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JANE SCHNEID
OCI
1992
26 DEC 63

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ROUTING

BOOK MESSAGE AS BELOW

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ROUTINE

HAMB MEXI KNGS LOND PACT SJAN MADR QUIT BRIL PIOU BUEN

SAGO CARA WAVE GUAT PALP SALV MUNI

PBRAND

LATIN AMERICA BRIEF

(NOTORS IN SLANTS. REMAINING INFO RELEASABLE TO [redacted])

1. LATIN AMERICA: THE ORGANIZING CONGRESS OF A CUBAN-SPONSORED, HEMISPHERE-WIDE LABOR CONFEDERATION KNOWN AS THE SINGLE CENTER OF LATIN AMERICAN WORKERS IS SAID TO BE SCHEDULED FOR 24-28 JAN IN RIO DE JANEIRO. REPORTEDLY CONVENING THIS CONGRESS MAY BE DELAYED BECAUSE THE BRAZILIAN COMMUNIST PARTY (PCB) IS DIVIDED OVER THE ADVISABILITY OF SUPPORTING IT. PCBS UNENTHUSIASTIC ATTITUDE MAY STEM FROM FACT THAT LONG-TIME PARTY CHIEF LUIS CARLOS PRESTES IS AT ODDS WITH FIDEL CASTRO OVER WHETHER ARMED STRUGGLE IS THE CORRECT PATH TO REVOLUTION IN LATIN AMERICA.

2. BOLIVIA: COMPETITION BETWEEN PRESIDENT PAZ AND VICE PRESIDENT LECHIN BOUND INTENSIFY AS EACH MANEUVERS LINE UP SUPPORT FOR PRESIDENTIAL NOMINATION AT NEXT MONTH'S CONVENTION OF NATIONAL REVOLUTION MOVEMENT. LECHIN PROBABLY HOPES PULL AN UPSET BYE DISLODGING PAZ OR AT LEAST RETAIN VICE PRESIDENTIAL POST. FAILING

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THIS HE MAY ATTEMPT FORM NEW OPPOSITION PARTY OR MOUNT ARMED INSURRECTION AGAINST PAZ.

3. BRAZIL: FURTHER CHANGES IN BRAZILIAN CABINET EXPECTED FOLLOWING RESIGNATION LAST WEEK OF FINANCE MINISTER CARVALHO PINTO. A MODERATE LEFTIST, NEY GALVAO, WAS APPOINTED PINTO'S SUCCESSOR, BUT POSSIBILITY REMAINS THAT ONE EXTREME LEFTIST SUCH AS LEONEL BRIZOLA WILL EVENTUALLY BE BROUGHT INTO THE CABINET. BRAZIL'S DETERIORATING ECONOMY COMBINED WITH GOULART'S APPARENT INTENTION TO ASSUME GREATER PERSONAL DIRECTION OVER FINANCIAL MATTERS INCREASED POSSIBILITY OF RADICAL MEASURES THAT MIGHT BE DETRIMENTAL TO FOREIGN CREDITORS AND INVESTORS. GOULART IS REPORTEDLY CONSIDERING NATIONALIZATION OF ALL PUBLIC UTILITIES AND CANCELLATION OF MINING CONCESSIONS.

4. ARGENTINA: [redacted] SENIOR ARMY GENERAL , BELIEVES THAT ILLIA ADMINISTRATION WILL FACE SERIOUS CRISIS WITHIN NEXT FIVE MONTHS, IF IT CONTINUES TO [illegible] RATHER THAN SKEPTICAL OF GOVERNMENT'S ABILITY OF A VIABLE PROGRAM TO COPE WITH ARGENTINA'S SERIOUS ECONOMIC AND SOCIAL PROBLEMS.

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ILLIAN PEOPLES RADICALS (UCRP), A MINORITY PARTY LONG OUT OF POWER, WAS UNINFORMED ABOUT MANY OF THE SPECIFICS OF THESE PROBLEMS WHEN IT UNEXPECTEDLY WON POWER LAST SUMMER WITH SUPPORT OF OTHER PARTIES. RAUCH ALSO DOUBTS GOVERNMENT WILL DEVELOP CAPABLE LEADERSHIP. VARIOUS RESPONSIBLE POLITICAL LEADERS WHO HOLD SIMILAR VIEWS HAVE SHARPLY CRITICIZED ILLIA FOR NOT USING NON-UCRP TALENT, AND THEY HOPE TO EXERT CONSTRUCTIVE PRESSURE ON THE GOVERNMENT.//

//TENOR OF RAUCH'S COMMENTS HINTS OF PERSONAL AMBITIONS AND PLOTTING, RATHER THAN DESIRE HELP ILLIA. RAUCH SAID HE WAS WORKING ESTABLISH CONTACTS WITH VARIOUS POLITICIANS, INCLUDING PERONISTS, LABOR LEADERS, BUSINESSMEN, AND MILITARY PERSONNEL TO FORM NUCLEUS FOR TYPE GOVERNMENT ARGENTINA MUST HAVE." HE [redacted] THINKING OF JUNE 1964 AS POSSIBLE TIME FOR "CHANGE IN GOVERNMENT."//

//[redacted] RAUCH - PRESENTLY [redacted] - ADMITTED HE LACKED SUPPORT AMONG TOP ARMY COMMANDERS BUT BELIEVED IT WOULD ATTRACT SUPPORT OF JUNIOR ARMY OFFICERS, ENLISTED PERSONNEL, AND AIR FORCE AND NAVY ELEMENTS. HE MAY HOPE TO EXPLOIT DELICATE PROBLEM OF CONTINUING FACTIONALISM WITHIN ARMED FORCES // (SECRET)

