

REMARKS BY
MR. RUSSELL S. McCLURE
OF THE
CENTRAL INTELLIGENCE AGENCY
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COMMUNIST PENETRATION OF LATIN AMERICA

Recent events in Cuba underscore the growing Communist Bloc interest in Latin America as the strategic and vulnerable "backyard" of the United States. For the past five or six years Moscow has conducted a hide and seek policy in Latin America designed to capitalize on spot situations and to advance Soviet-bloc aims as opportunities arose.

During recent months, however, it has become clear that these sporadic and often disconnected Sino-Soviet efforts are gradually being coordinated into a major political, economic and cultural offensive to promote Communist Bloc aims in the Western Hemisphere.

Considering conditions in Latin America, it is in a way surprising that this offensive has been so long in coming and that Communism has so far had so little impact in the area. Latin America exceeds the United States in both area and population; it has a population growth as high as any region of the world; and its untapped natural resources probably rank with any in the West.

But Latin America also suffers from poverty, disease and a low level of technological advancement; mal-distribution of land, illiteracy

- 2 -

and wide extremes in standards of living. More important from the communist point of view, it is an area of vital importance to the United States. Several of these countries harbor deep resentment from their historical relations with the "Colossus of the North." In part this is the normal nationalistic resentment so common to underdeveloped regions, but for Latin Americans it is intensified by the powerful position of US business interests and a feeling that North Americans have done too much to them and not enough for them.

Though without a colonial history comparable to Asian-African areas, many Latin Americans feel their association with the United States is too near a colonial relationship, because of their economic dependence on the US.

While still generally poor by United States standards, notable economic advances have occurred in many countries. The region as a whole remains predominantly agricultural, producing chiefly primary commodities. Much of it is backward, and some is downright feudal; the contrasts are indeed striking.

Industrialization is progressing - with consequent urbanization, increasing wages and aggravated social conflict. These peoples, emerging from poverty but lacking the tools and training for a modern society, provide a receptive audience for the blandishments of Communist claims for rapid economic and social progress.

The Communist Bloc to date has not been particularly successful in promoting a swing to the extreme left. With the exception of Cuba, most governments have great antipathy for Communist methods and only a small

- 3 -

portion of the population finds a home in Communist Party membership. Moscow's present objectives, therefore, are not concentrated on the outright seizure of political power by Communist forces but rather on building a favorable image of Communism; on keeping the pot boiling in areas of tension; and on playing whatever assets it has toward eroding the interests of the United States.

In the next few minutes I shall sketch briefly the main tools and methods for Soviet penetration of Latin America, noting both progress and problems. The opportunities for Communist exploitation seem endless, the conditions ideal, but thus far, again with the exception of Cuba, the results of Bloc wooing are not impressive, if measured in terms of official recognition or dollar value of trade. However, Communist progress is impressive if measured in terms of penetration, of exacerbation of anti-US attitudes, and the mobilization of action cadres in target groups.

Communist activities in Latin America, as in the rest of the free world, are part of a worldwide pattern to establish the victory of Communism in every quarter. Latin America is by no means the most promising area of Communist operations, but it does present a unique opportunity for harassing the United States, as events in Cuba so painfully demonstrate.

Following World War II, stepped up Communist militancy throughout the world was manifested in Latin America by rapid Communist Party gains and increased subversive activities. These alarming events,

- 4 -

however, resulted in the severance by many Latin American countries of their diplomatic ties with the Soviet Union - ties which had only been established during the war under pressure from the United States for wartime solidarity. At present, out of 20 Latin American countries, only 8 have resident bloc diplomatic or consular missions and only 4 of these have such ties with the Soviet Union: Cuba, Mexico, Uruguay and Argentina. Communist China had not been recognized by a Latin American country, until Cuba broke ranks last September. These figures in themselves, while no measure of Communist influence or activity, indicate the magnitude of the task facing the Communists.

With the advent of "peaceful coexistence" in the years since Stalin's death, Communist tactics have become far better suited to conditions in Latin America. The elimination of US influence and the promotion of neutralism remain major goals. But the more refined methods of current Bloc penetration are much better adapted to the initial task of establishing a position of influence from which to pursue these long-term objectives.

