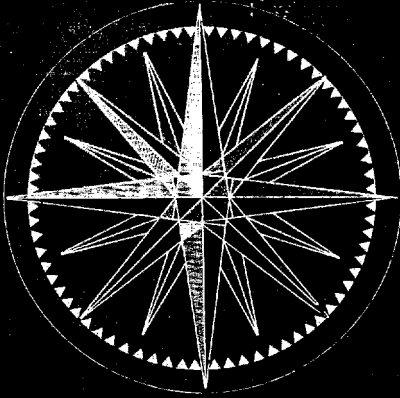


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# SPECIAL REPORT

## OFFICE OF CURRENT INTELLIGENCE

YUGOSLAV INTEREST IN LATIN AMERICA

CENTRAL INTELLIGENCE AGENCY



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**YUGOSLAV INTEREST IN LATIN AMERICA**

In accepting President Lopez Mateos' invitation to visit Mexico, probably this fall, Tito seems to have set the stage for his long-contemplated tour of Latin America. His goals, like those of earlier Yugoslav emissaries, will be to develop broader economic and political ties and promote collaboration with the nonaligned states in international affairs. Apparently no decision has been made on whether to include Cuba in his itinerary.

Tito's Trip

Tito has long been an advocate of personal diplomacy at the highest level. He hopes, during this trip, to establish markets for Yugoslav industrial products which generally cannot compete in or are barred from established trading areas. To this end, he is probably prepared to extend modest credits for purchase of Yugoslav goods.

Tito will also attempt to win greater Latin American collaboration with the non-aligned states, thus broadening the group which has made it possible for Belgrade to play an international role out of all proportion to its economic and military power.

As a Communist proselytizer, he may also suggest that some facets of Yugoslavia's distinctive variety of "socialism" are worthy of study for adaptation to Latin American conditions.

In addition to Mexico, Tito has in hand invitations from Bolivia, Brazil, and Chile, and Yugoslav diplomats are

angling for invitations from the US, Venezuela, and probably other countries in the Western Hemisphere. His coming to the US, however, would probably be contingent on Washington's reversal of last year's denial of most-favored-nation trading status to Yugoslavia.

Pending developments in US-Yugoslav relations and the possibility of visits to the strong anti-Castro Latin American states, Belgrade has apparently not finally decided whether Tito should seek to revive an old invitation to visit Cuba. In January, Yugoslav officials claimed that Tito had a Cuban invitation but was holding off acceptance. When the Western press reported in early April that Tito would visit Cuba, Belgrade would deny only that any announcement of a visit had been made.

Initial Contact

The Tito regime views Latin America as the colonial appendage of the US, but an area in which the forces of

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"independence and progress" are beginning to assert themselves.

Although Yugoslavia had sought to develop trade with Latin America as early as 1950, serious Yugoslav interest dates from 1959, when Belgrade--again feuding with the Soviet bloc--was trying to increase the international activity of the non-aligned and underdeveloped states.

In April 1959, Belgrade granted its first credit to a Latin American state--a \$23.7-million loan to Argentina for purchase of Yugoslav ships. In June, cabinet member Vladimir Popovic began a good-will tour that eventually carried him to Argentina, Mexico, Venezuela, Honduras, Chile, Costa Rica, Cuba, Panama, Ecuador, Bolivia, Colombia, and Haiti. Popovic attempted primarily to stimulate interest in trade and cultural exchanges.

A trade union delegation headed by Svetozar Vukmanovic-Tempo, the Tito regime's labor czar and trouble shooter, went to nine Latin American states in October 1959, talked with many high officials, and found "great interest" in Yugoslavia's foreign policies and domestic institutions.

Cuba

By late 1959, Tito apparently had decided that Yugo-

slavia's interests in Latin America could best be served through close association with Castro's Cuba. This decision was apparently reached on the basis of Vladimir Popovic's stay in Cuba and "Che" Guevara's August stopover in Belgrade while on an international good-will tour. A very brief era of good feeling was ushered in by Yugoslav Foreign Minister Koca Popovic's October visit to Havana. In January, 1960, Cuban Foreign Minister Roa paid a visit to Belgrade, at the end of which Tito accepted an invitation to visit Cuba and extended an invitation to Castro.

The Roa visit was both the high point and the beginning of the end of the Yugoslav-Cuban flirtation. The Yugoslavs claimed privately that they found the Cubans personally distasteful,



Cuban Foreign Minister Roa (left) with Tito and Yugoslav Foreign Minister Popovic (far right) at Belgrade in January 1960.

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and the Cubans were disappointed over Belgrade's lack of enthusiasm for their scheme to convene an international conference of underdeveloped countries. Although a cultural agreement was successfully negotiated in May, the Cubans claimed the Yugoslavs were difficult and unsympathetic when arranging a trade agreement in July. Cuban diplomats in Belgrade soon began publicly complaining about Yugoslav treatment, particularly in regard to housing.

The major blow to Cuban-Yugoslav relations awaited the September UN General Assembly session, attended by many heads of state, during which Castro reportedly scheduled and then canceled several meetings with Tito.

Cuban attendance at Yugoslavia's national day reception in Havana the following November was sparse. In January 1961, Hoy, the Cuban Communist newspaper, began attacking Yugoslavia, and Yugoslavia's propaganda support for Castro began to falter. Since that time, Yugoslavia has continued to defend Castro's right to rule in Cuba, but relations have been cool.

