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# NATIONAL INTELLIGENCE ESTIMATE

## CONDITIONS AND TRENDS IN LATIN AMERICA AFFECTING US SECURITY



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*All members of the Intelligence Advisory Committee concurred in this estimate on 4 December 1952.*

# CENTRAL INTELLIGENCE AGENCY

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## CONDITIONS AND TRENDS IN LATIN AMERICA AFFECTING US SECURITY<sup>1</sup>

### THE PROBLEM

To identify the factors affecting Latin American political stability and cooperation with the United States, and to estimate the trends likely to affect Latin American political and military cooperation and the availability of Latin American strategic resources.

### CONCLUSIONS

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1. The political instability now evident in Latin America results from serious disturbance of the traditional social order by new economic and social forces. This instability is therefore much more fundamental than that which characterized the personal politics of Latin America in the past.

*(3)*  
2. The principal political trend in Latin America is toward nationalistic regimes maintained in large part by demagogic appeal to the depressed masses of the population, of which the Peron regime in Argentina is an outstanding example. Similar, though not identical, regimes already exist in Bolivia and Guatemala. Present circumstances favor their development in Chile and Ecuador. Peru, Colombia, and Venezuela are the states next most vulnerable to this trend.

3. The general trend toward radical and nationalistic regimes in Latin America is favorable to Peron's efforts to arouse an-

tagonism toward the United States. The same nationalism, however, would probably preclude Argentine political control over any neighboring state.

4. The Communist threat to US security interests in Latin America is greater than the limited and declining party membership in the area would suggest, because of the ease with which a relatively few Communists, operating through various fronts, can exploit the social unrest and Yankeeophobia already existing in the non-Communist population. The Communists, as such, have no present prospect of gaining control of any Latin American state by electoral means. Guatemala, however, is an example of how a small Communist minority can penetrate a Latin American government and strongly influence its policy.

5. The pressures of social unrest and extreme nationalism make it difficult for Latin American governments to render on all occasions the degree of diplomatic,

<sup>1</sup> This estimate relates only to the Latin American republics. European colonies in the area are excluded from consideration.

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military, or economic support desired by the United States. With the exception of Argentina and Guatemala, they have been reasonably cooperative in the political sphere. Generally, however, they have not implemented effectively their economic and military undertakings.

6. Eventually the trend toward exaggerated nationalism, if it continues, will seriously affect Hemisphere solidarity and US security interests in Latin America. For the next several years, however, change is not likely to be so far reaching as to reduce substantially the present degree and scope of Latin American cooperation. In particular, Latin American strategic raw materials will continue to be available, although the governments concerned will seek to drive hard bargains in terms of prices and economic concessions.

7. In the event of global war, the Latin Americans would more fully appreciate their community of interest with the Western Powers and would probably show a greater readiness to meet their international military and economic commitments. The Latin American armed forces, however, would not be able to defend critical strategic areas and vital sea routes against serious enemy attack without the direct participation of US forces, although they would be of value in supporting roles.

8. The more immediate threat to US security interests in Latin America, in the event of global war, would be Communist capabilities for the sabotage of strategic industries. It is unlikely that a large-scale and widespread program of sabotage could be sustained, but the situation would favor sporadic Communist successes.

## DISCUSSION

### Basic Social Trends

9. In most Latin American countries the old order of society was dominated by landed gentry in alliance with the Church and the Army. There was also a small professional and commercial middle class, but the mass of the population was dependent, inarticulate, and politically impotent. Within the ruling group politics was highly personal and unpredictable, but the social order itself was stable.

10. In recent years, however, the traditional social order has been seriously disturbed, primarily by the accelerated pace of Latin American economic development as affected by structural changes in the world economy, secondarily by ideological influences derived from the world-wide social unrest of the twentieth century. Although 60 to 70 percent of the population is still engaged in agri-

culture, the development of mining, manufacturing, and service industries in Latin America during the past three decades has considerably increased the importance of non-agricultural labor and the urban middle class. In many important countries the preponderance of political power is shifting to politicians whose strength is derived primarily from influence over city populations. This development, still incomplete and ill-defined, has given rise to political instability more fundamental than that which characterized the personal politics of the past.