Current Bloc activity seeks primarily to establish this position of influence and to win widespread acceptance in new areas. Trade, aid, and cultural overtures set the stage for reestablishment of diplomatic ties.

The Bloc has vigorously pushed a "friendship" and propaganda campaign picturing Communism as "the wave of the future." Moscow attempts to drive home the lesson that Communism is the best way

- 5 -

to economic and social progress and offers the only alternative to the so-called evils of capitalism. Through offers of trade, aid and technical assistance the Soviet Union fosters its image as a great power as well as an "alternative" to the dominant position of the United States. It stresses the selfless, peaceful nature of its offers and contrasts them sharply with "Yankee imperialism."

The response so far in Latin America has been very uneven. Soviet scientific and economic achievements have boosted Moscow's prestige, as they have in the rest of the world. There is, however, little support for replacing US interests with those of another great power. Considerable headway has been made in Cuba under the most favorable political conditions for Bloc activity. But the big guns of an all-out Communist campaign are only gradually being turned on Latin America and it is yet too early to assess the reaction. Much will depend on the course of events in East-West relations and even more on response of the US and the Free World to Latin American hopes and aspirations.

The tactical elements of the Communist Bloc's offensive are the local Communist Parties. The parties in Latin America are typically small in numbers. Present policies do not push membership drives; rather an attempt is made to build small, compact, flexible, well-trained and indoctrinated cadres of party faithfuls who work from within non-Communist organizations to promote Bloc aims.

Roughly a quarter of a million persons belong to the Party out of a total Latin American population of about 185 million. This compares to

- 6 -

a peak of nearly half a million members in 1947. In nine countries the parties have legal status, but in 11 they do not. Yet in some, where legal, they are prevented from active political participation and where illegal they play active and influential roles in national politics.

Under Moscow's direction, the parties work ceaselessly to foster latent anti-US feelings, to exploit tensions among the American states, to promote neutralism, and to project the Soviet image for all to see. They constantly exacerbate the social, economic, and political difficulties facing their host countries. While outwardly joining reform groups seeking change, they reject constructive solutions within the established framework. They frustrate reform measures and foster turmoil. They are not, of course, responsible for the conditions they exploit, but they effectively strive to keep the pressure at or near the breaking point.

In foreign affairs the Communist parties play heavily on the Latin American's traditional resentment of foreign intervention in domestic affairs. These feelings, as now expressed toward the Cuban problem, demonstrate Latin American hostility to any situation which smacks of foreign intervention - including Soviet as well as American.

The Communist Party has at times overplayed its hand in Latin America, as in the postwar years, but in general the anti-imperialist, anti-US theme has played an effective role in the Communist cold war game.

- 7 -

The local parties adhere to the most exaggerated nationalist objectives within non-Communist groups to further their own interests. As self-styled "nationalists" they join ultra-conservative movements in violent opposition to foreign investment, to foreign exploitation of mineral and agricultural resources - especially in the petroleum field - and to US and international efforts to foster financial stability. Their contribution to Cuban confiscation measures is readily apparent.

The nationalist approach has proved fairly effective in winning popular support. In addition, the success of such efforts has helped to discourage or bar foreign investments which not only would make for ~~more rapid~~ economic development, but also would strengthen the overall Western position in Latin America. In effect, these efforts prolong the very conditions of economic backwardness and stagnation in which Communist purposes are best advanced.

To further their support and to achieve a greater measure of influence than is possible through openly Communist organizations, the Party in Latin America has energetically penetrated non-Communist groups of great popular influence. These efforts have had considerable success among labor, intellectual and student groups. Within military establishments - always a likely Communist target - little success has been noted outside of Cuba, where a number of very high-level military and government personnel are Communist or Communist oriented.

- 8 -

In labor unions the policy is to infiltrate key positions rather than to build a mass following. Weak labor unions in many Latin American countries provide fine opportunities for dedicated, well-trained party activists to exercise their considerable talents for organizational work.

