

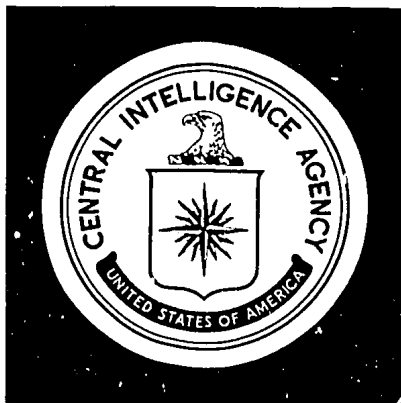
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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

The 27th UN General Assembly

State Dept. review completed

Secret

No 651

15 September 1972
No. 0387/72A

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The 27th UN GENERAL ASSEMBLY

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The 27th General Assembly, which begins on 19 September, will lack an issue of such excitement as Chinese membership. It faces several contentious topics of interest to the superpowers and to the world community. Among these are Korea, disarmament, the Middle East, and the US contribution to the UN. The assembly may also be called upon to deal with southern Rhodesia, Charter review, the two Germanies, and, perhaps, Bangladesh. Additionally, action will be taken on environmental topics and the law of the sea—items of long-range significance. The Chinese Communists will participate fully in this General Assembly, and Secretary General Waldheim's leadership, or lack thereof, will get a full test.

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General MacArthur receives the UN flag, 1950.

Korea

As far as the 27th General Assembly is concerned, the Korean question primarily involves the future UN role in that divided country. It is, potentially, the most contentious issue this year, though, if South Korea's supporters have their way, it will not be debated at all. The issue will first arise in the 25-member General Committee, which meets at the beginning of each session to thrash out the assembly agenda. The UK reportedly will propose that the Korean item be removed from the agenda and that assembly consideration be postponed until next year. The voting

in the committee will probably be extremely close. The committee recommendation will then go to the General Assembly for a vote. China has made it clear that even if the committee suggests postponement, it will still press the case in the assembly itself. South Korea's supporters claim that they have sufficient votes to carry the day for postponement. A number of countries do not want to be on the losing side this year, as they were last year on the Chinese representation vote, and their wavering makes the outcome uncertain.

If the move to postpone fails, the ensuing debate will center on the so-called Algerian resolution. Largely drafted by Pyongyang, it calls for dissolution of both the UN Command in Korea and the UN Commission for the Unification and Rehabilitation of Korea. The resolution recommends that North and South Korea work toward a peace treaty, upon conclusion of which all foreign troops should be withdrawn from the South. Finally, it calls upon all UN members to refrain from any interference in Korean affairs.

The Algerian resolution, although nearly identical in substance, is much softer in its wording than Soviet and Mongolian resolutions of previous years. It is being co-sponsored by several "neutrals" and by China, the Soviet Union, and a number of East European countries. Since all the co-sponsors are concerned to obtain as much support as possible for the resolution, it is probable that some of its language will be altered to satisfy particular delegations. The radical African states, for example, may not be persuaded that the Algerian resolution is strident enough and may introduce measures of their own.

If debate on the Korean question cannot be postponed, the General Assembly will have to decide whether North Korea should be invited to attend the debate as an observer, and on what

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terms. In past years, Pyongyang was invited on the condition that it accept the UN's competence to bring about a Korean settlement, a provision the North has always rejected. This year there is considerable feeling that any invitation should be unconditional. The British, for example, though in the forefront of the move to postpone debate, have said that if debate cannot be postponed, they would favor an unconditional invitation.

Disarmament

Debate will probably focus on the Soviet proposal for a world disarmament conference. Moscow now has in mind a forum in which all countries could set forth their ideas on how to deal with disarmament problems. The conference would convene in the next year or two, and would last from four to six weeks. The Soviets think that it might even evolve into a permanent body that would meet every two or three years. They propose that preparatory work for the conference get under way shortly after the General Assembly concludes.