11. In some countries new political leadership arises primarily as an accompaniment of industrial and commercial growth. In all countries its rise has been associated with a rapid expansion of governmental operations. The leaders of the newly-important population groups include functionaries

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staffing government ministries and state-controlled enterprises, military, professional, and business men, and trade union leaders. The majority do not have strong ties to the traditional order. The most characteristic attitude among political leaders of this new type is a strong tendency toward nationalism.

12. Older social elements and institutions have adapted themselves with varying degrees of success to the rise of this new and essentially urban political leadership. Intellectuals, who formerly had their spiritual home in European capitals and were attached to the oligarchy by ties of family and patronage, are now predominantly both socialistic and nationalistic in temper. The military, nationalistic by tradition, have shown considerable interest in the prospect of industrialization. They are sometimes neutral toward the old order, or even hostile when alignment with "progressive" forces suits their purposes. The various national Catholic hierarchies have for the most part striven to preserve the traditional social order, but in a few countries Catholic laymen have organized Christian socialist parties in an effort to counter anti-clerical and agnostic tendencies of the urban population and to divert the masses from a more radical course. Only the landed interests have in general made no effort to accommodate themselves to the new situation.

13. Relations between the masses of the people and the new, essentially urban, leadership are much less stable and clear than were those between the people and the landed aristocracy. Personal politics and "feudal" loyalties are being superseded by the impersonal relations of Capital, Labor, and Government. The aspirations of urban populations, especially those of organized labor, are often exploited by demagogues and directed toward objectives incompatible with the development of stable and moderate government. The masses in general are poverty stricken, politically inexperienced, and highly susceptible to demagogic appeals.

14. The degree of disruption produced by the social forces mentioned above varies from

country to country. The traditional order still persists in Peru, Nicaragua, and the Dominican Republic, for example. On the other hand, Argentina, Bolivia, and Guatemala are now controlled by politicians who base their power in large part on leadership of the depressed masses. This latter pattern is likely to be repeated, with local variations, in other countries which have not achieved, like Mexico, a relatively high level of social and political stability.

### Basic Economic Trends

15. Latin America has traditionally served as a supplier of raw materials and foodstuffs to the highly industrialized countries of North America and Europe, and has depended on those countries for nearly all of its requirements of manufactured products. The Latin Americans, however, are no longer willing to accept what they describe as a colonial economic status. This attitude is accentuated by their experience during and after two World Wars, when, despite large income from exports of raw materials, they were unable to buy the manufactured goods they wanted. They seek a greater degree of economic independence and stability through such measures as protective tariffs, exchange restrictions, export controls, and government-sponsored industrialization.

16. One aspect of the prevalent economic nationalism has been a tendency toward the expropriation and nationalization of foreign-owned utilities and industrial enterprises. This tendency arises from political as well as economic motives. Immediately after the war Argentina and Brazil bought out British railway interests. Recently, the Bolivian Government has nationalized that country's tin mines. In Chile discussion is rather in terms of an expropriation of the product of the copper mines through the establishment of a government monopoly of copper exports. In Venezuela there is occasional talk of eventually expropriating the oil industry, but there is no indication that the government contemplates such a policy. A related tendency is illustrated by the unwillingness of Brazil to permit the exploitation of oil re-

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sources except on terms providing for close government control of such operations.

17. Progress in industrialization will be increasingly difficult to sustain in Latin America. Domestic private investors, seeking quick, high profits, are reluctant to finance long-term development enterprises. Foreign private investment capital for desired industrial expansion has not been forthcoming in effective quantity in the postwar period, in large part because of the restrictions and uncertainties engendered by the prevalent economic nationalism. Industrialization, therefore, has been to a considerable extent financed with public funds, and consequently its form and direction have often been governed by political rather than economic considerations. Development of new domestic industries and the basic transportation and energy services will probably involve the diversion of capital and other resources from development of the raw material export sector of the economy.

