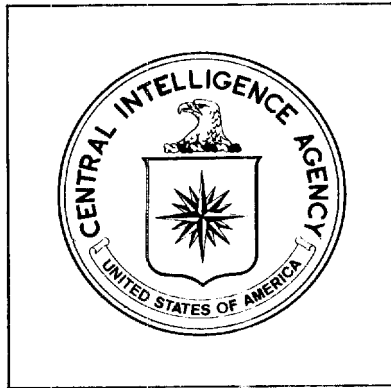


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# STAFF NOTES:

## Latin American Trends

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LATIN AMERICAN TRENDS

This publication is prepared for regional specialists in the Washington community by the Western Hemisphere Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Latin America Seeks a Strategy

Latin American governments and opinion makers, alternately angered and confounded by US policy toward the rest of the hemisphere, are groping for an effective strategy through which to pursue their interests.

Two schools of thought currently dominate Latin thinking about the US. One sees a basically adversary situation as inescapable. The other regards a broad consonance of purpose between the US and the rest of the Americas as natural and essential. Both views have strong roots in traditional aspects of hemispheric relations.

The confrontational view, hallowed by a long history of US intervention in Latin America, is now popularized by the surge of political and economic assertiveness by countries weak in terms of arms and development. The worldwide cooperative efforts by the have-nots and especially the spectacular emergence of the oil producers have had a profound effect in Latin America. In broadest terms, government integrity now has its definition in a careful identification of national goals and working toward them boldly. Risking the wrath of the superpowers is perhaps a logical evolution of the machismo cult that pervades Latin American motivation and behavior.

This school encompasses much of the rhetoric, action, and reaction that has flowed from Latin America recently: Mexico's assiduous flirtation with the third world; the quick responses of highly nationalistic governments such as those in Ecuador and Peru when they sense pressure or betrayal by the US; the rivalries for leadership of regional movements

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designed to combat "imperialism" in all its guises; the current threat by Venezuela and Ecuador to place the US in a hemispheric court to face charges of economic aggression.

These governments are both exhilarated by and insecure with their own bravura. They voraciously consume information and propaganda about how the US protects its own interests and are quick to focus on stories of undercover agents or statements of when the US would use arms, considering them immediate and serious threats. The sense of strength in unity and the feeling that a special era is dawning for the underprivileged nations sustain these governments and draw them together to challenge the rich countries, especially the US.

The second school is not so vociferous but is profoundly concerned at what it views as a growing coolness by the US toward hemispheric neighbors. Governments such as those in Colombia, Chile, Brazil, and most of the small countries in Central and South America are most comfortable with a spirit of accommodation and cooperation between them and the US. Many of them are puzzled by such developments as the "hands off" role played by the US in the most recent meeting of OAS foreign ministers and its reluctance to supply arms, trading privileges, or other favors that they see as essential to their national well-being. They are torn between the pressure to maintain "Latin unity" in facing the US and the desire to be able to count on the US as their ally. They avidly want either the "new dialogue" or some special bilateral relationship with the US, and they see both jeopardized by the growing frictions between the US and the hemisphere as a whole. Speaking for Colombia, but probably representative of a view held by numerous countries in the hemisphere, two prominent politicians

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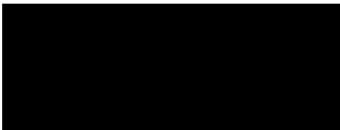
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have told the US Ambassador in Bogota of their anxieties and perplexities over current trends. They described the rebuff felt by countries wanting to be political kin with the US, and one advised that some "great act or political gesture" on the part of the US is required to revitalize the inter-American system.

The two viewpoints are likely to continue to divide Latin Americans at least on certain broad issues, though Latins of both schools of thought will continue to seek common ground on which to work together. Movement--perhaps further apart but possibly toward unity--seems likely to occur in the next several months as the still nagging Cuba issue, the controversial foreign ministers meeting set for March, and the OAS general assembly are pondered. Both groups are anxious about the US response to their needs in view of the seeming decline of the dialogue that appeared so promising only a year ago. (CONFIDENTIAL/NO FOREIGN DISSEM)

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Argentina: Looking Far Ahead?

"President Maria Estela de Peron will not seek reelection in 1977." This announcement last week, by a high government official, was calculated to divert public attention from Argentina's deepening economic problems toward elections that are still more than two years away.

Such tactics are commonplace in a country where voting has long been considered the panacea for national ills. Early in this century the Radical Party rose to power on the sole platform issue of making the vote compulsory for all men over eighteen. The last military government, headed by Alejandro Lanusse, openly admitted its inability to cope with economic woes of stagnation and rampant inflation, but retained a measure of popular support by promising a return to free elections.