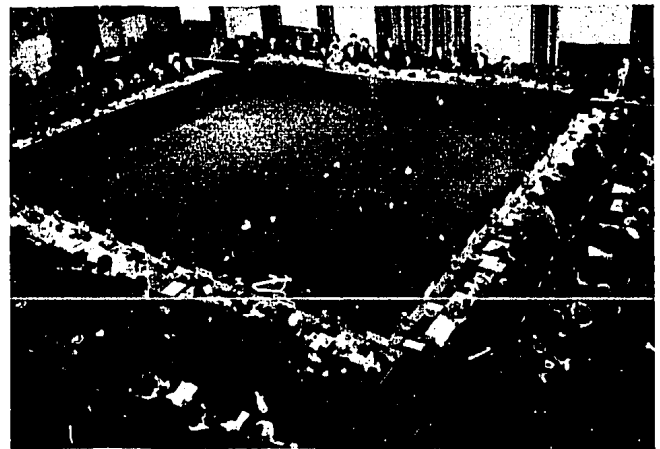
While many countries—especially the West European allies—have qualms about the Soviet proposal, few are so categorically opposed as the US. The result may be that the assembly will not endorse the Soviet initiative fully, but will set up some sort of preparatory machinery.

In assembly debate, supporters of the Soviet proposal will certainly point to the lack of progress at this summer's Geneva disarmament talks as indicating the need for an additional forum. The Geneva talks were not able to make as significant strides toward an agreement limiting chemical weapons as the Soviet Union, in particular, had hoped. While some countries that do not take part in the Geneva forum may support the idea of a world disarmament conference simply because

it would allow their presence, others may find it hard to see what a world-wide forum could accomplish when agreement cannot be reached in the more restricted one. Some support for the wider forum might be garnered on grounds that the Geneva talks cannot possibly be effective as long as France and China stay away. Thus, any indication that these countries might take part in a new forum would give the Soviet proposal an important boost. There are few signs, however, that their attitudes are changing. France recently made it clear that its position on disarmament issues has not been altered, and China has consistently said that it will not participate at Geneva until Peking is no longer threatened by the superpowers. The Chinese have also outlined political preconditions for a world conference that would be unacceptable to most other nuclear states.

The Soviet disarmament proposal may not be the only one to emerge at the General Assembly. Australia and New Zealand, concerned about the continuing French nuclear tests in the Pacific, have talked of introducing a resolution that would call, in general terms, for a comprehensive ban on nuclear testing.

Disarmament Conference at Geneva

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The Middle East

The situation in the Middle East will almost certainly be the subject of considerable assembly debate. The Egyptians may propose or attempt to inspire a resolution, perhaps similar to the resolutions adopted recently by the Organization of African Unity and the Georgetown Nonaligned Conference, both of which called for a total Israeli withdrawal from the occupied territories. Such a resolution would probably come very close to passing, but, even if adopted, would have very little practical effect.

Whether the Middle East debate will help or hinder the various diplomatic attempts to produce peace in the region is an open question. Several countries, especially the Soviet Union and Egypt, are interested in reviving the Jarring mission. The Swedish envoy's efforts virtually ceased in February 1971, when his suggestion—to propose his own plan for agreement—foundered on Israeli objections. Jarring recently was in New York taking soundings among the Arabs and Israelis. He found the positions of the two sides almost totally unchanged. At the end of his talks, he decided, on the recommendation of Waldheim, not even to produce a report, since that might only make matters worse.

Waldheim, in fact, may not put much store in Jarring. For several months, the secretary general has been lobbying for his own diplomatic scheme—a Middle East peace conference. He has in mind a meeting attended not only by the parties to the conflict, but by the major powers as well—a proposal that has been coldly received. If nothing comes of this scheme, Waldheim might push for a resumption of the four-power talks in New York. These have been suspended for a number of months. None of the four—the US, Soviet



Gunnar Jarring

Union, France, and the UK—is receptive. Expanding the talks by including China could stir new interest, but the Chinese expressed a lack of enthusiasm last November, and there have been no signs of a change of mind.