Provided with ample time and financial resources, a few key men have succeeded in high-level penetration of many nominally non-Communist unions which now advocate largely pro-Communist objectives. By playing one labor faction against another, by leading strikes and harassing US firms, the Communist Party members of a union exert far more power than their numerical strength would indicate. The labor field is one of the major areas of Communist activity; and is also one of the most successful.

In other non-Communist groups a similar approach of infiltration, identification with popular causes, and then molding the organization into the Communist image is followed. Communist success in blending party members into indigenous reform groups has been notable.

In Latin American academic circles the Communist parties have made considerable headway. Student and faculty groups, usually in the forefront of political activity, are the most vocal Latin American advocates of neutralism in a cold war context. They also constitute a noisy wing for demonstrations such as those which greeted Vice President Nixon in Caracas in 1958. Here, as in labor unions, Communist members usually are not openly in command but rather in positions of influence near the top.

- 9 -

In Cuba, the principal targets of Communist penetration have been the agrarian reform apparatus, the trade unions, the government and the Cuban military. In all these spheres they have been quite successful under a regime where the terms "counter-revolutionary" and "anti-Communist" are synonymous. Elsewhere in Latin America, especially in Argentina, Chile and Uruguay, local Communists are more active than in any period since the immediate postwar years. The popular support for Cuba among leftists and nationalists in Latin America has been grist for the Communist mill on a scale rarely achieved before.

At present, the Communists do not have sufficient numerical strength in any Latin American country, except for their powerful but numerically small group in Cuba, to win and maintain political control. However, as is now witnessed in Cuba and earlier in Guatemala, when a situation of chaos ensues, especially after the collapse of a dictatorship, the Communists move quickly to extend their influence. They are often the only well-organized group in existence with a blueprint for action. Through maneuvering within political coalitions and other time-tested Communist methods, the Latin American parties have come close to genuine seizure of power.

In such circumstances the Communist leadership must walk a dangerous path where too much success may prove fatal, not only to the local programs, but to the entire Soviet campaign of image-building in Latin America. Under similar conditions in Southeast Asia, India and the Middle East, the Communists have ultimately subordinated

- 10 -

seizure of power to image-building, and with far greater success. Immediate Bloc priorities in Latin America probably put the establishment of diplomatic relations with the major countries ahead of local Communist success, without, however, abandoning plans for eventual takeover. For the present, at the local level, it is sufficient to build and maintain well-knit groups to be ready for whatever may happen.

Communist campaigns of a cultural-informational nature have been directed heavily at Latin America in recent months. The purpose of this mighty public relations effort is, first of all, to establish and build an impression of the Communist Bloc as a center of progress, achievement and culture. These activities are not, of course, confined to Latin America; many of us in the United States viewed appreciatively the traveling companies of Soviet dancers, singers, and musicians. But in the underdeveloped areas these activities are pushed more vigorously through cultural centers, friendship societies, literature, exhibits, and exchanges of all sorts. The primary aim is not baptism at the Communist fount, but rather the cultivation of a new Communist image of prestige and basic respectability.

Travel between the Sino-Soviet Bloc and the Latin American countries has increased significantly. Bloc press and radio coverage of Latin America is rising and most Bloc news agencies have established exchange agreements with Castro's new service, Prensa Latina.

Communist China is playing a key role in this part of the offensive with a vigorous anti-American campaign and an effort to

- 11 -

equate Latin American conditions with those in China. Here, as elsewhere, they stretch the facts to fit the pattern and hold up the Chinese way as a model.

In the past the Soviet diplomatic posts in Mexico, Uruguay and Argentina have served as centers for public relations and propaganda activity, as well as for subversive efforts. Now, new freedom of action for Communists in Cuba has made Havana the new Mecca for Latin American Communists.

While the travels of basketball teams, ballet companies, Chinese acrobats and the increasing circulation of Pravda editorials are little cause for immediate alarm, it is worth recognizing the aims of these efforts and to take cognizance of the possible results.

Moscow and Peiping are a long way from acceptable guests in most of the Western Hemisphere, but proper fertilization can improve even barren soil given time and a proper climate. With the aid of local Communists, the Bloc is establishing lines of communication with broad segments of the population. In the short term, these are not at promoting Communism per se, but at gaining acceptance where at present it is either unknown or unwanted. Further successes in this sphere are likely.

