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The Soviet Role in Latin America

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NATIONAL INTELLIGENCE ESTIMATE

The Soviet Role in Latin America

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THE SOVIET ROLE IN
LATIN AMERICA

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THE SOVIET ROLE IN LATIN AMERICA

THE ESTIMATE

1. Over the past few years, the political environment in Latin America has altered dramatically, and the pace of change is clearly accelerating. Radical approaches to problems are gaining ever wider support. In several countries, leaders of a new stripe have taken over and have begun to make far-reaching changes. Nationalism is a powerful motive force in this process. The Soviets are well aware of these developments, and their interest and their activities have grown. This paper examines recent trends in the area (excluding Cuba) and their implications for the position of the US and the future role of the USSR, in the main for the next five years or so, but sometimes for longer periods. Its main conclusions are contained in paragraphs 34-41.

I. THE CHANGING ENVIRONMENT IN LATIN AMERICA

2. The process of change in Latin America is mainly in response to forces operating there, rather than to US or Soviet actions. Yet the process has important implications for the

roles played by both Washington and Moscow in the area. The preponderant position of the US is eroding, and at an accelerating pace, for complex reasons rooted in economic developments, social pressures, and history. Conversely, the Soviet Union and other countries as well are more and more looked to by nationalistic elements as a balance to American preponderance, often for purely opportunistic reasons.

3. Nationalism is a strong and growing force in Latin America, and it is increasingly taking on an anti-American coloration. This is so because the US is the dominant external force, and the Latins have bitter memories of political and economic pressures going back many decades. Local leaders, eager to stress their independence, frequently complain about US hegemony and paternalistic interference. US firms are the ones most affected by schemes of nationalization. The Latins occasionally take actions which they recognize as affronts to the US, such as the capture by Ecuador of US tuna-boats operating within the 200 mile territorial limit that it claims. Several governments are actively seeking to diversify their purchases of arms, sources of aid, and trading partners.

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4. The spread of nationalism creates both opportunities and problems for the Soviets. It provides the USSR with an opening for policies and actions designed to speed the erosion of US influence and to increase its own. The Soviets have something to offer to those who seek a counterweight to the US and a diversification of purchasing and trading patterns. At the same time, the concern of Latin Americans to run their own affairs places a constraint on the expansion of Soviet influence. The military-populist government in Peru, for instance, is certainly out to assert its independence of the US, and it has sometimes done so abruptly and ahistorically, but it remains wary of the Soviets and is of no mind to become the client of any power. The Mexican Government's belief that the USSR was involved with the Revolutionary Action Movement (MAR) was sufficient to get five Soviet diplomats expelled from the country.

5. To a greater or lesser degree, all Latin American countries suffer from deep-seated economic and social problems which resist solution. Increasing social unrest and unfulfilled popular expectations have contributed to political instability and the growing radicalization of Latin American institutions. Income is unevenly distributed, and in most of the countries small ruling classes still possess most of the money, land, and material goods. Unemployment and underemployment, high birth rates, overcrowded and rapidly growing cities—all contribute to social and political tensions and to impatience with present institutions. None of these conditions is entirely new, but modern means of communication and a growing political awareness have combined to raise the level of expectations of the increasing numbers of underprivileged, and to reveal the gap between what is and what could be.

6. Latin American intellectuals, socially-minded military officers, and clerics are increasingly persuaded that drastic changes in the established order are necessary. The US is seen as the center of capitalism and as the advocate of free enterprise, and thus as an opponent of such change. Consequently, the US and what it stands for are on the defensive. The local oligarchs, moreover, have been traditionally associated in the public mind with US businessmen and diplomats. US aid is increasingly regarded as politically motivated and self-serving; the Alliance for Progress is widely considered a failure.

7. The Soviets, claiming to be the exemplars of socialism and supporters of the working man, stand to gain from this growing anti-capitalist, anti-US sentiment. Marxism has long had a considerable following among Latin American intellectuals, especially at the universities. Unfamiliarity with the Soviet Union makes it easier for Moscow to appear as a counterbalance to US influence in the region. To many Latin Americans, US concepts appear familiar and shopworn, in contrast to those of the Soviets. Latins share little history with Russia but, as they see it, rather too much with the Colossus of the North.

8. In many ways, Latin American governments are casting off US influences because they feel capable of directing more of their own affairs. In a sense they are right. More than most countries in the Third World, the advanced nations in Latin America have the skills and resources needed to modernize their societies and some prospects for developing new markets and sources of capital. Among the important constraints have been the lack of institutions to suit societies growing more mature, a reluctance to invest at home for the long term, and their own lethargy and willingness to rely on the US and others to do things for them. The political, social, and economic reforms now being ap-

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plied in many Latin American countries are designed to tackle these problems. Out of this process is gradually developing a sense of confidence and identity.

9. Most of the military coups in the past few years have been engineered not by military figures of a conservative bent as in earlier times, but by officers of a reformist bent, who more than in the past are from the middle and lower classes. In general, the new military strongmen, whether of the left or right, are convinced that civilian politicians have shown themselves to be incapable of adjusting to a changing world, and feel an obligation to stay in office for some time to direct the restructuring of their countries. All are nationalists and statist. Even the devoutly anti-Communist, such as the military rulers of Brazil. Most are out to demonstrate their independence of the US. Some, as in Peru, share the anti-capitalist and anti-US attitudes described above.