Finally, in the wake of the tragedy at the Munich Olympics, the secretary general has requested that an item on terrorism be included in the assembly's agenda. The plan is for the assembly to pass a resolution referring the matter to its legal committee which would propose practical measures. The assembly resolution would express the concern of the international community and emphasize the need for quick action.

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Reduction of US Assessment

The US will introduce a resolution to reduce the maximum share of the regular UN budget that can be paid by any one member from 30 to 25 percent. At this point, the resolution's passage appears questionable.

At present, contributions are assessed for three-year periods by the General Assembly's Committee on Contributions. The rate is worked out on the basis of complex criteria for determining a state's ability to pay. The maximum contribution—which the US pays—has been fixed at 30 percent since 1957; without this limit, the US share would be considerably higher.

If the General Assembly agrees to the new 25-percent figure, the difference could be absorbed by increasing the assessments of other members, although this might not be necessary. Part of the slack could be taken up by the automatic increase in the shares of several developed countries starting in the 1974-76 period. The shortfall could also be met in part by contributions from new UN members. The admission of both Germanies—perhaps in 1973—would be especially helpful. According to a recent informal estimate, East Germany would pay 2 percent, and West Germany 6.8 percent of the UN budget.

Waldheim's ability to keep the UN budget in check will be a crucial factor in determining whether the US assessment can be decreased without corresponding increases from other members. In spite of his best efforts, his proposed budget this fall is larger than last year's by about 5 percent.

The US proposal has met with almost universal skepticism. Waldheim fears that a reduced assessment would be just one more financial head-

ache for his organization. Several countries agree in principle that no one member should contribute an inordinate share of the UN's costs, but recognize that a reduction could cause very real practical problems if it resulted in an increase in their own shares. Some point out that while the contributions of new members could be used to make up what is lost from the US contribution, the new money would not then be available to reduce the contributions of other states. The British are worried that reducing the maximum contribution could open a Pandora's box of changes in assessment procedures. A number of states, for example, want to lower the percentage of the minimum contribution—presently set at .04 percent—or to make other changes that would reduce the amount assessed from states with low per capita incomes.

Bangladesh

Bangladesh's admission to the UN depends largely on whether the Chinese withdraw their veto in the Security Council. Peking appears to be waiting for some progress on the prisoner of war issue and for Pakistani recognition of the Dacca regime, after which it might no longer stand in the way. Should this occur, the Security Council would recommend membership and the General Assembly would approve it, all without fuss. If the Chinese remain adamant, however, the issue is likely to be debated loud and long in the assembly. This body, of course, can take no meaningful action on membership without the Security Council's recommendation.

The Two Germanies

The German question could be troublesome even though East and West German membership will probably not be on the agenda, in part because negotiations between the two Germanies

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are still going on. Soviet spokesmen have warned that the subject of East German participation could be brought up and it is possible that the bloc may press, presumably toward the end of the session, for East German observer status in order to boost Pankow's bid for international recognition. The West Germans have long had such status, but the East Germans lack the usual prerequisites for such observers—general recognition by UN members and membership in specialized agencies.

Rhodesia

The US may again be condemned for importing Rhodesian chrome in violation of UN sanctions. The Security Council passed a condemnatory resolution in July, and several African and Communist nations are unimpressed by the argument that the US imports represent a relatively small portion of Rhodesian exports.

Charter Review

Review of the UN Charter will be on the agenda again this year. Both the US and the Soviet Union oppose any attempts at comprehensive charter revision. The US has indicated, however, that it can accept changes on a case-by-case basis and thus may again support a move to review the role of the International Court of Justice. The US would also accept some modification in the structure of the Security Council in order to accommodate Japanese claims to a permanent seat. As a part of their campaign, the Japanese will lobby at this General Assembly session for a special committee to review the charter.