As a major arm of the coordinated Sino-Soviet offensive in Latin America, the now familiar trade and aid overtures are being employed in an effort to establish permanent working relationships with these countries. To date, the so-called economic offensive has not paid off

- 12 -

well as a vehicle for seeking reestablishment of diplomatic relations and as a means of building Bloc prestige.

Bloc trade with the area is still a relatively unimportant factor in the economy of the region as a whole. Last year total Latin American trade with Bloc countries was about \$280 million, up some from recent years but well below the peak of 1955 when the total reached nearly \$340 million. The bloc's share of Latin America's total trade has also increased slightly in the last few years but is still less than 3 percent. The impact is concentrated in a few key countries, and only in the cases of Cuba and Uruguay has the Bloc's share of an individual country's trade reached significant proportions.

Certain obstacles are apparent which have impeded the success of the Bloc effort. Only a limited economic rationale exists to support trade. It is true that Latin America is basically a producer of raw materials which can be exchanged for whatever type of industrial products the Bloc can supply. But many of these primary commodities compete with Bloc exports. Petroleum, wheat and tin are perhaps the best examples. Furthermore the Bloc has been a poor market for other important Latin American exports; here coffee and meat are the outstanding examples.

Bloc trading practices, particularly the insistence upon bilateral trade agreements, have also been an obstacle to more extensive trade with Latin America. About 80 percent of Latin American trade with the Bloc is conducted under bilateral trade agreements. The

- 13 -

inherent restrictiveness of bilateral trade has long been recognized, but these are the terms under which the Bloc operates.

Bilateral trade is usually considered by the Latin American governments as a temporary measure to meet an economic crisis and the long term faith in and support of multilateral trade are subordinated to the situation. The agreements are usually favored by producers, exporters, and workers and fostered by leftwing political groups as the way to economic salvation.

On the other hand, importers have generally been less enthusiastic and are slow to adjust to Bloc trade techniques. Trade with state agencies is far different from what traders are accustomed to in their relations with the United States and Western Europe.

Bloc goods have often proved shoddy or in short supply. Furthermore, Bloc capital goods are often technically different if not inferior to those of the West and this limits the usefulness of Bloc products in countries primarily oriented toward US or West European technology. Availability of spare parts for Bloc equipment has sometimes been a problem.

Consumers accustomed to US and Western goods are slow to accept untested products. Latin American tastes are generally more sophisticated than in many underdeveloped areas and are not satisfied with second rate products acceptable elsewhere. So long as expanded exports to the Bloc must be linked to bilateral arrangement requiring larger imports of Bloc goods, many Latin Americans continue to view

- 14 -

expanded Bloc trade with skepticism. This is particularly true when exports to the Bloc merely replace exports that might have been made to hard currency areas, and this is the case more often than not.

Still another barrier to expanded trade is to be found in the basic trade policy of the Soviet Union. Despite tactical deviations, Soviet economic policy remains autarkic, and this striving for self-sufficiency provides little room for sizeable and permanent trade outside the Bloc.

Finally, it should be noted that many Latin Americans recognize the political motivation which lies behind much of the Bloc's trade promotion efforts. This has often produced a tug of war between those who, for one reason or another, favor expanded trade with the Bloc and those who fear it because of the political risks involved. Controversy of this type has been particularly acute in Brazil in recent years but it characterizes all of Latin America to some degree.

It seems clear, therefore, that a number of important factors are at work which limit the Bloc's opportunities to expand its economic contacts with Latin America. But we must also recognize that there is another side to the coin and that the factors listed above are mitigated by forces operating in the Bloc's favor.

While it is correct to observe that the economic basis for trade is limited, it is by no means nonexistent. The Bloc does need a number of important Latin American exports such as wool, hides, vegetable fibers and oils, etc. The Bloc does export a

- 15 -

considerable list of commodities that are adequate substitutes for the comparable Western products. Basic iron and steel products, chemicals, and newsprint are good examples. Furthermore, while some Latin American countries are important petroleum producers, it is nevertheless true that several of them, notably Argentina, Brazil, Uruguay, and Cuba, are also large petroleum importers. The Soviet Union has exploited this fact and petroleum has assumed an increasingly important role in Bloc trade with those countries during the last few years.