18. Latin America's recent preoccupation with industrial development to the neglect of agriculture has adversely affected the domestic supply of agricultural products as well as the earning of foreign exchange through agricultural exports. Even a relatively small increase in agricultural investment could have brought substantial increases in agricultural productivity, particularly in the growing of food for domestic use.

19. Inflation has increased the economic and political strain in Latin America. It has jeopardized the levels of living of the laboring classes in urban areas, thereby compelling the governments to expand costly social welfare programs. Agriculture in general has not benefited from inflation because of the increased cost of manufactures and because of government interference in domestic markets.

20. An economic crisis in Latin America was averted only by the rise in prices for Latin American export commodities following the outbreak of hostilities in Korea. If the terms of trade should seriously deteriorate many Latin American economies would be severely

shaken. In countries where large-scale programs of industrialization are underway, a marked slackening of those programs would produce grave social and political problems. The countries most vulnerable in this respect—Mexico, Brazil, Argentina, and Chile—are those which could render the greatest material support to the United States in the event of war.

### Basic Political Trends

21. The most important political trend in Latin America is toward the rise of radical and nationalistic regimes like those in Argentina, Bolivia, and Guatemala. Such regimes are based in large part on mass support obtained by promises to relieve the wants and fulfill the aspirations of depressed segments of the population. Recent elections in Chile and Ecuador have brought to power nationalistic regimes more likely than their predecessors to develop in this same direction. Radical mass movements in Peru and Venezuela have been forced underground by representatives of the traditional order. In their frustration these popular movements are susceptible of exploitation by imitators of Peron's techniques. Even in such relatively stable countries as Brazil, Uruguay, and Mexico there are extremist elements of considerable political potential.

22. The mounting pressure for radical political change in Latin America alarms particularly those governments controlled by the traditional ruling group, as in Peru and Colombia, and stiffens their resistance to any substantial change. This repressive tendency hinders even moderate change and so renders more likely the eventual outbreak of revolutionary violence. In Colombia there is already a widespread guerrilla resistance to the regime.

23. Where power has already passed, as in Mexico, from the traditional to a new political leadership, the governments are also hostile toward mass movements and toward politicians seeking power on a new wave of revolution. The weakness of these otherwise stable political machines lies in their many unfulfilled promises to the urban masses,

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promises impossible of fulfillment during the present phase of economic development. Chile affords a recent example of one such liberal and moderate regime which has succumbed to this weakness. Only in Mexico is the existing political machine strong enough to permit a reasonably confident estimate that it would be proof against overthrow by a demagogic opposition.

24. The military retain considerable political influence in all Latin American countries. In those such as the Dominican Republic, Nicaragua, and Paraguay, where the traditional order has not been seriously disturbed by new social and political ideas, military and national leadership are essentially identical and no conflict between the two is likely except in terms of a palace revolution. In countries where the old order is under attack, but has not been superseded, the position and future conduct of the military are less clear and predictable. The Venezuelan Army, for example, put the liberal Acción Democrática into power in 1945, but turned it out again three years later. The vacillation of the Army between the old and new orders, in Venezuela and elsewhere, appears due to the fact that the new sort of civilian political leaders, while promising to satisfy military aspirations, also sponsor radical changes in the social order. Yet even where the Army has taken direct control, as in Peru and Venezuela, the resulting governments have been sensitive to popular demands for social improvement. Where demagogues gain mass support, as in Argentina, or where governments are responsive to a relatively broad and articulate electorate, as in Mexico and Uruguay, the capacity of the military for independent action and their influence upon the government tend to lessen.

25. Peron's success in Argentina has stimulated the existing trend toward demagogic and nationalistic regimes in other countries, as in Bolivia, Chile, and Ecuador. Peron has fostered this trend by giving material or moral support to like-minded national leaders. The trend, however, is primarily the consequence of national conditions and aspirations in each case. Even if other govern-

ments should adopt domestic and foreign policies closely resembling those of Peron, their essential nationalism would preclude their becoming mere satellites of Argentina.