10. The military regime in Peru is something new in Latin America. The rulers of Peru are far removed from the old fashioned *caudillos*, whose strength and appeal were personal rather than institutional. More nationalistic, better trained, and with a program of action, the new breed is out to make fundamental social and economic changes and to reduce the inequalities in Peruvian society. Confronting powerful local and foreign business interests and seeking a counterweight to members of the American Revolutionary Popular Alliance in popular organizations, they have enlisted the services of local Communists to rally labor and other groups in support of government programs. The goals of the military-populists are probably shared by junior officers in many other countries who tend to be better educated, more widely traveled, and closer to the lower and middle classes than their elders. Officers such as these are likely to exercise political power in other Latin American countries over the next decade.

11. The new regime in Chile, a leftist coalition of Communists, Socialists, non-Marxist Radicals, and some splinter parties, poses particularly delicate problems for the US and provides new opportunities to the Soviets. President Allende's victory was a vindication of the *via pacifica* that Moscow has been publicly advocating in Latin America for years. The Chilean Communist Party, easily the best organized and strongest in South America, plays a major role in the ruling coalition. Allende, however, is an outspoken nationalist and would certainly not consider himself a disciple of Moscow. His Socialist Party is on the whole far more militant than the Communist Party and has frequently competed with it. From time to time, Allende himself has been at odds with the Communist leadership. Nevertheless, he sees many advantages in dealing with the USSR, and believes he can avoid Castro's dependence on Moscow. His electoral victory has given new hope to Communists elsewhere in Latin America. If he makes some progress towards alleviating Chile's massive social and economic problems, this would further bolster the cause of Marxist parties in Latin America and prospects for popular fronts.

12. Outside Cuba and Chile, the Communist Parties in Latin America do not exert much political influence, nor are they the most vigorous or effective exponents of social change. Many of their leaders are in their seventies; they are preoccupied, in most cases, not with fomenting revolution but with avoiding confrontations and seeking respect, acceptance, or legality. Youthful, left-wing romantics in Latin America, fascinated by Che Guevara and other guerrilla heroes, tend to regard the Soviets and the orthodox Communist Parties as "old hat". Far left Marxist groups like the Leftist Revolutionary Movement (MIR) in Chile and terrorist organizations such as the *Tupamaros* in Uruguay are con-

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temptuous of the more staid Soviet-sponsored groups. Their acts of violence reflect badly on the Soviets and their local clients, who are often tarred with the same brush.

13. The established order is itself in considerable disarray. For example, internal divisions and conflicts of goals are clearly visible in the Roman Catholic Church. In much of Latin America, strong elements of the Church are actively seeking to improve the lot of the poor and oppressed. Some priests, for example in Argentina, Brazil, and Colombia, have gone so far as to cooperate with terrorist organizations; these churchmen are often more militant than the local Communists. Many of the new breed share short-term goals with the Communists—e.g., to organize rural workers in Brazil or to support Allende's reforms in Chile—and they rail against the capitalist system and the oppressive nature of current regimes. Nevertheless, the traditional mistrust of communism is strong in the Church and in most Church-affiliated groups. The hierarchies in many countries remain concerned about preserving their prerogatives in religion, education, and culture. The Church will resist such threats as it perceives as its institutional interests, though its effectiveness may be limited by internal divisions.

14. Antipathy to the Soviets is still pervasive in Latin America. While important elements traditionally sympathetic to the US—business and professional elites, publishers, the military, and the Church—now often associate themselves with ultra-nationalist and anti-US forces, such elements remain by and large antagonistic to the USSR. So do most other Latin Americans with a stake in the prevailing system. The peasants, who are conservative and largely ignorant of the outside world, are particularly hostile to outsiders and foreign ideology—as Che discovered in Bolivia. Moreover, most poor city dwellers retain some aspects of the peasant outlook; they too

distrust strangers and imported ideas, and usually seek to improve their lot by supporting a local demagogue or *caudillo*.

15. Nevertheless, most Latin American statesmen are moving towards some expansion of their countries' relationship with the Soviets. This is chiefly out of a desire to have a counterbalance to the US influence in the region and to mollify left-wing elements in their own countries. Another motive is the desire to take advantage of the Soviet presence to bargain with the US, on such matters as trade and investment.

II. MOSCOW'S PERCEPTION OF ITS OPPORTUNITIES IN LATIN AMERICA

16. Traditionally, Moscow regarded Latin America as being, in broad but fundamental ways, of a piece with other parts of the underdeveloped world, and subject to roughly the same patterns and tempos of change. This view had a doctrinal foundation, but it also rested on the qualities which these various areas shared—economic backwardness, political instability, and, until quite recently, their location beyond the reach of Soviet military power. Within this broad scheme of things, Latin America long resided near the outer edges of the USSR's political consciousness, and for several reasons. In addition to the lack of historical ties and cultural affinity, the USSR had never developed any economic interests there. From the standpoint of geography and security, the area was on the periphery of Soviet concern, as the Middle East and Asia were not. Most important, the Soviets viewed Latin America as securely bound to the US politically and economically, and calculated that the US had the means to keep it so for some time to come.

17. The USSR expended little effort during the 1920s and 1930s to develop bases of influence in Latin America. The Soviets provided some support to local Communist parties,

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which for the most part were faction-ridden and enervated. Moscow's experience with them gave it small cause to feel confident of either their revolutionary commitment or their organizational skills. With a few exceptions, they were of little use to the Russians and were generally repaid with contempt or indifference. Soviet diplomatic representation, though extended somewhat during and after World War II, was thin and sporadic until recently. The Soviet effort to establish a foothold in Guatemala in the early 1950s failed.