In reality, however, there are no likely parliamentary solutions to the major issues that divide Argentines. The internecine battles in the streets of Buenos Aires serve as a constant reminder of the incapacity of successive governments, both military and Peronist, to solve chronic political and economic difficulties. Although the combatants--terrorist and counterterrorist--are few in number, their continuing presence is the major preoccupation of this government.

Now, younger officers within the military are voicing increasing concern that the promises of the most recent election will not be fulfilled. The weekly magazine Panorama, a publication generally well informed on military matters, recently took note of this dissatisfaction. According to the respected

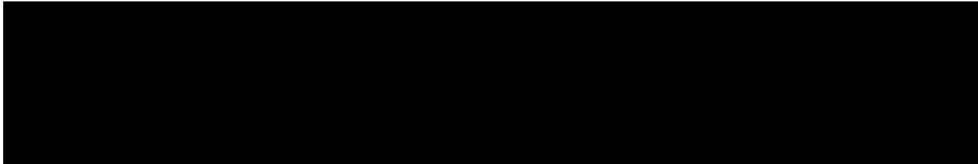
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columnist Jorge Lozano, lieutenants and captains recall the overwhelming vote for change communicated in the Peronist victories of March and September 1973 and are observing that major transformations have not occurred. Lozano avoids analytical judgments, but paints instead a picture of disappointment and frustration over extremist violence and legislative inattention to social pressures. He states that there is no talk of a golpe, but notes that junior army officers, many of whom have been victims of the terrorists, are becoming highly critical of this government. He concludes that: "no one is calling for a moralistic revolution, but it is wise to take heed of underlying shifts of sentiment. A captain is not a youth believing in Utopia. He is about 40 years old, earning a salary similar to a junior executive in a bank. He shares the intellectual preoccupations of his contemporaries, and has to support a family. Above all he is an Argentine, not a man from another planet, nor an agent from Paris or the CIA." (CONFIDENTIAL)

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Colombia: Guerrillas and the State of the Left

Leftist guerrillas may be preparing to launch an armed campaign against government forces while President Lopez is preoccupied with the nation's economic problems. [REDACTED]

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[REDACTED] the Revolutionary Armed Forces of Colombia (FARC) held a rare nationwide strategy meeting recently and concluded that Lopez' decline in popularity since taking office in August was an invitation to guerrilla action.

The FARC has not engaged in widespread activity for more than four years, largely because of the conservative, old-line leadership of its nominal parent organization, the legal pro-Moscow Colombian Communist Party. During the 1960s the party worked out a very effective--and very unofficial--arrangement by which it kept the FARC under control and the government left both groups more or less alone. The FARC capitalized on this prolonged period of tranquility to train its militants and build arms caches. As a result, it is the largest and potentially most effective guerrilla organization in Colombia.

Circumstances affecting the FARC have changed significantly over the past year, making plausible a renewal of activity by the group. The pro-Havana National Liberation Army (ELN), with which the FARC had long-standing ideological and territorial differences, was decimated by the government in a months-long campaign ending in late 1973. Since then, some FARC leaders have recommended filling the void, particularly since the military pressure was off and there was a feeling that the armed forces were weary of chasing guerrillas and would be reluctant

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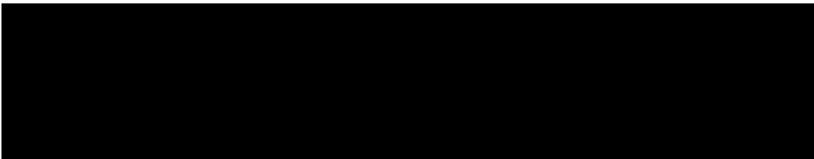
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to resume such activity. The conservative Communist Party leadership prevailed, arguing that Communist participation in the April 1974 general election would be destroyed by FARC militancy.

The Communists fared poorly in the election, however, failing to live up even to their own modest expectations. Moreover, the President's economic programs and the congressional role in them have provoked policy splits within the leftist coalition of which the Communists have formed the core. The crowning blow came just this month when the coalition ejected its former presidential candidate in another policy crisis.

In this atmosphere, restraints on the FARC must be at a low ebb. The group is well trained and well armed, and appears to see an opportunity to act. It could easily become as onerous a challenge to government forces as was the ELN at its height. In that event, it would be far more difficult to eradicate, however. The ELN was structured around a permanent cadre of activists and a vulnerable urban supply network. The FARC consists of farmers and shopkeepers who can mobilize with speed and in secrecy--and just as effectively disappear into their normal lives following an operation. Many members of the military dread the prospect of contending with such a force.  
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Ecuador: Oiling the Military Machine

The Ecuadorean Government is interested in using some of its oil revenues to acquire new military equipment. An army purchasing team has spent this week examining artillery and anti-aircraft weapons in the US and will leave this weekend for Europe and Israel.

