

CLASSIFIED MESSAGE

JAMES SCHARRER  
OCN  
1994  
28 DEC 83

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SECRET  
DATE IN CS FILE NO.

100  
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BOOK MESSAGE AS BELOW

27 DEC 83 02 15z

SECRET

ROUTINE

91370

SAVED HERE THIS LOSS FACT SJAN WARR QUIT BRIT FICU SUEN  
BAGO CARA WAVE GUYT PALP HALY NOWY

PRELIM

LATIN AMERICA BRIEF

(EXCEPT IN CLARITY. 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. PCB'S UNENTHUSIASTIC ATTITUDE  
MAY <sup>(SEAM)</sup> ~~STILL~~ <sup>BE</sup> THAT LONG-TIME PARTY CHIEF (DIR CARLOS PRISTER IS AT  
ODDS WITH FIDEL CASTRO OVER WHETHER ARMED STRUGGLE IS THE CORRECT  
BASE TO REVOLUTION IN LATIN AMERICA.

2. BOLIVIA: COMPETITION BETWEEN PRESIDENT DAZ AND VICE  
PRESIDENT LECHIN SHOULD INTENSIFY AS EACH MANEUVERS LINE UP SUPPORT  
FOR PRESIDENTIAL NOMINATION AT NEXT MONTH'S CONVENTION OF NATIONAL  
REVOLUTION MOVEMENT. LECHIN PROBABLY HOPES FULL AN UPSET BY DIS-  
LODGING DAZ OR AT LEAST RETAIN VICE PRESIDENTIAL POST. FAILING

BY TALKING OFFICERS

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TO INFO -PAGE TWO- CITE NO 3:07C

THIS HE MAY ATTEMPT FORM NEW OPPOSITION PARTY OR HOUST ARMED IN-  
SURREPTION AGAINST PAZ.

3. BRAZIL: FURTHER CHANGES IN BRAZILIAN CABINET EXPECTED  
FOLLOWING RESIGNATION LAST WEEK OF FINANCE MINISTER CARVALHO PINTO.  
A MODERATE LEFTIST, REY 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 DETERIORA-  
TING ECONOMY COMBINED WITH GOULART'S APPARENT INTENTION TO ASSUME  
GREATER PERSONAL DIRECTION OVER FINANCIAL MATTERS INCREASES POS-  
SIBILITY OF RADICAL MEASURES THAT MIGHT BE DETRIMENTAL TO FOREIGN  
CREDITORS AND INVESTORS. GOULART IS REPORTEDLY CONSIDERING NATIONAL-  
IZATION OF ALL PUBLIC UTILITIES AND CANCELLATION OF MITING  
CONCESSIONS.

4. ARGENTINA: SENIOR ARMY  
GENERAL, BELIEVES THAT ILLIA ADMINISTRATION WILL FACE SERIOUS CRISIS  
WITHIN NEXT FIVE MONTHS, IF IT CONTINUES TO PERSIST IN  
BEING SKEPTICAL OF GOVERNMENT'S ABILITY TO PLAN AND IMPLEMENT PROGRAM  
TO COPE WITH ARGENTINA'S SERIOUS ECONOMIC AND SOCIAL PROBLEMS.

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ILLIA PEOPLE'S RADICALS (ICRP), A VICTORIOUS PARTY LONG OUT OF POWER, WAS INFORMED 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 ~~ICRP~~ <sup>ILLIA</sup> FOR NOT USING NON-ICRP TALENT, AND THEY HOPE TO EXERT CONSTRUCTIVE PRESSURE ON THE GOVERNMENT. //

//TERROR 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 THE GOVERNMENT ARGENTINA MUST HAVE. HE ~~IS~~ THINKING OF JUNE 1964 AS POSSIBLE TIME FOR CHANGE IN GOVERNMENT. //

//~~RAUCH~~ RAUCH PRESENTLY ~~UNASSURED~~ - ADMITTED HE LACKED SUPPORT AMONG TOP ARMY COMMANDERS BUT BELIEVED HE COULD ATTRACT SUPPORT OF JUNIOR <sup>OR</sup> 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 METRIC TONS OF WHEAT TO BE DELIVERED OVER THE NEXT SEVERAL MONTHS. THE PRICE--\$68 A METRIC TON--REPORTABLY 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)

DOMINICAN REPUBLIC. //SUDDEN RESIGNATION OF EMILIO DE LOS SANTOS AS HEAD OF GOVERNING TRIUMVIRATE HAS HEIGHTENED UNCERTAINTY ABOUT FUTURE OF SHAKY PROVISIONAL REGIME. DE LOS SANTOS RECENTLY RESIGNED IN PROTEST OVER WHAT HE BELIEVED TO BE BRUTAL AND UNNECESSARY KILLING OF 17 ANTI-GOVERNMENT GUERRILLAS INCLUDING THE LEADER OF THE GROUP. LATER IT WAS REPORTED THAT DEATHS WERE UNAVOIDABLE RESULT OF A FIRE FIGHT. //COORDINATING OFFICERS

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//FOREIGN MINISTER DONALD REID CARVAL reportedly has been appointed to succeed DE LOS SANTOS REID, who is currently out of country expected accept appointment. REID'S DESIGNATION, 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 GOVTA AND OTHER POLITICALLY INFLUENTIAL DOMINICANS BELIEVE SUCH A CHANGE IS ESSENTIAL IF REGIME IS TO BE FREED FROM PARTISAN POWER STRUGGLES WHICH HAVE HINDERED ITS OPERATIONS.//

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

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SCOUTING

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ARMED FORCES. NATIONAL CIVIC UNION, ONLY SIZEABLE PARTY IN PRESENT COBLITION, 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 (PCM) MEMBERS IN MEXICO INTEND BEGIN GUERRILLA TRAINING COURSE THERE ABOUT 2 JAN. ABOUT 10 PCM MEMBERS, AS WELL AS ANOTHER DOZEN OR SO OTHER HONDURAN EXILES THERE, REPORTEDLY WILL UNDERGO TRAINING ON A FARM NEAR MEXICO CITY BELONGING TO MEXICAN PRO-COMMUNIST FORMER PRESIDENT LAZARO CARDENAS. THE PCM, WHICH HERETOFORE HAS ESCHEWED USE OF VIOLENCE, MAY BE HOPING TO ATTRACT CUBAN OR OTHER SUPPORT FOR TERRORIST CAMPAIGN AGAINST LOPEZ REGIME IN HONDURAS.

XXXXXXXX

END OF MESSAGE

*John W. ...*  
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GROUP 1  
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ASSISTANT CHIEF OF STAFF  
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