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POLITICAL STABILITY IN CENTRAL AMERICA AND
THE CARIBBEAN THROUGH 1958

(Advance Conclusions)

Submitted by the

DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the

INTELLIGENCE ADVISORY COMMITTEE

on 23 April 1957. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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POLITICAL STABILITY IN CENTRAL AMERICA AND
THE CARIBBEAN THROUGH 1958

THE PROBLEM

To estimate probable developments in the Central American and Caribbean Republics* through 1958 with particular reference to the prospects for political stability throughout the area.

CONCLUSIONS

1. For the period of this estimate, the military, together with the landed gentry and wealthy merchants, are likely to dominate the internal politics of all the Central American and Caribbean Republics except Costa Rica. Reformist and popular elements, whose influence has been checked for the past few years, are unlikely to upset the status quo. However, palace revolutions may occur. (Para. 47)

* Cuba, Haiti, the Dominican Republic, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. The foreign possessions in the Caribbean are not included.

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2. The Communists, whose influence has been declining over the past few years, do not now constitute a serious threat to any regime in the area. Communist capabilities are unlikely to increase except in Cuba, and possibly in El Salvador. However, non-Communist subversion involving exiled groups will continue to disturb the stability of the area. (Paras. 36-37, 48, 52)

3. Inasmuch as we do not believe that the Cuban government can fully restore public order or check the emergence of new civilian opposition elements, there is only an even chance that the Batista regime will survive the period of this estimate. A military-dominated junta would be the most probable successor. Haiti is in serious political turmoil and faces near economic collapse. So long as dissension exists among the military, it is unlikely that a clear-cut solution will emerge. It is probable that Haiti will seek emergency financial assistance from the United States. Nothing is likely to endanger the government of the Dominican Republic so long as Generalissimo Trujillo remains active. (Para. 49)

4. Castillo Armas will probably continue his somewhat right-of-center course in Guatemala. No opposition group is likely to pose a serious threat to the stability of his regime. The Somozas and related families will probably continue to dominate Nicaragua. The De la Guardia

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government in Panama and the Lemus regime in El Salvador, though less stable than those in Nicaragua and Guatemala, will probably survive the period of this estimate. In Honduras, the present military regime, with possible shake-ups in the junta, is likely to continue in power through 1958. (Para. 50)

5. In Costa Rica, because of a serious split in the administration party, Figueres will probably be unable to determine the outcome of the 1958 elections. It is likely that free elections will be held in Costa Rica, approximately on schedule. We believe that the orientation of the newly elected Costa Rican government will be somewhat more conservative than the present one. (Para. 51)

6. Over the longer term, the pressures for reform and change will continue to build up throughout the area. The present military leadership can provide no more than a braking action against pressures for change. The growing size and importance of the educated professional and middle classes will increasingly threaten the position of the traditional ruling groups. The eventual emergence of more broadly-based, reformist, nationalist regimes, similar to that in Costa Rica, is probable, although for the foreseeable future the great mass of the population will continue to have an inferior economic, social, and political status. This mass will be readily exploited by demagogues. (Para. 53)

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7. For the period of this estimate, we believe that the relations of the various states in the area with the US are likely to continue favorable. The Panamanian government will probably continue to press its demands for full implementation by the US of the 1955 Canal Treaty and its related agreements. Stimulated by the Suez Canal situation, Panama will also probably continue to agitate for further economic benefits from Canal operations with the ultimate goal of operating the Canal Company jointly with the US. However, we do not believe that it will force any of these demands to the point of creating serious friction between the US and Panama. (Para. 54)

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