Windows on the Future

Environmental matters and the law of the sea may not cause much controversy at the assem-

bled by this year, but in terms of defining new areas of international involvement, the two issues could be the most important subjects discussed. The UN sponsored the recent Stockholm Conference on the Environment—the first full-scale international meeting on the subject. Its declaration of principles was necessarily vague and its resolutions, even if implemented, may not do much to alleviate environmental problems. But the conference actions did nevertheless represent a striking expression of international concern. More than 100 resolutions passed by the conference must now be approved by the General Assembly. This will likely be done with little difficulty, although some modifications may be made along the way. A few delegations, for example, are concerned about the budgetary implications of a new UN environmental secretariat and fund. The position of the Soviet Union and most East European states on the resolutions is not known at this point; they did not go to Stockholm because East Germany was not represented. The Soviet Union however, has entered into environmental agreement with the US. The Chinese could raise some objections as would-be champions of the less-developed countries; some of these countries fear the economic costs of environmental measures proposed by the developed world.

The General Assembly will help pave the way for an international conference—unprecedented in scope—dealing with the law of the sea. This summer's session of the UN Seabeds Committee managed to remove the last serious obstacle to such a conference by approving a list of issues to be discussed. The haggling over the wording of this list went on for nearly a year, a clear sign of the immense difficulties these matters pose: passage through straits, the extent of the territorial seas, and international law of the sea machinery. The attack on these problems will be left to the conference itself, and the General

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Assembly will only be concerned with approving the list of issues and scheduling the conference. Although most UN members agree it should start in late 1973 or early 1974, some delegations may try to have it postponed. A number of developing states worked to delay approval of the list of issues in order to drum up more support, and they could apply the same tactic to the conference itself.

The Chinese Role

The dire consequences that some predicted would follow Communist China's admission to the UN have not yet ensued. But the presence of the Chinese does add a new dimension to the organization. Last year, they were not able to participate fully in the assembly's work. They missed the first month of the session and were unprepared to deal immediately with the complex issues confronting them. Peking's representatives are now acclimated to the UN atmosphere, and will be expressing their views on a wider variety of subjects in many more committees.

They can be expected to continue their efforts to convince developing countries that Peking is the true champion of the underdeveloped part of the world, much as they did at the UNCTAD conference, the Stockholm Conference, and the Seabeds Committee meeting earlier this year. They were not successful in grasping such leadership in these arenas.

In the campaign to appear as leader of the developing nations, the Chinese will no doubt clash with the US and the Soviet Union on a number of issues. Their veto of membership for Bangladesh did not burnish Peking's image with the developing countries. Moscow was delighted with the veto, holding that it showed China was a "superpower's superpower" with no special

claims on the less developed. The Chinese reacted testily to the Soviet glee, saying in a *People's Daily* editorial, "You Soviet revisionist worthies have committed all kinds of truculent acts in the world and have fully revealed your own ugly features as a superpower."

Peking takes its seat at the UN.



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Secretary General Waldheim

The Secretary General

The UN is more universal with the addition of Communist China, but whether it will also be able to put its influence to effective political use depends in part on the new secretary general. When a successor to U Thant—whose term could hardly have been more lackluster—was being sought, some delegations hoped that the choice would fall to a man who would firmly grip the helm. Kurt Waldheim did not look like that sort of leader last year, nor does he now.

If Waldheim's first annual report is any guide, a stronger secretary general could yet emerge. Peace and security in the 20th century, he wrote in early August, cannot be maintained by a concert of great powers, as in the 19th. The danger of a third world war will always exist unless "international political institutions work as they were intended to work." Waldheim did, however, perceive "a certain unwillingness" in the world community to involve the UN in some conflicts. This unwillingness was reflected in the cool reception to the secretary general's offers to inject the UN in a settlement of the Vietnam conflict and his proposal for a Middle East peace conference.

Waldheim's advances so far may indicate that the UN's most effective role at this juncture is diplomatic intervention on a smaller scale. The parties to the Cyprus dispute did agree to accept his proposal that intercommunal talks be resumed with a UN observer present, though this may do little to move the Cyprus problem off dead center. Waldheim may have a minor success in dealing with the South-West African (Namibian) situation. He has at least gotten the South African Government to permit a UN representative to

monitor progress toward independence. It is questionable, however, that the UN will have much influence on South Africa's policy toward those areas that it controls in violation of UN resolutions and International Court of Justice opinions. In another instance, the UN was unable to soften the harsh repressive policies of the government of Burundi against the Hutu majority last summer. Two UN teams have visited Burundi, and Waldheim is still groping for a way to establish a UN "presence" there.