Long years of pre-petroleum poverty have left the country's armed forces with antiquated and often non-functioning equipment. In addition, the government's interest in military modernization reflects generalized tensions in western South America, in particular between Peru and Chile. The present weapons team is doing serious shopping, and decisions regarding purchases are expected to follow its return to Quito at the end of February.

The government is likely to opt for non-US equipment. Military officers have made no secret of their impatience with the US system of arms sales, entailing long delays in delivery and public disclosure of the materiel acquired. Added to this is President Rodriguez' complaint that the trade bill recently signed into law by President Ford discriminates against Ecuador. All of this apparently disinclines Rodriguez to purchase US weaponry. The army team is thought to be shopping in this country only to acquire a yardstick by which to appraise European and Israeli equipment.

The team consists of Brig. Gen. Gustavo Vasconez, army chief of staff; Lt. Col. Anibal Orbe, army secretary general; Lt. Col. Mario Moscoso, army intelligence staff chief; and Capt. Jaime Torres, chief army design engineer. Beginning next week, the team will visit Great Britain, Sweden, West Germany, France, Switzerland, Italy, and Israel. A quick shopping trip to the USSR may also be added to the itinerary. (SECRET/NO FOREIGN DISSEM/CONTROLLED DISSEM)


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A Restrained Anniversary in Havana

The failure of any top Cuban official to honor the January 2 holiday with a major address this year is unusual but not unprecedented. The date marks the entrance of Castro's forces into Havana in 1959 and is one of the two principal holidays on the Cuban revolutionary calendar.

There is no apparent explanation for the silence in Havana. Castro is in good health and has appeared in public on several recent occasions. The lack of any large-scale public commemoration in Havana this year is puzzling because Cuba has just finished an exceptionally successful year.

In earlier years, the celebration on January 2 usually included an impressive military parade followed by a lengthy address by Fidel in Revolutionary Square in Havana. After 1968 the military parade was dropped, but January 2 continued to be celebrated as a national holiday. Because of the push for a 10-million-ton sugar harvest, the anniversary was not commemorated in 1970, but a speech delivered by Castro in a cane field was taped and broadcast on national radio and television. The 1971 anniversary found Castro in the middle of a period of self-doubt causing him to by-pass the annual occasion. Neither was the event marked in 1972, but a major address Fidel had made on December 31 to the Congress of Owners of Small Farms was published in the press on January 3.

Another break from tradition occurred in 1973 when a somber and subdued Fidel read his speech a day late in a television studio rather than speaking extemporaneously in Revolutionary Square. The deviation, however, appeared to be intended as a signal that

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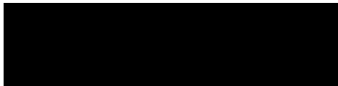
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a just-concluded series of economic agreements with the Soviet Union had been accompanied by a considerable loss of independence. Last year Raul Castro delivered the keynote address and a military parade was again held--the first since 1968.

Also missing so far is the announcement of a slogan for the year. Castro has frequently used the January 2 speech to reveal the slogan which indicated the focus of attention of the regime for the year just begun. Despite the omission, it seems clear that 1975 will be the "Year of the First Party Congress." Propaganda guidelines approved by the party's Political Bureau last month concentrated almost entirely on the congress, now slated for the latter part of 1975, and imply that the meeting will be the most important national political event since the party adopted its present structure in late 1965.  
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Cuba Restructures Its Industrial Sector

The complete restructuring of the government's basic industry sector appears to be motivated by organizational rather than political considerations. The top leadership of the sector seems to have remained intact.

The sector is now organized as follows:

- the ministry of the chemical industry, headed by Antonio Esquivel Yedra (formerly the head of the ministry of basic industry);
- the ministry of the iron and steel machinery industry, headed by Lester Rodriguez Infante (formerly the director of the automotive technical service center, a sub-ministerial post);
- the ministry of the electrical industry, headed by Luis Beltran Hernandez (formerly vice minister-director of the consolidated electrical enterprise);
- the ministry of mining and geology (formerly the ministry of mining, fuels, and metallurgy), headed by Manuel Cespedes Fernandez (formerly head of the ministry of mining, fuels, and metallurgy).

The Cuban Petroleum Institute, formerly a semi-autonomous sub-ministerial office, has been incorporated into the ministry of the chemical industry and its chief, Luis Karakadze Berrayarza, will bear the title of vice minister of petroleum.