18. After 1955, Stalin's successors launched a more active policy toward the Third World. The Soviet approach to Latin America embodied many of the features of its approach in other areas: whereas previously Moscow had relied almost exclusively on clandestine and conspiratorial methods, the accent now was on developing overt ties—diplomatic, economic, and cultural. In Latin America, however, one element vital to Soviet policy elsewhere in the Third World was missing: military aid. This was due both to a lack of receptivity on the part of the Latins and to some respect for US sensitivities on the part of the Russians. Latin America, thus, still represented a special case, and, while the Soviets were gradually improving their image and extending their presence, their vistas remained narrow until the advent of Castro.

19. With Castro's profession of Marxism-Leninism and his alignment with the Soviet Bloc, the USSR gained a presence in Latin America which it might have been a long time acquiring by other means, though at a pace and in a way not of its own choosing. Moscow evidently decided, after some hesitation in accepting Castro's self-declared affiliation, that it had been handed an easy opportunity both to open a political bridgehead into Latin America at large and to make an important strategic gain over the US. The outcome of the Cuban missile crisis in 1962 and

the containment of Castroism to Cuba proved this calculation overly optimistic. In the years immediately thereafter, Moscow's problem was to recover from the consequences of this miscalculation and to find a sounder balance between opportunity and risk. A related aim was to keep its alliance with Cuba from compromising its relations with the rest of Latin America.

20. The USSR's Latin American policy seems no longer encumbered by the confusion and disarray which set in after the Cuban crisis. The failure of guerrilla efforts in Bolivia and Peru and the victory of the popular front in Chile have helped confirm the general correctness of the *via pacifica* and taken some of the wind out of the sails of the Maoists and Castroists. For these reasons and because of his increased economic dependence on the USSR, Castro's capacity to complicate Soviet relations with left-wing forces and with Latin American governments has for now been reduced; he has become more selective in his support of violent revolution and has muted his criticism of the pro-Moscow Communist parties. These circumstances may cause Moscow to hope that it can help to hasten the decline of the US position and that with time many Latin American governments will look increasingly to the USSR.

21. The Soviet perception of Latin America, as of the rest of the world, is shaped in part by ideological preconceptions. But these are for the most part ambiguous enough to permit the USSR considerable flexibility in advancing the practical aims of the Soviet state. Ideologically, the USSR is committed to the spread of revolution and to the eventual establishment of additional Soviet-style regimes. In the case of Latin America, the pattern of change is promising in the USSR's view, seeming in some respects to confirm its belief that history is going its way. But the situation is still sufficiently variegated and

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obscure as to warrant some uncertainty about future developments. Moreover, the USSR might not welcome more client regimes because of the political and economic obligations it might have to assume and the danger of arousing strong counteractions in the US and among other Latin American countries.

22. The experience of recent years has shown the Russians that it is not an easy matter to harness nationalism in the underdeveloped world to their purposes, and that influence lost by the US is not automatically influence gained by the USSR. This is reflected in Moscow's approach to the military-populist regime in Peru and Allende's popular unity government in Chile. At first, the Soviets viewed the military takeover in Peru as an old-style barracks revolution; soon they came to realize that the regime is bent on a basic restructuring of Peruvian society, involving a diminution of the US presence. Nonetheless, the Soviets turned down some of Velasco's requests for economic assistance and stalled on others. They are probably still unsure of where Peru is heading and reluctant at this time to get involved economically on a large scale. They were, of course, pleased with Allende's election, but realize that they would not be doing either themselves or Allende a favor by greeting him too warmly at this stage. Although state-to-state relations are increasing and a member of the Central Committee has been appointed Ambassador to Santiago, the Soviets have seen no need to assume economic or military obligations to Chile. Moscow is anxious at this stage not to ring alarm bells within Chile, the rest of Latin America, and the US.

23. The Russians are still relatively new to the scene in Latin America and still carry around a heavy load of ideological baggage. Differences in national character and temperament between them and the Latins no doubt also impair their perception of the environ-

ment. But the number of Soviets with area knowledge has grown and many of them are accumulating experience on the spot. Soviet representatives in Latin America and policy-makers in Moscow can, in addition, draw on an expanding body of work on the area being done in Soviet academic establishments, which, if still far from being objective, seems to be moving closer to an appreciation of Latin American realities. Thus, the USSR's assessment of its position and possibilities in the area is coming to rest on a somewhat more solid base of expertise and working knowledge.

24. In its dealings with Latin America, Moscow still pays considerable attention to developments in Washington. Moscow surely recognizes that many influential Americans have become critical of the nature and scope of US commitments abroad. The Soviets are conscious of the fact that there is much dissatisfaction in the US with foreign aid programs, that protectionist sentiment is growing, and that the US Congress is increasingly opposed to military aid and to the sale of certain types of arms which the Latin American military insist on buying. The Soviets probably believe that the US is so identified with forces of the status quo that the US is becoming increasingly out of tune with the "progressive" trends in Latin America.

25. Moscow undoubtedly sees opportunities for itself in all these trends, and over time will move to take advantage of them. Certain considerations would argue for caution, however. The costs entailed in providing aid would put some limits on Soviet readiness to provide substitute assistance. Any precipitous move to expand Soviet military involvement in Latin America would risk a serious worsening of the general climate of Soviet-American relations. Nonetheless, there are many things the Russians can do in Latin America without abandoning their low profile, gradualist

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approach (e.g., modest sales of arms and more political contact with the elites).

26. The Soviets are extending the geographical range of their naval operations as a means of enhancing their international influence and prestige. They also have an interest in improving their overall operational capabilities, with respect, for example, to submarine, antisubmarine, and intelligence-gathering operations. The establishment of a presence in the Caribbean supports these aims, while contributing to a reduction of US prestige, and gives symbolic reinforcement to their commitment to Castro.