The political motivation that inspires much of the Bloc's trade effort is of vital importance in this connection, particularly in the case of the USSR. The political stake of the Soviet Union in Latin America has been the foundation for its recent purchases of Cuban sugar and for its agreement, concluded last fall, to buy larger quantities of Brazilian coffee. Of course both of these commodities are of economic value to the Soviets, but in terms of primary Soviet needs and goals, it seems clear that the purely economic significance of these products is quite marginal and that the basis of this particular trade is largely political.

On the Latin American side, the disadvantages of trade with the Bloc are offset to some extent by the region's overriding need to expand its export markets. Deteriorating terms of trade, chronic foreign exchange shortages, and surpluses of basic export commodities are all symptoms of this need. These facts have caused many Latin

- 16 -

Americans to look with longing at what they imagine to be the vast unexploited market of the Communist Bloc. Furthermore, in the eyes of some Latin Americans, Bloc trade is regarded as a means of extracting greater attention from the United States. Thus, the political motive operates on both sides to reinforce purely economic factors.

So long as economic development remains hampered by difficulties in the foreign trade sector, Latin American governments will continue to feel pressure from those who urge Bloc trade as a panacea for all economic ills. Such pressure is not to be taken lightly, for it comes not only from leftwing groups but from some conservatives, as well, such as the exporter seeking new outlets or the nationalist seeking to free his country from what he considers excessive dependence upon the United States.

So far I have confined my discussion of the Bloc economic offensive to its trade aspects, but most of the considerations listed above also apply to Bloc economic aid programs. The Bloc political motivation in this connection needs no discussion.

Latin American reaction to aid offers has been conditioned by many of the same factors which have affected Bloc trade proposals. Bloc aid does not provide free exchange but rather consists of a grant of inconvertible credits which can be used only for the import of Bloc capital goods, and this equipment is often not highly regarded or desired in Latin America. The political motivation underlying Bloc offers has generally been recognized. Latin American

- 17 -

governments have been cautious about the political risks involved in the acceptance of Bloc aid.

On the other hand, the need for development credits is acute and the desire to find a new alternative to United States aid also operates to make Bloc aid prospects attractive.

In Cuba the Bloc has its first opportunity to develop an extensive aid program. Following Mikoyan's visit to Havana in February 1960, and the conclusion of large-scale trade and aid ties, the groundwork has been laid for assistance from all major bloc countries. The Soviets have extended a \$100 million development credit, Czechoslovakia \$20 million and the Poles and the Chinese have promised industrial deliveries on credit terms.

Having cut off private western investment, Cuba has negotiated with the Bloc for more than 50 "complete factory" projects, ranging from small workshops to a one million ton steel mill to be built by the Soviet Union. All these plans are, of course, in the preliminary stages and are scheduled over more than five years, but obviously a big drive is now on in Cuba.

Experience has shown that the initial enthusiasm for such assistance will probably be tempered as concrete discussions prove Bloc experts every bit as hardnosed and practical as their counterparts in the United States. Nevertheless, Moscow is clearly committed to a development program in Latin America for the first time and other countries will follow its progress with interest.

- 18 -

In every country except Cuba, the balance of conflicting forces so far has been in favor of a cautious approach to Bloc aid. Bloc offers have also been made at various times to Argentina, Uruguay, Brazil, Mexico and Bolivia, but so far only Cuba and Argentina have accepted significant amounts of assistance. Argentina has accepted a credit for \$100 million to develop its petroleum industry. This credit agreement was modified last spring to include other than petroleum equipment. However, even though the credit has been on the books for two years, the Argentines have drawn only about 15 percent of the total.

It is widely held that Argentina accepted this offer to placate ultra-nationalist opposition to foreign investment in the petroleum program. Buenos Aires later received more than \$1 billion in private capital for the same program, far overshadowing the Soviet contribution.