26. The trend toward radical nationalism in Latin America is adverse to US security interests, for a common expression of such nationalism is Yankeeophobia. This spirit is in conflict with the idea of hemispheric solidarity and cooperation. As expressed in Argentine policy, it involves withdrawal into a "third position" of neutrality between, even active opposition to, both the US and the USSR. In practical application this policy adversely affects only US interests. Peron is actively endeavoring to induce other Latin American states to adopt this "third position." He has had no apparent success so far, but the general trend is favorable for his purposes.

### Basic Military Trends

27. The primary function of Latin American armed forces has always been the maintenance of internal order. Although international wars have occurred within the area, they have been rare and are outside of normal expectation. Latin American military establishments have never been developed in the expectation of having to resist invasion by a first-class military power without the support and assistance of some other major power.

28. The Latin American governments have now agreed to a coordinated approach to the general problem of Hemisphere defense, with the assignment of tasks to particular states under an over-all plan and the preparation of their forces to perform the tasks assigned. Such planning is proceeding through the agency of the Inter-American Defense Board. At the same time various Latin American forces are being modernized and developed under US influence. This influence is exerted through joint US-Mexican and US-Brazilian defense commissions, US military missions in all other Latin American countries except Nicaragua and the Dominican Republic (the present armed forces of which were established under US auspices), the training of

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Latin Americans at Service schools in the Canal Zone and the United States, various bilateral mutual security agreements, and the provision of limited quantities of US military equipment.

29. The major Latin American powers generally desire to improve their air and naval forces and to achieve a reasonable degree of self-sufficiency in ground strength. Unskilled manpower is available in adequate numbers, but these states generally lack the industrial and financial resources, the skilled technicians, and the qualified officers to achieve this goal by their own efforts. Any considerable improvement and expansion of Latin American armed forces will therefore require US assistance in training and in the provision of military equipment. Moreover, even in the best circumstances, the Latin Americans would never expect to meet attack by a first-class military power without direct US air and naval support.

### Communism in Latin America

30. The Communist threat to US security interests in Latin America is greater than present party membership in the area would suggest, because of the ease with which a relatively few Communists operating behind labor, intellectual, and other fronts can exploit the social unrest and Yankeeophobia already existing in the non-Communist population. Guatemala is a prime example of how a small Communist minority can penetrate a Latin American government and strongly influence its policy.

31. During the period 1944-1947 the Stalinist Communist parties in Latin America had some 330,000 members and polled an aggregate of about a million votes in various national elections. Since then party membership has fallen to about 200,000. Most of this decline has occurred in the three most important Communist parties, those in Brazil, Chile, and Cuba, each of which has lost about half of its members. In many countries the Communist Party is now officially suppressed. In none is it an important electoral factor. The Communists, as such, have no present prospect of gaining control over any Latin

American government by electoral means. Their direct participation in national politics is significant only in Guatemala.

32. The Communists have had some success in their efforts to gain control of Latin American labor by establishing reliable Communists in key positions in strategic labor unions and in national labor federations. They dominate completely the international Confederation of Latin American Workers (CTAL). In recent years Communist control of labor unions has been somewhat curtailed by government action, but such action has also affected and antagonized non-Communist labor leaders. In Chile and Venezuela, for example, government restrictions on union activity have tended to give Communist and non-Communist labor groups a common sense of persecution and a common cause. Moreover, even where Communists have been ousted from official positions of union control, they retain some influence as rank-and-file labor leaders or as officials in non-Communist unions. Furthermore, the Communists have sought influence among the mass of unorganized workers. Through their influence in labor they have a capability for interrupting the operations of strategically important industries by means of strikes and sabotage.

33. The Communists have also been successful in penetrating Latin American educational systems, intellectual circles, and those patriotic organizations formed to give expression to the new spirit of ultra-nationalism. In this way they seek to instill prejudice in the rising generation, to intensify socialistic and nationalistic tendencies among the intelligentsia, to assume a patriotic coloration for their own activities, and to give such direction to nationalism as will most effectively hinder Latin American cooperation with the United States.

34. In the Latin American armed forces, however, the influence of Communists and Communist sympathizers is slight. In general, the officer corps constitutes the strongest opposition to Communism in Latin America.