27. Moscow probably sees its present naval activities in the Caribbean as laying the foundation for the eventual development of a broader military presence in Latin America at large. It probably discerns obstacles to the establishment of a broader presence because of competing claims on its present military resources (e.g., in the Mediterranean), the great distances involved, and the need for additional port facilities. Nonetheless, the Soviets probably believe that within the next few years they can make their naval presence in the Caribbean continuous, perhaps establish a presence elsewhere around South America, and persuade a few Latin nations to accept Soviet arms, equipment, technicians, and possibly some help in constructing naval facilities. They would hope in this way to add to their political weight in the area generally while placing some constraints on US military options there.

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28. There is no doubt much that is tentative in Moscow's thinking about the area as a whole, as well as about its separate parts, and much that is provisional in its approach. But the Soviets recognize that anti-US feeling is on the rise in Latin America, and their public statements indicate a belief that the

US is unable to cope effectively with the currents running against it. The improvement of their own image in the area and the experience they have gained in their dealings with the Third World probably give them some confidence that they can exploit current trends. The shifting political climate may lead them to conclude that their earlier expectations and objectives were too modest.

III. THE INSTRUMENTS OF SOVIET POLICY IN LATIN AMERICA

A. Diplomatic Relations

29. The USSR has been able to expand its diplomatic relations in the last decade to include all of the major Latin American countries and many of the smaller ones. The embassy staffs, while still small in comparison with other Soviet missions in the Third World, are growing in numbers and expertise. Most Soviet diplomats are acting in a more sophisticated fashion than previously and are trying to establish a rapport with Latin American governments by appearing more understanding of their needs and aspirations. Yet the Soviets often find it difficult to overcome the latent suspicions of Latin Americans who are aware of earlier examples of Russian meddling in the internal affairs of other Third World countries; such incidents as the recent Soviet embarrassment in Mexico tend to keep such suspicions alive. In order to dispel them, the USSR is attempting through its propaganda and otherwise to project an image of the Soviet Union as a distant but powerful friend of the Latin American people.

a. In January 1960, the USSR had diplomatic relations with only three Latin American countries (Argentina, Mexico, and Uruguay). Now it has relations with 13: Cuba, Mexico, Costa Rica, and all the countries of South America except Paraguay. This dramatic change has resulted partly

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from the efforts of Latin American governments to underline their independence of the US, and partly from the growing conviction that a Soviet diplomatic mission no longer threatens the stability of local institutions. Thus, Latin American governments have come to believe that the advantages of diplomatic relations, such as the potential for trade and aid, outweigh the disadvantages. The odds are good that, in the next several years, the Soviets will have a mission in all but a few Latin American countries.

b. Soviet diplomats in Latin America behave much like other diplomats. Increasingly proficient in Spanish or Portuguese, they work with influential groups and institutions and cultivate individuals in important positions. By and large, their behavior has been quite "correct" and their profile fairly low. They tend to be more knowledgeable about Latin American habits and interests than they used to be, and give a far better impression than the diplomats of earlier eras.

B. Covert and Subversive Efforts

30. Despite Moscow's emphasis on expanding overt ties with Latin American countries, it continues to conduct a variety of covert activities, judging these countries to be vulnerable to such tactics and inefficient in coping with them. The USSR funds most Communist parties and encourages or acquiesces in the insurgent tactics espoused or employed by a few of them (e.g., in Haiti and Guatemala). But it faces a dilemma: aid to the weak and often ossified local Communist leaderships does not win the hearts and minds of the militant or idealistic youth in universities and elsewhere who seek more immediate and drastic change than the Communist parties offer. Wherever Soviet diplomatic and trade missions have been established in Latin Amer-

ica, Soviet intelligence officers meet openly, and where required clandestinely, with the Latin Americans they deem influential: student leaders, trade union figures, government officials, or members of the oligarchy. In the gray area between diplomacy and subversion, this expansion of personal relationships is used to increase Soviet influence locally as well as to further a variety of anti-US purposes and to promote such current objectives as the recognition of Cuba.

Covert Activity

a. The line separating overt and covert Soviet activities in Latin America is blurred. In keeping with the pattern elsewhere in the Third World, about half the 351 Soviets assigned to missions there are known or suspected intelligence officers. Almost all the intelligence officers spend much of their time performing the work of foreign service officers, including the cultivation of influential people. The Soviets find this activity handy for spotting and evaluating potential agents. In Peru, they are developing a range of contacts among influential Peruvians outside the government:

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b. Moscow is also trying to establish a network of illegals in Latin America, i.e., Soviet intelligence officers documented as Latins. Many of these are targeted against the US rather than against Latin America. The notoriously poor record keeping of Latin Americans makes it relatively easy to document a Soviet as a Latin American. Although illegals communicate directly with Moscow, the presence of large Soviet missions helps to provide them with support.

Relations With Communist Parties

c. To Moscow, the orthodox Latin American Communist parties are essentially instruments of Soviet policy. With rare ex-

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ceptions, e.g., divisions in the Venezuelan and Mexican parties over the invasion of Czechoslovakia, the Latin parties have supported the Soviet line more consistently than have the West European Communist Parties. This loyalty is in many cases the expression of a half-century commitment to the Soviet way of doing things. Moreover, Moscow has traditionally subsidized the Latin American parties, in an amount currently estimated at \$7 million a year. Moscow provides training in the USSR for promising young Communists and trips for the veteran party leaders and functionaries. The willingness of most of the Latin American parties to follow Moscow's direction closely derives in part from their small size, their limited political prospects, and their strong need for outside support.

d. Most pro-Soviet Latin American parties are occupied primarily with political tactics. They would like to emulate the Communist Party of Chile and attain a share of power through the electoral process. All, however, have developed clandestine cadres, even such legal parties as those of Colombia, Venezuela, and Uruguay. Some of these cadres were trained in guerrilla warfare in Cuba. A few parties, including those of Colombia and Argentina, have admitted publicly that violence may be required in their own countries to achieve and hold power.

