal councils composed of members to be appointed by state governors with junta approval were established. Certain constitutional guarantees were restored, i.e., inviolability of private correspondence, freedom from search without warrant, freedom of travel within the country, and freedom from detention incommunicado or indefinitely without preference of charges. A commission was appointed to revise the electoral code, including as members Jovito Villalba and Rafael Caldera, leaders respectively of the two major political parties, Unión Republicana Democrática (URD) and the Comité Organización Política Electoral Independiente (COPEI).

The return to constitutionalism will undoubtedly be slow and gradual, and it is expected that the military junta will not be replaced by a civilian regime for some time. When normal political activities are permitted, the URD will probably derive greater advantage than other parties from this freedom. Prospects for continuing stability, while not assured, are measurably improved.

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Economic

There has been little significant change in the economic situation in the past three months. Petroleum production has been maintained at record levels. The long-term problem of competition with low-cost Middle East petroleum, especially in European markets, continues to occupy both the government and the oil industry, but serious pressure of competition is not expected to materialize for some months. The mission sent to the Middle East (See D/LA Wkly 25 Oct 49) has completed its work, the results of which are not believed to be significant. The government has not yet announced the terms under which new petroleum concessions will be granted, although Delgado Chalbaud is reported to have told an oil company official that the announcement would be made in mid-November.

The devaluation of the pound and other currencies is not expected, during the next few months, to have any adverse effect on the Venezuelan economy. The trend towards increasing imports from European sources, which preceded the devaluations, has since been accelerated, though Venezuela will continue to be an important market for US exports.

In the iron-mining enterprises south of the Orinoco no important change has occurred. The Bethlehem Steel Co. subsidiary expects to begin exporting ore by the second quarter of 1950, while further development of the concessions of the US Steel Co. subsidiary is delayed pending the company's decision regarding its over-all policy on iron ore imports and on the transportation route to be used.

In the labor movement, the most significant developments are occurring in the Western oil fields, where the two major political parties, URD and COPEI are organizing syndicates in competition with the present Communist "red" and non-Communist "blue" syndicates (See D/LA Wkly 29 Nov 49). URD and COPEI are expected to have only slight success in recruiting members, but their activities will probably promote closer cooperation between the "red" and "blue" unions. In the absence of a non-Communist oil workers' federation, the "blue" syndicates will probably find it increasingly expedient to utilize the bargaining machinery of the existing Communist oil workers' federation, thereby widening the scope of potential Communist influence in the labor movement. Despite the possible unfavorable increase in Communist influence in labor, there is expected to be no change during the next few months in the generally favorable economic situation.

Subversive

The prospect of an increase of Communist influence in the labor unions is greater than it was three months ago. Several non-Communist syndicates in the western oil fields have begun to cooperate with the Communist syndicates in presenting claims to the oil companies (see above). On the

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propaganda front, a number of local groups of the Comité Pro-Paz have been organized; the Caracas headquarters of the Venezuelan-Soviet Cultural Institute has become more active and is establishing its first branch in Maracaibo. The indefinite suspension on 26 October of the official Communist organ, Tribuna Popular, for publication of uncensored material was the only noteworthy instance of recent government action against the Communists.

Military

The Venezuelan army is and will continue to be the principal determinant of stability. There has been no recent evidence of increasing unrest in the army; such dissatisfaction as now exists has no sharply defined orientation; and dissident elements have recently been deprived of an important potential leader. Lt. Col. Roberto Casanova's irritation over his transfer from Maracaibo to the strategically less important post at San Cristóbal was intensified by the reassertion of constitutional guarantees, a measure of which he disapproved. [REDACTED] went to Caracas and asked permission to retire from the army but was instead jailed on 7 December. While Casanova's attitude may typify the reaction of other military leaders to the current liberalizing decrees, it is believed that his arrest will be taken as a warning and will probably strengthen the more moderate position of junta president Delgado Chalbaud.

International

No serious problems affecting the international relations of Venezuela have arisen recently. The junta president has stated that his government would not be a party to Trujillo's schemes or become involved in Caribbean conspiracies, and likewise that Venezuela would not intervene in the internal affairs of Colombia. The normal diplomatic relations now existing between Venezuela and the USSR are likely to be strained by the recent action of the Soviet Embassy in forcibly repatriating several persons who had emigrated to Venezuela under sponsorship of the International Refugee Organization. Any repetition of such interference by the Embassy might be considered a provocation sufficient to justify breaking relations with the USSR. Continuing cooperation with the US in matters pertaining to the East-West conflict is indicated by Venezuelan support of the candidacy of Yugoslavia for membership in the Security Council.

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