In sum, while Waldheim has succeeded in injecting the UN into some of the little political crises of the world, his efforts have not been crowned with much success.

Outlook

The UN has, indeed, fallen upon hard times. Waldheim's brave words about the need for the UN to play the crucial role in maintaining world peace ring hollow against the reality of the organization's small influence and the secretary general's own uninspiring performance. The UN has always been a forum in which the troubles of the world can be debated, and that it remains. But the hopes of some for more practical results seem further than ever from realization. When the assembly grasps issues such as the environment and law of the sea, however, it may be pointing the organization toward new goals and away from its present deficiencies as referee of the world's political power games.

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WEEKLY SUMMARY

Special Report

The Communist Economic Courtship of Latin America

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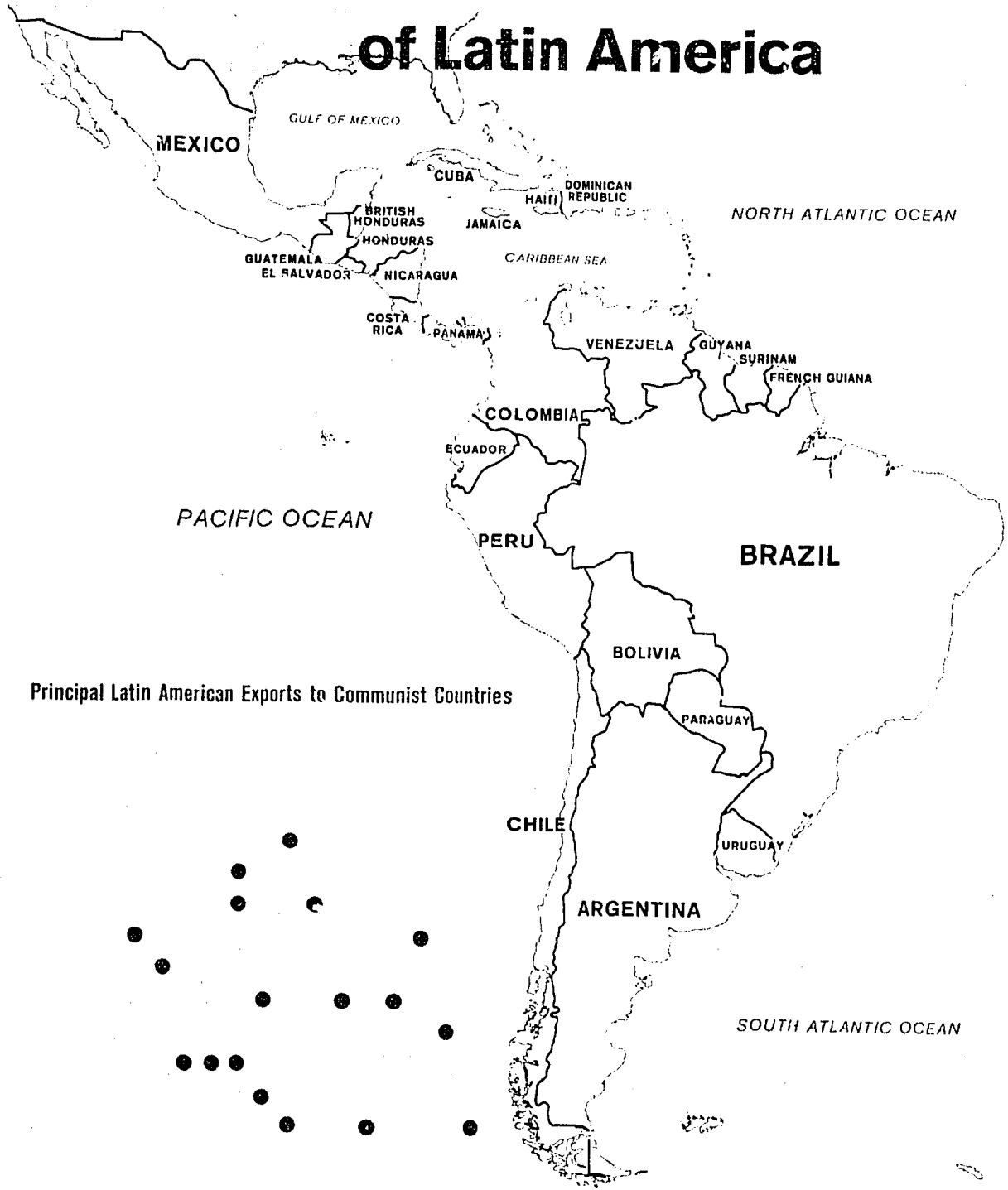
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Communist Economic Courtship of Latin America