Insurgency and Terrorism

e. Soviet policy towards the use of violence varies from country to country. On the whole, Moscow is leery of associating itself with any kind of terrorism in Latin America at this time. The Soviets traditionally have not condoned high-level political assassination, kidnappings, or bombings; they look upon indiscriminate terrorism as counterproductive and are concerned for the safety of their own buildings and diplomats in

Latin America. Moscow worries about groups like the *Tupamaros* being to the left of the orthodox Communist Parties and fears that these outfits may give the left such a bad odor that all leftist organizations will be repressed.

f. At the moment, the Guatemalan Communist Party seems to be the only one actively engaged in violence. Its terrorist arm has directed the assassinations of dozens of security officials in recent months, and has pursued this violent course for several years, though the Cuban-sponsored guerrilla group has been generally more active. The party maintains good relations with Moscow, and in its policy pronouncement emphasizes traditional organizational methods. The Haitian Communist Party, a minuscule group in exile, is the only party in this hemisphere that is encouraged to violence by both Moscow and Havana. The Colombian Communist Party has a guerrilla arm, which has been dormant for the last three years.

g. Even tenuous, indirect connections between the USSR and extremist organizations can cause problems for the Soviets. In March 1971, 5 Soviet diplomats, all of them KGB officers, were expelled from Mexico after the police interrogated 19 members of the MAR, a group formed in the mid-1960s by Mexican students attending Patrice Lumumba Friendship University in Moscow. After leaving Lumumba, they were given guerrilla training by North Korea. Historically, the Mexicans have been tolerant of covert Soviet activities operating out of the 58-man Russian Embassy in Mexico City, since these were directed at the US and Central America rather than Mexico. The explosions will make more of a splash in the rest of Latin America than would similar incidents in Argentina or Uruguay,

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where Soviet diplomats are frequently declared *personae non gratae*. Already the Costa Ricans are having second thoughts about permitting the Soviets to open an embassy in San José.

C. Economic Relations

31. Soviet spokesmen have often talked about the desirability of expanding trade with Latin America, but the results have generally been disappointing to both Latins and Russians. The USSR buys relatively small amounts of Latin America's agricultural commodities, and has given little indication that it is prepared to absorb much larger quantities overall. Moreover, Latin American businessmen have generally been reluctant to purchase Soviet manufactured goods when US or European goods were available instead. The USSR has extended far fewer credits to Latin America than to other areas in the Third World. The Latin suspicion of Soviet products and technical advisors plus problems with servicing and spare parts make it very difficult for the Soviets to advance much in this field. Where they can, the Soviets try to exploit economic relations to obtain political entree or leverage. Coffee purchases in Costa Rica and Colombia have been used for these purposes.

Trade and Aid

a. Economic relations between Latin America and the USSR continue to present an appearance of greater involvement than is actually the case. Nevertheless, Soviet and Latin efforts to expand economic ties have borne some fruit, though trade levels are still very low. Nine Latin American countries have formal commercial relations with the Soviets, in some cases simply as a way to demonstrate their economic independence of the US. A few Latin countries hope to find a large export market in the USSR for surplus agricultural commodities and

look upon Moscow as a potential source of financing for ambitious development projects.

b. Total Latin American trade with the USSR in 1969, except for Cuba, was only \$136 million, less than one percent of Latin America's world trade. Incomplete data for 1970 suggest that the figure probably did not exceed the 1969 level and may have declined slightly.¹ It is difficult to discern a trend in this trade, for it fluctuates sharply from year to year.

c. Latin American countries in general continue to enjoy a favorable balance of trade with the Soviets. Although willing exporters, Latins have been reluctant to import Soviet manufactured goods. Latin businessmen are put off by the price, quality, and specifications or design of many Soviet products and remain skeptical about servicing and the availability of spare parts for machinery and equipment. Castro, who has had no little experience with the Russians, has advised Allende to keep his credit good with West European suppliers. Moscow has made it clear that its level of purchases from Latin America will depend to a considerable extent on Latin American willingness to increase imports of Soviet manufactured goods and to correct unfavorable trade balances.

d. Soviet economic assistance to Latin America, except for Cuba, has been insignificant. This is especially true when it is measured against Latin America's requirements for development financing and against inflows from international financial institutions and the US. Since 1954, Soviet credits have amounted to \$277 million, a mere 4 percent of the \$7 billion Moscow extended to underdeveloped countries. Latin American

¹ For a country by country breakdown of Soviet trade with Latin America, including Cuba, see Table I.

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governments have only drawn on 13 percent of these credits, mainly because of consumer resistance to the purchase of Soviet equipment. Soviet credits are currently most appealing to the new regimes in Peru, Bolivia, and Chile. Of \$86 million worth of new Russian credits to Latin America in 1970, all but \$10 million went to Peru and Bolivia. Following Allende's election, the Chilean Government entered into negotiations with Moscow about using some idle Soviet credits for constructing a fishing port at Valparaiso.³

e. Moscow occasionally uses its economic activity for very specific political goals. For example, the Soviets bought coffee owned personally by President Figueres of Costa Rica. The purchase preceded discussions about opening a Soviet mission in San José. Soviet purchases of surplus Ecuadorian bananas strengthened the Soviet political position there, and Moscow's willingness to buy Colombian coffee has opened doors to them in conservative circles in Bogota.