So far the Bloc aid program in Latin America has not achieved nearly the success that it has in other parts of the world. In part this is because the Bloc has not made a very determined effort in the area. The offers that have been made were often vague or presented indirectly and with little publicity. Some appear to have been propaganda gestures only or in the nature of trial balloons rather than serious efforts to do business.

More specific offers with greater publicity and presented at the right time might well have produced more results, especially in Brazil. It is difficult to say whether the Soviets have held back from a more vigorous drive because they felt that the reception

- 19 -

in Latin America would be unfavorable or because they thought that a more extensive aid program would yield only small political gains under present conditions. The fact that they have moved ahead vigorously in Cuba when political conditions became favorable may indicate that Bloc leadership is willing enough to commit large amounts of resources to Latin American economic aid when the time is ripe for such a move.

On balance the prospects for broader Bloc economic ties with Latin America appear to be only fair. Trade is currently increasing but this is mostly due to the Cuban situation. Outside of Cuba, Brazil is the only country which seems to be expanding its Bloc trade and it is difficult to predict how far this trend will be carried.

Elsewhere, in Argentina and Uruguay, the prospects are not bright, and the level of Bloc trade in 1959 actually declined slightly from the year before. So long as the present political configuration in Latin America is maintained, Bloc overtures will probably continue to be received with some caution and circumspection. However, the Cuban example shows how quickly and dramatically this can change.

One final observation should be made concerning the economic offensive. The fact that trade and aid have remained at a relatively low level does not necessarily restrict its effectiveness in achieving some Communist goals. This is particularly true with respect to the reestablishment of diplomatic relations. Many groups feel that trade with the Bloc has been small not because a good economic foundation is lacking, but because their governments have not tried hard enough to

- 20 -

exploit the potential. So long as there is a widespread belief among Latin Americans that Bloc trade and aid offers even a partial solution to their economic difficulties, pressure will continue on governments to establish those relations, including diplomatic, which will make such trade and aid possible.

The extent of Communist activity and influence in Latin America is indeed a growing cause of concern. Diplomatically the Sino-Soviet bloc has a long road to travel in the area. The Communist Parties are increasingly active but there is little popular sympathy for their solutions. Economic relations between the bloc and Latin America probably will grow, but they will be dangerous only where accompanied by a serious deterioration of Western interests. Contacts of a cultural and propaganda nature are likely to continue on a large scale as the bloc seeks and obtains greater acceptance throughout the world.

The primary aim of this offensive is not immediate seizure of political power, but rather the cultivation of neutralism in the Western Hemisphere. In pursuing this goal, however, the Communists will work ceaselessly to exploit whatever opportunities are presented. The potential danger is great in times of chaos, but the Bloc must carefully weight local success against its area interests as a whole and not provoke hostile reactions elsewhere in Latin America.

- 21 -

In Cuba the extent of Communist influence in all fields is greater than perhaps anywhere outside the Sino-Soviet Bloc, and poses the danger of an eventual formal Communist takeover. The Bloc has an important opportunity in Cuba to demonstrate a model of successful economic cooperation to the rest of Latin America. Going too far at this time might cause these plans to backfire. Cuba is not a typical situation and developments there cannot properly be considered to have evolved from long-range Communist policies.

The Bloc's success in exploiting the situation may be repeated in other countries. However, events since the meeting of the foreign ministers of the Organization of American States last August reflect growing awareness and concern over Sino-Soviet intervention in this Hemisphere, as now manifested in Cuba.

The success of Communist activities in Latin America will depend in large measure on the response of the Western powers in meeting the challenge of the area's economic development. The importance of Latin America to the United States is obvious, in both political and economic terms. Differences there are, but our overwhelming mutual interests in the prosperity, stability and well-being of the Hemisphere should override these differences.

We are coming to recognize that the divergences between us are not exclusively of Communist origin and can and should be settled outside the battlegrounds of East-West conflict. Meanwhile, Moscow, too, is rethinking its Latin American foreign policy and it is

- 22 -

likely that the Western Hemisphere will increasingly become a major area for East-West competition. In our legitimate concern with Communist activities, let us not lose sight of the great assets we possess for such a struggle, nor lack the will and the vision to turn them to our advantage and that of the free world.

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