35. Since the outbreak of the Korean war the USSR has shown a markedly increased interest in Latin America. This increased atten-

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tion has been reflected in the larger volume of Soviet broadcasts to Latin America, the movements of important Communists, and the resolutions of recent Communist-sponsored conferences.

## COOPERATION WITH THE UNITED STATES

### Political Cooperation

36. Since World War II the inter-American system has been subjected to new strains. Isolationist and anti-US sentiment among Latin Americans has been kept alive or strengthened by the political, economic, and social problems reviewed above. Latin Americans believe that the US does not appreciate the urgency of these problems. They in turn do not fully understand the demands of the global situation upon US attention and resources, and resent the failure of the US to give them the financial and military assistance which they believe they should have.

37. The outbreak of hostilities in Korea posed a clear test of Latin America's willingness and ability to cooperate with the US in support of UN objectives. Initial enthusiasm was displayed in the united support given by Latin America to the UN decision for action in Korea and to the resolution passed in the Council of the Organization of American States approving this action. The five nations which had not yet ratified the Rio Treaty quickly did so. (Guatemala, however, has not as yet deposited its instrument of ratification.) Later, all but Argentina voted for the UN "Uniting for Peace" resolution and all supported the reaffirmation of inter-American unity which came out of the March-April 1951 meeting of the American Foreign Ministers. In addition to this political support, Latin America agreed, in principle, to increase its output of strategic raw materials.

38. More recently, Latin American governments, except those of Argentina and Guatemala, have given excellent support to the US on all the important political questions on which the US and the USSR were opposed during the sixth (1951) session of the UN General Assembly. Moreover, they have moved with caution on the issues of Iran, Egypt, Morocco, and Tunisia, despite their strong desire to

support the national aspirations of other peoples. Finally, since the beginning of 1952, five Latin American governments — Cuba, Colombia, Ecuador, Peru, and Chile — have entered into bilateral military assistance agreements with the US. Two others — Uruguay and Brazil — have signed such agreements, but have not yet ratified them.

39. Some considerations tend to counterbalance this record of governmental cooperation. In the weeks after the opening of the Korean conflict initial Latin American enthusiasm gave way to an attitude of caution and calculation. Fear of a global war has been exploited by Communist and Peronist anti-US propaganda, which stresses the theme that Latin America has nothing to gain and much to lose from embroilment in a world conflict. To date, troop contributions for Korea have not been forthcoming, except from Colombia, and the recently negotiated military agreements have been subjected to severe attacks by Communist, nationalist, and other anti-US elements.

### Economic Cooperation

40. The role of Latin America as a supplier of strategic raw materials, particularly in time of war when access to materials in other supply areas may be denied, makes Latin American economic cooperation vital to US and Hemisphere defense. Latin America at present supplies the United States with over thirty strategic mineral, fiber, and chemical products. Its output of copper, petroleum, and zinc forms an essential complement to US and Canadian production. The area is the only Western Hemisphere source of thirteen essential materials, including tin, cordage fibers, mica, quartz crystals, and monazite, and it is the principal Hemisphere source of antimony, chromite, manganese, tantalite, and tungsten. The great bulk of these strategic materials comes from Mexico, Venezuela, Peru, Chile, Bolivia, and Brazil.

41. At the 1951 meeting of American Foreign Ministers the United States obtained from the Latin American nations pledges to increase the production and the allocation to the US of strategic materials in short supply. The

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implementation of these pledges has not been as effective as the emergency required. Production as a whole has not been expanded above general postwar levels. The feelings of Latin Americans respecting this form of economic cooperation were displayed at the Foreign Ministers meeting by a request that the US proposal for increases in the output of strategic materials be accompanied by assurances of assistance for general Latin American economic development. In general, emphasis upon their role as producers of raw materials is resented by Latin Americans as imputing to them a "colonial" status.

42. Latin Americans in general do not oppose the entry of foreign capital for the purpose of exploiting natural resources, but they are becoming increasingly insistent on exercising control over the scope and form of such investment. This insistence stems not only from a militant nationalism, but also from the concern of some leaders for conservation of resources and the desire of all to obtain a maximum *quid pro quo*.