Air and Sea Communications

f. The Peruvian earthquake in May 1970 provided Moscow with a golden opportunity to demonstrate its ability to help Latin Americans. The Cubans beat them to the punch by a month and ran a very effective operation; the US was also quick to show its concern. Moscow then hastily organized a mammoth airlift of supplies but lost one large transport plane en route and failed to arrange adequate stopovers and servicing. After meeting only one-third of its promised deliveries, Moscow cancelled the airlift and ended up sending the remaining relief supplies by sea. Although the Soviets muffed it logistically, they still succeeded in making a favorable impression.

³ For a further breakdown of credits and drawings since 1954, including those extended to Cuba, see Table II.

g. The problems of this operation brought home to Moscow some of the geographic constraints on its potential for quick response to situations in Latin America. Since then, the Soviets have stepped up their efforts to establish more air routes to Latin America and to find some customers for Soviet civilian aircraft. Negotiations are under way for a new Moscow-Havana-Lima-Santiago air route, but Brazil turned down the request for a Moscow-Dakar-Rio-Santiago route.

h. The Peruvians have discussed the purchase of \$48 million worth of Soviet passenger aircraft and cargo planes, and the Soviets have offered to train Peruvian airline personnel and to maintain hangars in Lima. The Peruvian airline is losing money, however, and may just be doing a bit of comparison shopping. The Chilean Government airline showed some interest in purchasing Soviet aircraft, but decided to buy more Boeing 707s instead, if financing can be arranged. Chileans realize that it is easier to maintain a unified air fleet, to get US spare parts, and to have the planes overhauled in the US. Uruguay has chimed in with some inquiries to Moscow about purchasing fishing boats and civilian aircraft. Over the next five years, one or another airline may experiment with Soviet aircraft, but we doubt that this will catch on throughout the continent.

D. Cultural, Educational, and Propaganda Matters

32. There are fewer obstacles to the advance of Soviet cultural, educational, and propaganda activities in the area. Russian performers, athletes, and scientists are welcomed wherever they are permitted to travel; the USSR's anti-US propaganda flourishes in those countries with relatively open societies and little censorship. An education in the USSR

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is less appealing to most Latin Americans than one in the US or Western Europe, but there are young Communists and rejects from other schools to fill out a Latin American contingent at places like Lummumba University in Moscow. By and large, Soviet cultural activities have enhanced the USSR's reputation as a great and civilized power but thus far appear to have had only marginal effect in promoting Soviet political influence.

a. The USSR now has cultural agreements with most Latin American countries and is showing some sophistication in implementing them. The circus and soccer teams are popular everywhere; Soviet musicians, ballet dancers, films, books, and photographic exhibits are welcomed by most cosmopolitan audiences, despite expensive tickets and inefficient booking arrangements in several cities. The traditional respect of the Latin American elite for intellectual and cultural attainment has provided Moscow with many good opportunities to make friends and appear less crude. It is doubtful, however, that their efforts have greatly bolstered Soviet political influence.

b. As in other parts of the Third World, the Soviets have made a major effort to attract impressionable students to the USSR. Some 1,640 Latin Americans are studying there now, and an additional 780 are in Eastern Europe. The largest contingents at present are from Ecuador, Chile, and Colombia; over the years, most have come from the first two plus Bolivia and Mexico. The poor caliber of many of the students and the difficulty they have in finding jobs upon their return have severely limited the effectiveness of the Soviet programs. Those who were already well on the way to becoming true believers have generally come

home more dedicated to communism. Most students, however, end up either uncommitted or disappointed with the Soviets.

c. Moscow uses its broadcasting and press facilities to disseminate a growing amount of increasingly sophisticated propaganda in a variety of languages (currently 80 hours a week of radio broadcasts exclusive of programs beamed at Cuba). They are also placing press items, films, and canned radio and television programs with local outlets on an increasing scale, and apparently to some effect. The most effective technique seems to be to seize on stories or situations that put the US in a bad light, e.g., linking the US with the privileged classes and with unpopular business practices. Soviet propaganda is most widespread in Chile, Peru, and Uruguay, because each of these countries tolerates a wide variety of Communist-oriented newspapers, magazines, news broadcasts, and friendship associations. Soviet competition with Cuban propaganda has been reduced since Havana began to cut down its revolution-mongering in 1968.

E. Military Activities

33. The huge distances involved and US sensitivity to military operations in its backyard have heretofore limited the Soviet military presence in Latin America. Moreover, until recently, no Latin American governments outside Cuba would have been willing to permit Soviet port calls by naval vessels or to contemplate purchasing Russian military equipment. In the last few years, however, the Soviet military presence in the Caribbean has expanded significantly. Soviet ships have put in at several islands, and the facilities of Cienfuegos in Cuba have provided some services for Soviet naval combatants, including nuclear-powered submarines. In South America, the Soviets have found at least one country willing to flirt with an offer

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of Migs (Ecuador) and two willing to permit Aeroflot to pass through on a regular basis (Peru and Chile). But the Soviets face stiff competition in the arms market (in recent years, Western Europe has supplied over half of the arms purchased by Latin American countries) and are inhibited by the orientation of most Latin American military leaders towards the US.

