

SINO-SOVIET BLOC CAMPAIGN IN LATIN AMERICA

I. The bloc is attempting to exploit the "relaxation of tensions" since Khrushchev's visit to the US in an effort to expand commercial, diplomatic and cultural relations with Latin America and accomplish its long-run objective of decreasing US influence in this strategic area.

A. Mexican visit of Mikoyan--highest ranking Soviet official ever to visit Latin America--and large Soviet delegation for opening of Soviet exhibit was significant move in this direction and emphasizes increased importance USSR attaches to its propaganda and penetration efforts in area.

1. Mexican reaction to Mikoyan and the exhibit has been cool

B. Recent article in Pravda, which pointed up impact on Latin America of Khrushchev's visit to US, claimed "re-establishment and development of friendly relations with USSR is a real and great cause associated with hopes for guaranteed national independence and a better life for Latin American peoples."

1. Moscow recently doubled broadcasts to Central America and increased by a third those to Brazil.

C. In several Latin American countries, businessmen, some labor leaders and certain government and congressional leaders are pressing for trade and diplomatic relations with bloc.

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1. Important Brazilian trade delegation now in Moscow; Brazilian Foreign Minister spoke of possible review of Brazilian relations with USSR at time Khrushchev visit to US announced; other Brazilian politicians have subsequently called for diplomatic relations or more trade with bloc.
2. Venezuela is considering renewal of relations with bloc, and recently granted permission to Czechs to establish commercial agency in Caracas.
3. Bolivian congress passed resolution in Sept. calling for relations with USSR and voted funds for Bolivian mission in Moscow; reported informal Soviet offer of \$60,000,000 credit to Bolivian national oil company reinforced domestic pressure.

II. Latin American Communists are implementing some of the strategy which they planned in Moscow early this year in special clandestine conference at which 18 of 20 area parties were represented and which Soviet Presidium member Otto V. Kuusinen and other Soviet "observers" attended.

- A. Latin American Communists were told then to deemphasize Moscow direction, improve coordination of area activities, and to stress "national liberation from imperialist yoke."
- B. They are now effectively exploiting leftist-nationalist elements in developing a coordinated anti-US propaganda campaign on the themes of: US support of dictators, the "liberation movements" in Cuba and Venezuela, and Panama Canal issue.

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Latin American Communists are developing a series of regional front movements to implement the Moscow guidelines.

1. For example, a Communist-dominated women's congress met in mid-November in Santiago, Chile. Among the speakers was the pro-Communist Mrs. Raul Castro. It voted resolutions supporting Castro's revolution and the nationalization of natural resources, and denouncing ties with the US.

III. At a meeting of Latin American Communists in Peiping--following the Moscow meeting--Chinese leaders demonstrated considerable interest in an expanded role in the guidance of Latin American Communism.

- A. Peiping particularly active in augmenting exchange of visits, developing propaganda network in the area, and in training Latin American Communists in China. Three weeks ago Peiping increased broadcasts to Latin America by one-third.

IV. Communists have registered important gains this year in penetrating Cuban revolution and other aspects of Cuban life.

- A. The Cuban government continues its rapid trend to the left, emphasized by 26 November shakeup.
 1. Pro-Communist "Che" Guevara, new head of National Bank, now in position to implement his precept that, to become truly independent, Cuba must shift pattern of trade away from dependence on US.
 2. Guevara's minimal economic knowledge colored by his concept of Cuban revolution as a class struggle that will change economic structure and social system.

3. New minister of public works, Osmani Cienfuegos, is probably a Communist..
 4. Officials replaced are relative moderates; others likely soon to be replaced.
- B. Communist-influenced National Agrarian Reform Institute (INRA) becoming all-powerful.
1. INRA's pro-Communist director said at a closed meeting in early October that the Institute is the "real government of Cuba," according to a new CIA source who attended the meeting.
 2. At the meeting Fidel Castro said he would obtain funds necessary for INRA since through it the govt will control the entire economy.
 3. INRA expropriations and other activities to date do indeed suggest plans to control production and sale of all agricultural commodities, cattle, minerals, petroleum, and other raw materials.
 4. Lands taken are organized as state-owned cooperatives, not given to peasants as promised by Castro.
 5. Wearing other hat as head of INRA's industrial section, pro-Communist Che Guevara has almost unlimited powers in formulating foreign and domestic economic policy.
- C. On the surface Castro seems to have received a setback in Cuban Labor Federation elections for executive council last week, but Communists remain strong in labor.

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1. David Salvador, who has record of cooperation with Communists, remains Fidel Castro's hand-picked secretary-general of the labor federation.
2. The resolutions passed by the congress were strongly anti-US and in general parallel international Communist propaganda.

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