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TWO ARGENTINE EXPORTING FIRMS HAVE SOLD 600,000 METRIC TONS GRAIN TO COMMUNIST CHINA. ONE FIRM HAS SIGNED CONTRACTS FOR A TOTAL OF 150,000 METIC TONS OF WHEAT TO BE DELIVERED OVER THE NEXT SEVERAL MONTHS. THE PRICE--$68 A METIC TON--REPORTEDLY IS ABOVE CURRENT QUOTATIONS FOR ARGENTINE WHEAT IN OTHER MARKETS. CREDIT TERMS OF 180 DAYS WERE ARRANGED WITH EUROPEAN BANKS. FIRM ALSO AGREED SELL SOME 1.5 MILLION METRIC TONS WHEAT, CORN, AND SORGHUM TO COMMUNIST CHINA WITHIN TWO YEARS.

REMAINING 150,000 METRIC TONS WERE SOLD BY ANOTHER EXPORTER FOR UNDISCLOSED PRICE. THIS COMPANY ALSO SOLD APPROXIMATELY 45,000 METRIC TONS OF WHEAT TO CZECHOSLOVAKIA RECENTLY. (CONF)

[illegible] DOMINICAN REPUBLIC. //SUDDEN RESIGNATION OF EMILIO DE LOS SANTOS AS HEAD OF GOVERNING TRIUMVIRATE HAS HEIGHTENED UNCERTAINTY ABOUT FUTURE OF SHAKEY PROVISIONAL REGIME. DE LOS SANTOS APPARENTLY RESIGNED IN PROTEST OVER WHAT HE BELIEVED TO BE BRUTAL AND UNNECESSARY KILLING OF 17 ANTI-GOVERNMENT GUERRILLAS, INCLUDING THE LEADER OF PROCLAMATION [illegible] OF JUNE POLITICAL GROUP [illegible] IN 21 DEC. THE [illegible] COMMANDER IN AREA OF INCIDENT SAID DEATHS WERE UNAVOIDABLE RESULT OF A FIRE FIGHT.//

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//FOREGIN MINISTER DONALD REID CABRAL REPORTEDLY HAS BEEN APPOINTED TO SUCCEED DE LOS SANTOS REID, WHO IS CURRENTLY OUT OF COUNTRY EXPECTED ACCEPT APPOINTMENT. REID RESIGNATION, ALTHOUGH NOT POPULAR WITH SOME MEMBERS OF GOVERNMENT, WILL PROBABLY FORESTALL ANY IMMEDIATE THREAT TO REGIME. NEITHER OF THE OTHER TWO MEMBERS OF TRIUMVIRATE IS A STRONG LEADER. PRESSURE FROM EXTREME RIGHTISTS, WHO HAVE INFLUENCE IN MILITARY, AND FROM OPPORTUNISTIC LEADERS OF MINORITY PARTIES BACKING GOVERNMENT WILL CONTINUE TO BE A THREAT TO REGIME.//

//A POLITICAL SHOWDOWN MAY BE SHAPING UP OVER RULING TRIUMVIRATE RIGHT TO REPLACE PRESENT PARTY-BASED CABINET WITH ONE OF ITS OWN CHOOSING. TRIUMVIRATE IS ALLEGEDLY PLANNING TO CALL FOR RESIGNATION OF THE PRESENT CABINET, MADE UP OF REPRESENTATIVES OF SIX MINORITY PARTIES IN ORDER TO CHOOSE A MORE INDEPENDENT GROUP. THE JUNTA AND OTHER POLITICALLY INFLUENTIAL DOMINICANS BELIEVE SUCH A CHANGE IS ESSENTIAL IF REGIME IS TO BE FREED FROM PARTISAN POWER STRUGGLES WHICH HAVE HAMPERED ITS OPERATIONS.//

//IN A SHOWDOWN, TRIUMVIRATE APPEARS LIKELY TO HAVE SUPPORT OF

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TO :

FROM: DIRECTOR

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ARMED FORCES. NATIONAL CIVIC UNION, ONLY SIZABLE PARTY IN PRESENT COALITION, FAVORS A CABINET SHAKE-UP. SEVERAL SMALLER PARTIES LOATH TO GIVE UP THEIR RECENTLY ACQUIRED PATRONAGE, CAN BE EXPECTED TO PUT UP STIFF RESISTANCE TO CHANGE.//

6. HONDURAS-MEXICO: EXILED HONDURAN COMMUNIST PARTY (PCH) MEMBERS IN MEXICO ENTERED BASIC GUERRILLA TRAINING COURSE THERE ABOUT 2 JAN. ABOUT 18 PCH MEMBERS, AS WELL AS ANOTHER DOZEN OR SO OTHER HONDURAN EXILES [illegible], REPORTEDLY WILL UNDERGO TRAINING ON A FARM NEAR MEXICO CITY BELONGING TO MEXICAN PRO-COMMUNIST FORMER PRESIDENT LAZARO CARDENAS. THE PCH, WHICH HERETOFORE HAS ESCHEWED USE OF VIOLENCE, MAY BE HOPING TO ATTRACT CUBAN OR OTHER SUPPORT FOR TERRORIST CAMPAIGN AGAINST LOPEZ REGIME IN HONDURAS.

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END OF MESSAGE

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