43. With respect to trade with Communist-controlled countries, the great majority of Latin American nations have promised either formally or informally to comply with the provisions of the Battle Act. Nevertheless, some strategic materials, particularly Chilean copper, reportedly have been transshipped to the Soviet Bloc via third parties in Western Europe. Latin American officials, however, have generally been cooperative when approached by US officials with instances of lax enforcement of trade controls.

### Military Cooperation

44. The Latin American armed forces are not at present capable of providing adequate defense for the area in the event of war, though they would be of some value in supporting roles.

45. All Latin American countries except Guatemala have established their eligibility for reimbursable military aid under the Mutual Defense Assistance Act of 1949. Most of them have submitted requests for such aid. Generally they wish to purchase the most advanced types of US equipment, types which

they do not actually need, in US opinion, and which the US cannot provide, either at all or in the desired quantities, under present priorities. Shipments to Latin America under this program have therefore been small. The inability of Latin American governments to obtain desired US equipment for which they were willing to pay has caused considerable resentment and has led to some purchases of European materiel, to the detriment of arms standardization.

46. Only the five countries which have entered into bilateral military assistance agreements with the US are eligible for grant aid under the Mutual Security Act of 1951. They are Cuba, Colombia, Ecuador, Peru, and Chile. Shipments under this program have only just begun. Brazil and Uruguay have signed bilateral agreements, but have not yet ratified them. Such an agreement is under negotiation with the Dominican Republic. Of the nine countries so far approached, only Mexico has declined to negotiate.

47. Latin America's low priority in relation to Europe with respect to US military aid has caused general disappointment and dissatisfaction in Latin American military and political circles. Rivalries and mutual suspicions among Latin American states have also led to complaints about inequitable treatment in the bestowal of US aid. So far, however, these discontents have not seriously affected Latin American military cooperation with the United States.

48. Fourteen Latin American countries have received US Army or Air Force missions, or both, and nine have received US Navy missions. Generally they have been well satisfied with the work of these missions, but have not made optimum use of them. Argentina, however, has allowed its contracts for Army and Air Force missions to lapse without renewal.

### PROBABLE FUTURE DEVELOPMENTS

#### General

49. Most Latin American governments will be under increasing pressure from urban middle class and labor groups to pursue policies aimed both at increasing and at redistributing the

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national income. These policies will involve expensive programs of industrialization and social welfare, often beyond the current fiscal capabilities of the countries which undertake them. Under these circumstances Latin America will continue to be a fertile ground for demagogues of the ultra-nationalist as well as the Communist type.

50. The best immediate prospects for a check upon the extremist forces of social and economic change are to be found in countries such as Mexico, Brazil, and Uruguay, where moderate urban groups have been established as a political factor. Other nations, such as Colombia, Venezuela, and Peru, have the material resources for satisfying immediate social needs, but it is doubtful that the leadership now in power — the Army in Venezuela and Peru and the Conservative Party in Colombia — will act in such a way as to allay popular disaffection and ensure political stability. Countries with only limited human and physical resources, such as the Dominican Republic, Nicaragua, and Paraguay, seem firmly set in the traditional social and economic pattern. The example of Guatemala, however, shows how readily this pattern can be radically changed in such countries by a small but purposeful minority.

51. The general trend toward nationalistic regimes maintained in large part by demagogic appeal to the depressed masses may be expected to continue. Such regimes already exist in Argentina, Bolivia, and Guatemala, and present circumstances favor their development in Chile and Ecuador. Peru, Colombia, and Venezuela are the states next most vulnerable to this trend.

52. In any case, the trend toward nationalization of basic industries, especially those now under foreign control, is likely to develop further. This trend would not in itself deny US access to strategic raw materials — the industries nationalized would still have to sell their products — but the availability of these materials would be affected by political considerations to a greater degree than at present. It is also likely that production would decline, at least temporarily, in nationalized industries.