Tito First Plans a Trip

If Castro was a disappointment for Tito, his hopes for

finding a close friend in Latin America were quickly revived in the person of Brazil's mercurial President Quadros, who espoused quasineutralist foreign policies. In early March 1961, Tito accepted Quadros' invitation to visit Brazil and apparently several other countries.

By the end of April, however, Tito had decided to go only to Brazil to avoid raising the question of a stopover in Cuba. The scheduling of the visit became additionally complicated by the planning of a nonaligned heads-of-state conference for Belgrade in September. In August, Quadros resigned and the trip was off.

Yugoslav Emigrés

Another factor affecting Tito's decision to limit his 1961 itinerary may have been the threat to his personal safety posed by emigrés and Latin Americans of Yugoslav descent who are inimical to the present regime in Belgrade. These groups are probably an even more important factor in his present trip plans.

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Nonalignment

When Tito, Nasir, and Sukarno decided to convene what eventually became the Belgrade conference in September 1961, they had hoped to be able to draw at least some Latin American states into closer collaboration, if not outright association, with their nonaligned group. However, except for Cuba, which proved to be a disappointment, no Latin American country played an active role in the proceedings. Bolivia, Brazil,



Tito with Cuban President Dorticos during the conference of "nonaligned" states in September 1961.

and Ecuador sent only observers.

The actions of the Cubans at both the preparatory and full-dress conferences made a bad impression on most of the participants, including the already disenchanted Yugoslavs.

Yugoslavia's next great venture in the sphere of non-alignment, the Economic Conference of Developing States held at Cairo in July 1962, got a better response because of its "underdeveloped" rather than "nonaligned" context. Although Mexico declined to cosponsor the conference, it did send a delegation, as did Bolivia, Cuba, and Brazil; Chile, Ecuador, Uruguay, and Venezuela sent observers. Belgrade sent Foreign Minister Popovic on a tour of Brazil, Chile, Bolivia, and Mexico in May to drum up support and also to pave the way for Tito's coming tour.

As a result of the Cairo conference, an international

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Cartoon from Topaze (Santiago de Chile), 15 March 1963. Francisco Bulnes, president of the Conservative Party of Chile who led the opposition against extending an invitation to Tito, is portrayed as a friar, saying: "It seems that I am more papist than the Pope."

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trade conference is being arranged under UN auspices. The preparatory meetings, at which Argentina, Brazil, Colombia, El Salvador, Peru, and Uruguay have representatives and Chile an observer, are giving Belgrade yet another opportunity to increase contacts with Latin America.

Belgrade's latest project is to convene an international conference of neutral-leaning trade unions later this year. At the first of two preparatory meetings--held at Casablanca in January--the Communist-influenced Chilean trade union organization (CUTCh) was portrayed as the regional representative from Latin America. The major Yugoslav effort to draw Latin Americans in on this project came in December 1961 and January 1962, when a high-ranking Yugoslav trade union delegation visited Chile, Brazil, Argentina, and Uruguay.

#### The Adverse Impact

The Latin Americans have apparently been impressed somewhat by Yugoslavia's rapid economic development and its far-ranging international activity. On the other hand, they have been alienated by the actions of some of its representatives.

Foreign Minister Popovic, for example, almost ruined his May 1962 good-will trip to Chile and Bolivia by refusing to

answer questions on Cuba, Berlin, and other East-West issues at a press conference on his last day. He also apparently lost his temper and gave sarcastic answers to questions on the reincarceration of Milovan Djilas, Yugoslavia's most vocal and important dissident.

In Bolivia, he upset the public by insisting on the arrest of a Yugoslav refugee who is a well-known Bolivian soccer player, trainer, and coach at the University of Santa Cruz--soccer players are virtually national heroes.

Yugoslavia's recent rapprochement with the Soviet bloc may also lessen its attractiveness to Latin Americans.

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#### Trade

Yugoslav efforts to build up trade with Latin America have not achieved any appreciable success. In 1956 Belgrade sent 3.5 percent of its exports to and obtained 2.8 percent of its imports from Latin America; the comparable percentages in 1962 were only 4.6 and 2.3.

Total value of trade ranged from a peak of over

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\$38,000,000 in 1955, down to around \$11,000,000 in 1957 and up to \$52,995,000 in 1962.

Trade with Latin America has normally been a losing proposition for Belgrade. Its annual deficit rose from around \$2,000,000 in 1955 to approximately \$13,000,000 in 1961. The tables were finally reversed in 1962, when a \$11,926,000 surplus was registered.

Brazil and Argentina have consistently been Yugoslavia's biggest trading partners in Latin America.

Credits

Only a relatively small share of Yugoslavia's foreign

assistance program has been directed to Latin America. In addition to the April 1959 credit to Argentina, Brazil has accepted \$5,000,000 for purchase of Yugoslav capital equipment, and Bolivia is considering an offer of \$5,000,000 for a hydroelectric project.

Prospects

Any future gains in Yugoslav influence with the Latin American countries are likely to result more from their desire to assert their independence than from Belgrade's ability to sell its ideology or to woo them with trade or aid. Relations with Latin America are likely to remain low on Belgrade's priority list.

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