

S-E-C-R-E-T

31 March 1971

MEMORANDUM FOR: Chief, Estimates Staff

FROM

[REDACTED]

SUBJECT

[REDACTED] ing

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Latin America

1. Latin America is likely to become even more worrisome to the US in the 1970's than it has been in recent years. Political instability, social tension, rapid population growth, maldistribution of income, and uneven economic performance will continue to afflict most Latin American countries. We expect the frustration level to rise -- for the general population and for such diverse groups as the military, reformers in the Church, the business community, and intellectuals. Though traditional political crises and unscheduled changes of government will continue to attract major attention, the old order will come under increasing pressure from groups seeking solutions to mounting social problems. There may in some cases be revolutionary shifts in political leadership and basic institutions. In other cases where the old order ceases to cope, no effective new order will emerge; instead, chronic instability and turmoil will continue

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to keep things turbulent and confused. In a number of states the tendency will be towards more authoritarian, centralized control, under military auspices either to contain the growing social disorder or to carry out social reforms.

2. Nationalism will make further gains as the dominant force in the region. Over the long term nationalism may serve as an energizing force to speed modernization. In the short run, however, it is likely to hasten the collapse of the old order without providing any new basis for development. In the search for new solutions, many countries are likely to turn attention from domestic shortcomings by disrupting important relationships with the US.

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4. But other Latin American governments will deliberately seek "confrontations" with the US through expropriations of US investments and harassment of US personnel. In some cases, acute bilateral tensions will arise as Latin governments and interest groups seek, at US expense, to redress outstanding grievances or promote what they consider as legitimate national goals. The forces for change, such as the reformist elements of the military and the Church and students and intellectual groups, will become increasingly critical of the US, insofar as US policies are believed to perpetuate the *status quo* in their countries and to impinge on national independence.

Radical or Communist Influences

5. There will probably be a growing effort by Latin Americans to reduce US influence in such organizations as the OAS and to organize regional forums that exclude the US. Castro seems unlikely to return strongly to the export of revolution. Chile and others are likely to push for a relaxation of the OAS ban against Cuban membership in the OAS, and a growing number of American states will resume economic and even political ties with Cuba, following the example of Chile. Latin American relations with the USSR and other Communist countries will continue to expand.

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Because nationalism is and will be the main motivating force in foreign relations, the Latin countries will diversify their contacts with other nations, in order to give meaning to their declared intentions of reducing dependence on the US. Yet, most Latin countries will retain a healthy fear of internal interference from Cuba and the USSR. Political, economic, and military arrangements with Western Europe and Japan are likely to be more substantial than those with Communist countries.

6. Political radicalism and extremism will increase in most countries as more groups, especially urban youth, reject the old ways as ineffectual and irrelevant. Political violence will continue to afflict a number of countries. This could cause grave personal security problems for US personnel (e.g., kidnappings). In most cases, however, the radicals will not be able to overthrow the old order through direct confrontation, though they will add to the government's burdens and the general tensions. In some cases, Communists will be able to take advantage of this tension, and gain influence in movements that threaten the old order. But most radical groups will have a substantial nationalistic base, and though they may accept Communist assistance, they will be wary of Communist efforts to dominate their causes.

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7. The USSR, for its part, almost certainly sees the task of challenging the US position in Latin America as a gradual and long-term process. The Soviets have more urgent foreign policy objectives closer to home, and are aware that an erosion of the US position already is underway without much effort on their part. We doubt that the Soviets would be anxious to expend scarce resources on a grand scale or take great risks for the sake of dramatic and immediate gains in the Western Hemisphere. They will continue to concentrate on expanding their diplomatic, commercial, and military presence in ways which they hope will enhance their respectability and influence. In the process, they will also increase the number of intelligence agents in Latin America and this will probably enhance their ability to manipulate revolutionary groups and expand their range of political contacts generally. The Soviets are also likely to expand their naval operations to include more on-station time in the Caribbean, and to seek more civil air routes and aviation arrangements in Latin America. In all these and perhaps other ways, the Soviet presence will continue to grow, but is unlikely to alter significantly the US preponderance in the Western Hemisphere in the 1970's.

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Chile

8. The coming to power of a Marxist-dominated coalition in Chile, headed by Socialist Salvador Allende, creates a delicate situation for the US, and poses both opportunities and risks for the USSR. Allende's electoral mandate runs through 1976, but he may have some difficulty merely holding together the alliance of Communists, Socialists, non-Marxist radicals, and lesser members. Aside from his declared intentions of making Chile a Marxist-Socialist state, we have only a few clues to his plans. He claims to be an adherent of constitutional processes, and is likely to move fairly methodically and legally, but many of his followers will press for faster changes, and he may feel obliged to speed up socializing programs. Many of his actions will be intensely displeasing to the US. If he seems to be achieving something in Chile, other reformers and opportunists in Latin America may try to emulate him. This would compound the difficulties for the US in dealing with the area. If, on the other hand, the Allende regime falters and other Latin Americans come to believe that the US is to blame, the erosion of US influence in the area will be rapid and severe.

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Cuba

11. Castro's economic troubles are likely to continue well into the coming decade. Even an economic disaster of greater proportions than the current mess would probably not force Castro out of office, but it would reinforce his tendency to pay more attention to domestic affairs and less to fomenting revolutions elsewhere. As these troubles persist, however, Castro is likely to become increasingly dependent upon Soviet support. It is difficult to judge at this stage how much influence he would allow the Russians to exert in Cuban domestic affairs. If Fidel were, by accident or otherwise, removed from the scene, his brother Raul would probably take over, and follow roughly similar policies, but in a more orderly fashion.

Certain Other Countries

12. A reasonable degree of political stability will probably continue in the Dominican Republic for the next year or two. But we think it as likely as not there will be a resurgence of political instability as the end of President Balaguer's present term draws near in 1974. The post-1974 term may be marked either by another conservative, authoritarian civilian regime backed by the military, or by an attempt by a radical leftist regime to gain



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power. In the latter event, the military would be likely to seize upon the ensuing political turmoil to intervene and assume power on its own.

13. The selection of these examples does not mean that we think other Latin American states will enjoy serenity in the 1970's. In many states political turbulence is virtually a certainty at some time in the coming decade. Argentina, Colombia, and Uruguay have serious social discontent, and lack political institutions adequate to the changing demands of a more mature society. Ecuador, Panama, and Guatemala are also prime candidates for abrupt political changes in the 1970's.

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