a. Soviet military activities in Latin America have largely centered on the Caribbean. During the last 18 months, the Soviets have increased the frequency and duration of their naval visits to the region. This serves to establish some sort of continuous naval presence in an area of great sensitivity to the US and, indirectly, to support Soviet diplomacy. In addition to reconnaissance flights and naval visits to Cuba and exercises in nearby waters, a few Soviet naval vessels and some Soviet research ships have put in at several Caribbean ports. The area provides particularly attractive conditions for oceanographic and other scientific observations. The local citizens appear leery of these visits, but Moscow will probably continue to probe in the Caribbean.

b. The Soviets have only begun to interest Latin American countries outside of Cuba in military assistance or procurement programs. Since the US has become less willing to give or sell certain kinds of arms to Latin American governments, Moscow's prospects in this field are improving. Nevertheless, Latin governments are much more likely to turn to West European arms dealers than to the USSR. In the past four years, arms suppliers in Western Europe and Canada have sold approximately \$1.1 billion worth of military equipment to countries in Latin America: British destroyers and other naval equipment; French Mirage fighters, tanks, and Alouette helicopters;

Canadian transport aircraft; West German submarines and fighters; and Italian jet trainers.

c. Ecuador, however, has become the first non-Communist country in this hemisphere since Guatemala in the early 1950s to consider an arms deal with Moscow. President Velasco has already demonstrated his willingness to forego all US military assistance but remains nervous about the recent upgrading of Peru's arsenal. His government has become the main window shopper for arms in Europe and has already purchased some equipment from France, the UK, and West Germany. Now Ecuadorian officials have shown interest in Soviet offers to sell jet fighter-bombers and other aircraft. Ecuadorians are exceptionally difficult to do business with and are concerned about what Soviet training personnel might do in Quito. Though Migs are cheaper and easier to service than Mirages, the Ecuadorians seem to be leaning towards West European suppliers.

IV. OUTLOOK

34. The next several years will probably see many more changes in Latin America. The predominant trend is likely to be a further growth of nationalism manifested in a variety of ways. The US will almost certainly bear the brunt of both spontaneous and deliberate antforeign acts, and more US-owned enterprises will be nationalized. US political influence will probably sag further.

35. The Soviets will continue to encourage these trends. They are likely to judge, for some years ahead at least, that they can best do this just by maintaining their low profile, keeping out of mischief, and taking advantage of favorable trends not necessarily of their own making. Consequently, they will probably continue to favor popular front tactics. The Soviets will try to develop influence in non-

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Communist parties, the government bureaucracy, the military and security services, and other important sectors of Latin American society. They will do what they can to manipulate and reinforce the anti-US aspects of Latin American nationalism and to use their growing presence and their advance as a great power to further reduce US influence in the area. Their aim would be to see installed in Latin America governments hostile to the US and friendly to them.

36. The Soviets are also likely to see numerous chances to become more actively involved in forcing the pace of change, and they will certainly continue to develop Communist cadres for the long pull. It is improbable that the particular circumstances which produced Castro's alignment with Moscow will recur elsewhere, but there may be other such windfalls in Latin America which the Soviets will attempt to exploit. At some point, Castro may revive his efforts to goad the USSR into adopting a more adventurous policy. Competition with the Chinese for influence in leftist movements will continue to be a factor in Soviet behavior, though not a major one. For all these reasons, the Soviets course is not likely to remain entirely fixed but will to some degree be responsive to developing opportunities and pressures. The Soviets will, of course, have to be careful to avoid overplaying their hand. An aggressive policy would risk offending Latin American sensitivities, tarnishing the image of respectability that the Russians are trying to convey, and arousing a strong US response.

37. Much of Latin America will continue to seek alternatives to dependence on either the US or the USSR. In their search for customers for their products or sources of military hardware and capital, Latin governments are likely to look increasingly to Western Europe and Japan. Both Japan and the European Economic Community are about to implement preferential tariff policies for the manufac-

tured exports of underdeveloped countries. New trade connections with Japan and Western Europe may lead to deals involving the investment of capital in Latin enterprises, on terms more favorable to the Latin American countries than in the past.

38. The Soviet approach will be conditioned by considerations of realpolitik. In these terms, the Russians will probably judge that they have more to gain in the long term by developing positions of influence in the more politically significant and more economically advanced countries, such as Argentina and Brazil, than in, say, Bolivia or Haiti. But expediency based on local conditions will affect these perspectives. In countries run by leftist regimes, the Soviets will seek to take advantage of the reformist atmosphere to make themselves useful and to improve their image as constructive and helpful. Over the longer term, the Soviets may find opportunities in countries where the governments are currently less responsive to the demands and frustrations of the bulk of the population. Though different in many ways, both Argentina and Colombia have ineffectual governments, hampered by weak or decaying political institutions. Both regimes are faced with strong pressures for reform from populist movements and other groups. In several other countries, such as Brazil and Paraguay, the presence of hard-line, authoritarian military regimes inhibits the development of moderate political groupings and tends to polarize society between forces of the extreme right and left. Unless these regimes pay more attention to some of their nations' fundamental social and economic inequalities, it will become increasingly difficult for them to hold onto power, except through armed repression, or to yield it to political moderates. It will be some time, however, before such pressures are likely to become irresistible.