### Cooperation with the United States in a Situation Short of Global War

53. Both the Communists and the ultra-nationalists, notably the Peronists, by propaganda and intrigue, will seek to curtail Latin American cooperation with the United States. The social, economic, and political conditions which have been described will afford them opportunities for anti-US agitation. It is improbable, however, that the Communists can gain direct control over the policy of any Latin American state, at least during the next several years, or that Argentina can gain political control over any neighboring country. It is possible that Peron may succeed in aligning other states in a combination to exact a high price for cooperation, but any such combination would almost certainly be unstable.

54. The pressure of exaggerated nationalism already affects the capacity, and at times the willingness, of Latin American governments to render on all occasions the degree of diplomatic, military, or economic support desired by the United States. Eventually this trend toward exaggerated nationalism, if it continues, will seriously affect Hemisphere solidarity and US security interests in Latin America. Nevertheless, in a situation short of global war, the present degree and scope of Latin American cooperation with the United States is likely to remain basically unchanged for the next several years. Definite commitments by Latin American governments will be undertaken hesitantly and their implementation will probably be slow. The present availability of strategic raw materials to meet US requirements will continue, but the governments concerned will seek to drive hard bargains in terms of prices and of economic concessions.

### Cooperation in the Event of Global War

55. The outbreak of global war would bring to Latin Americans a greater awareness of danger to themselves in the global situation and of their community of interest with the Western Powers. A greater readiness to meet their international military and economic commitments would probably follow. As long as the US military position in the Western

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Hemisphere remained secure, even Argentina and Guatemala might be expected to moderate their anti-US propaganda and, eventually, to cooperate in defense of the Hemisphere.

56. The Latin American armed forces would not be able to defend critical strategic areas and vital sea routes against serious enemy attack without the direct participation of US forces. They would, however, be of value in supporting roles. In general they would probably be adequate to maintain internal order, to guard against sabotage of strategic industries and land transportation routes, and to protect air and naval installations from sabotage or small-scale raids.

57. After the outbreak of <sup>gnl</sup> global war the United States could probably obtain anywhere in Latin America, except possibly in Argentina, the air and naval facilities necessary for US participation in the defense of strategic areas and sea routes, including consent for the stationing of air and naval forces at such installations. There would, however, be great reluctance, to the point of possible refusal in some cases, to permit the entry of US ground forces unless large-scale invasion appeared imminent. Latin American governments would be even more unwilling to admit to their territories the forces of other Latin American states.

58. In the event of global war Latin American governments would generally agree to an expansion of their armed forces, but would require US assistance in the provision of equipment and training and would seek to impose as much of the increased expense as possible on the United States. Expanded Latin American ground forces, US equipped and trained, could eventually assume major responsibility for the defense of continental areas. It is unlikely, however, that Latin American air and naval forces could ever relieve the US of the major responsibility for air and naval defense.

59. Because of the mutual suspicions of Latin American governments, their limited military resources, and popular sentiment against service overseas, it is doubtful that any significant Latin American force would be available for operations outside of the Western Hemisphere. It is possible, however, that Brazil might be persuaded to provide a division, as in World War II, and that other countries might provide token contingents. The number and effectiveness of such forces as might be made available for such service would be limited by the amount of US aid available for training, equipping, and transporting them.

60. The economic dislocations incident to global war, including curtailment of economic development and social programs, would almost certainly increase internal tensions and political instability in Latin America. Nevertheless, with proper inducements, the production of strategic materials could probably be increased.

61. In circumstances of global war it is probable that all Latin American governments would agree to suppress existing overt Communist organizations and would have the capacity to do so. The extent to which the activities of the underground Communist apparatus could or would be controlled would vary with the determination of the government, the effectiveness of the local intelligence agencies and police, and popular attitudes in each country.

62. The greatest danger from Communists in Latin America in time of global war would be that of sabotage in strategic industries. Although it is unlikely that a large-scale program of sabotage could be sustained throughout the area, the dispersion and vulnerability of key targets, especially in essential transportation systems, and the general inadequacy of police and security forces, would favor sporadic success, especially in the period immediately following the outbreak of war.

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