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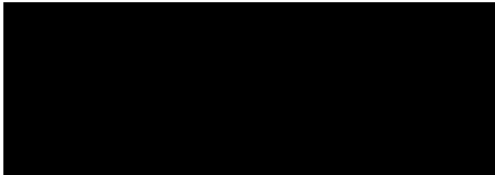
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The changes constitute promotions to the rank of minister for Rodriguez Infante and Beltran Hernandez, who hold the two newly created portfolios. Although no announcement has been made yet, the post of vice prime minister for the basic industries sector presumably is still held by Joel Domenech Benitez. Neither has there been any announcement about the disposition of the former chief of the chemical industry, Manuel Andres Malmierca Peoli, who was displaced by Esquivel Yedra. Malmierca was a member of the pre-Castro Communist party and is a brother of Isidoro Malmierca Peoli, for more than a quarter of a century the secretary general of the pre-Castro Communist party and now a member of the party Secretariat and Central Committee. (SECRET)

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Phone: 143-7445Dominican Republic: Balaguer Moves The Pawns

President Joaquin Balaguer began the New Year by announcing the reinstatement of an important government official and by giving one opposition party a token role in the administration. Returned to grace was Foreign Secretary Victor Gomez Berges, whose suspension from his post in November had generated a wave of speculation but few facts. Balaguer may have intended the suspension as punishment for Gomez Berges' alleged failure to carry out his instructions at the meeting of foreign ministers in Quito. On a more personal level, the sanction may have been a manifestation of Balaguer's penchant for pulling the rug out from under politicians whom he considers excessively ambitious. Gomez Berges' candidacy for the post of secretary-general of the OAS was not Balaguer's idea, and his chances have certainly been hurt by the suspension. The military's dislike of Gomez Berges may also have been a factor in his temporary eclipse, which might become permanent if he makes another misstep.

The small Social Christian Revolutionary Party received a reward from the President in the form of the appointment of one member as ambassador to the UN and others to second and third-level jobs in the administration. Balaguer would like to have some opposition representation in the government to project an image of broad support, and now that one party has fallen in line others may follow. However, the leader of the Dominican Revolutionary Party, the largest opposition group, has said that it has already decided to reject any offer to join in the government. Also unlikely to accept is the Dominican Liberation Party, whose leader, former President Juan Bosch, is on a journey to Mexico, Cuba, and Europe.  
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Panama Surfaces Canal Treaty Advisory Team

This week the Panamanian press acknowledged-- apparently for the first time--the existence of an official canal treaty advisory team. The information was contained in an announcement of the appointment of University of Panama rector Romulo Escobar Bethancourt to the group.

In fact, the negotiating commission has been operating for several months under the supervision of Vice President Arturo Sucre, and Escobar Bethancourt has been a member since about last September. General Torrijos may have had at least two reasons for wanting the public to know about the commission now. He has been under some criticism for keeping the details about the negotiations within a limited circle of close advisers, and he would probably like to give an impression that a broader range of views is being brought to bear.

The inclusion of Escobar Bethancourt, who has a reputation as a leftist nationalist, could help this effort. In addition, Torrijos apparently is not pleased with the rector's performance at the university, and putting him on the negotiating commission could be a step toward easing him out of his academic post. (SECRET/NO FOREIGN DISSEM/ CONTROLLED DISSEM)

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Costa Rica: Figueres Holds On

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and now 68 years old, former president Jose "Don Pepe" Figueres still looms large in the political arena.

As head of the ruling National Liberation Party, and with his hand-picked successor in the presidency, Don Pepe's will is evident in two headline issues: relations with Cuba and the case of Robert Vesco.

Nearly the entire legislative assembly and representatives of several Costa Rican autonomous organizations are guests of the Castro government this week. President Daniel Oduber, Vice President Solano Calderon, and Foreign Minister Gonzalo Facio have all hinted that this trip could foster the resumption of commercial relations in the near future. In fact, Oduber has often voiced his interest in trade. He has also stated, however, that his country will not move on the diplomatic front until Castro agrees to free all political prisoners. This policy has been held by Figueres for over a decade.

In 1957, Don Pepe sent a planeload of arms to help Castro, then fighting as a guerrilla in Cuba. Two years later, however, he had a bitter public clash with Fidel in Havana over the "Communist turn" of the revolution. To this day, Figueres is one of Castro's bitterest critics in the hemisphere.

In the case of fugitive Robert Vesco, President Oduber has refused to respond to the widespread and angry public cry for the US financier's expulsion. For over two years, the Vesco case has been carried

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by the San Jose media as a major story. During the Figueres administration, two US extradition requests were dismissed--ostensibly on legal technicalities. The financial tie between President Figueres and Vesco, however, was the underlying factor.

President Oduber's popularity has diminished considerably since he began a four-year term six months ago with a broad multi-partisan backing. This decline is partly due to the traditional "end of the honeymoon," but deepened by public speculation about his ties to Figueres.

Thus, Oduber is now caught in a crossfire. Lest his public support be increasingly eroded, he will have to confront Don Pepe and set the government on an independent and decisive course more consistent with the mainstream of public opinion. Any move away from his predecessor, however, will disturb the powerful pro-Figueres faction of the legislature, as well as the Figueres-dominated National Liberation Party.  
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