39. The Soviets will continue to watch events in Chile very closely. If Allende man-

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ages to stay in office, continues to cooperate with the Communists, and shows some prospects of succeeding, Moscow will probably be more forthcoming with support. The Soviets have urged Allende to proceed cautiously and have given the impression that they are not committed to come to his rescue should he get into economic trouble. Nonetheless, if his regime falters for economic reasons, Moscow would probably help to bail him out. Chile is more richly endowed and has a stronger and more balanced economy than Cuba, and, in the near future at least, the USSR would almost certainly not have to assume the kind of burden it has been carrying in Cuba for a decade. Most Chileans, in any event, would be reluctant to see their country become a Soviet client. If Allende and the Communist Party should split, Moscow would probably try to avoid taking sides. The exclusion of the Communists from the coalition would be an embarrassment to the Soviets, but this would not necessarily cause an estrangement between them and Allende. They might, in the end, decide that the preservation of the Allende government was more important to them than the Communist Party's immediate advantage.

40. The Soviets will almost certainly continue to expand their capabilities for military operations in the Third World. Geographical factors, limitations on economic and military resources, and domestic and international political considerations will have a bearing on how far and how fast the Soviets proceed. In the case of Latin America, the Soviets will probably continue trying to expand their naval operational capabilities. They may also seek to acquire additional shore facilities, attempting to test the limits of US tolerance at various stages of this process. We do not believe, how-

ever, that the USSR would attempt, in the face of certain US resistance, to obtain the kind of arrangements it now has in Egypt, for instance. Such an action would, besides being provocative to the US and offensive to Latin American attitudes, probably be considered unnecessary for Soviet political and military purposes. At the same time, the Soviets may find it feasible to obtain shore facilities—in addition to those they now have in Cuba—for refueling, reprovisioning, and minor repairs. The USSR might be able to negotiate with Chile and perhaps one or two other countries for the use of maintenance facilities for its naval vessels. Latin countries will be receptive to such exercises as port and airfield visits to show the flag and cooperation on scientific matters. Moscow may also find customers for its arms, and some governments willing to grant overflight and landing rights.

41. The overall expansion of the Soviet presence in Latin America over the next several years will cause problems for the US. The Soviets are likely to increase their influence in more Latin American countries. The US hegemony will continue to erode, though the beneficiaries will in many cases be non-Communist countries—Japan and Western Europe. The US, however, has since World War II been Latin America's major trading partner, main source of foreign private capital, pre-eminent disburser of foreign aid, paramount supplier and trainer of technological and managerial talent, and major foreign source for military training and materiel. All of this will not change in a few years time. The US will almost certainly remain the predominant foreign power in the area and the one whose policies and presence are the most important to the region.

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TABLE I

LATIN AMERICA'S TRADE WITH THE USSR

Country	Exports to USSR as Share of Total Exports					Imports from USSR as Share of Total Imports					Value of Trade With USSR, 1969	
	1965	1966	1967	1968	1969	1965	1966	1967	1968	1969	Exports	Imports
	<i>Percent</i>										<i>Million US Dollars</i>	
Argentina.....	4.8	6.7	1.6	2.1	1.2	1.7	0.6	0.4	0.2	0.4	25.6	6.8
Brazil.....	2.1	1.8	2.1	1.5	2.1	2.6	1.9	0.7	0.6	0.5	48.8	12.1
Chile.....	0	0	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	0	0	<i>Negl.</i>	<i>Negl.</i>	<i>Negl.</i>	0.1	0.2
Colombia.....	0.1	0.4	0.2	0.5	0.6	0.1	0.1	0.4	0.3	0.4	4.2	2.6
Costa Rica.....	0	0	0	0	2.6	0	0	0	0	0	5.2	0
Ecuador.....	0	0	0.1	5.8	7.6	0	0	0	<i>Negl.</i>	0.1	13.9	0.2
Mexico.....	<i>Negl.</i>	0.8	0.8	0.6	0.4	<i>Negl.</i>	0.1	0.1	0.2	<i>Negl.</i>	5.6	0.9
Peru.....	0	0	0	0	0	0	0	<i>Negl.</i>	<i>Negl.</i>	0.2	0	1.4
Surinam.....	0	0	0	0	5.5	0.2	0.1	0	<i>Negl.</i>	0	6.7	0
Uruguay.....	1.6	4.8	2.5	1.1	0.5	0.3	0.6	0.2	0.6	0.5	1.0	0.1
Total.....	1.0	1.4	0.6	0.7	0.9	0.6	0.4	0.2	0.2	0.2	111.1*	25.1*
Cuba.....	47	46	52	44	36	49	56	58	61	54	233.0	658.0

* Total for the countries listed. A few other Latin American countries trade with the USSR, but the amounts are very negligible.

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TABLE II
SOVIET ECONOMIC ASSISTANCE TO LATIN AMERICA
1954-1970

Million US Dollars								
Country	Credit Extensions						Total	Total Drawings
	1954-1965	1966	1967	1968	1969	1970		
Argentina.....	44.3	0	0	0	0	0	44.3	34.3
Bolivia.....	0	0	0	0	0	27.5	27.5	0
Brazil.....	0	90.0	0	0	0	0	90.0	1.0
Chile.....	0	0	54.8	0	0	0	54.8	0
Colombia.....	0	0	0	2.5	0	0	2.5	2.5
Costa Rica.....	0	0	0	0	0	10.0	10.0	0
Peru.....	0	0	0	0	0	28.3	28.3	0
Uruguay.....	0	0	0	0	20.0	0	20.0	0
Total.....	44.3	90.0	54.8	2.5	20.0	65.8	277.4	37.8

	Cuban Drawings						Total
	1954-1965	1966	1967	1968	1969	1970	
Development Aid.....	118	17	27	65	87	50	364
Balance of Payments Credits.....	709	271	233	387	396	259	2,235
Sugar Subsidy Payments.....	280	138	214	150	86	150	1,018
Total.....	1,107	426	474	582	569	459	3,617

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