Principal Latin American Exports to Communist Countries

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Special Report

15 September 1972

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Latin America, long a preserve of Western political and economic influence, has begun to establish closer ties with Communist countries. As a result of the recent rise in economic nationalism and changing political attitudes, Latin nations are coming to view the Communist countries as alternative sources for some economic aid and as potential markets for some surplus goods. The Communist countries, for their part, see Latin America as a new market for capital equipment as well as a potential source of industrial raw materials.

Communist countries have extended \$1.1 billion in economic aid to eleven Latin American nations, excluding Cuba. More than \$625 million of this has been provided since 1969—almost one and a half times the amount extended during the preceding 12 years. The upsurge in the amount of aid is indicative of the greater willingness of some Latin American countries to accept direct project assistance, even though it will involve the acceptance of large numbers of Communist technicians. The countries of Eastern Europe are the largest donors, providing about \$500 million, followed

by the USSR with commitments of some \$485 million. China, which only entered the field last year, has extended \$135 million so far.

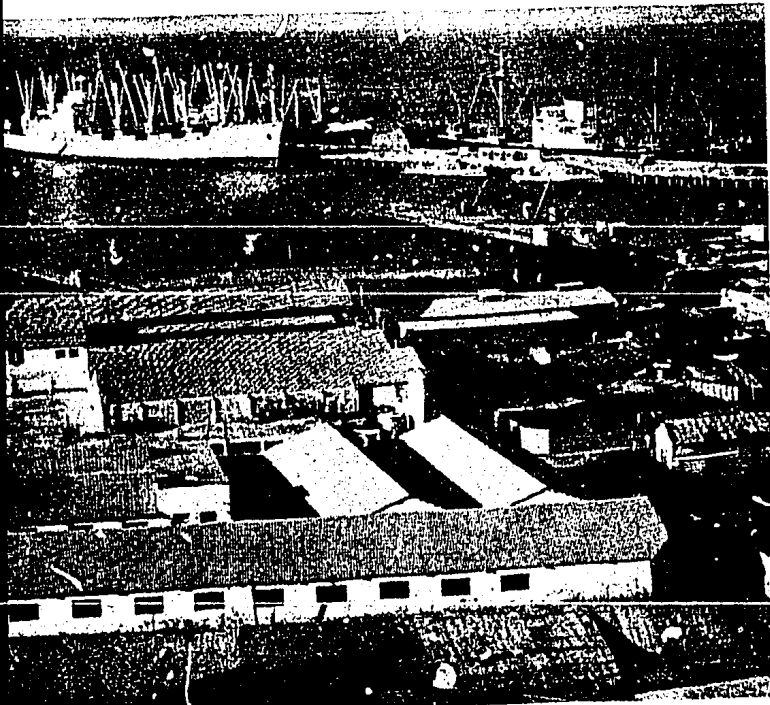
Off to a Slow Start

From 1958 to 1969, Latin America's relations with Communist countries were confined for the most part to diplomatic and trade promotion activities. Communist credits, geared almost entirely to promote sales of equipment, required down payments and amortization over a relatively short period of five to eight years with interest as high as six percent. As a consequence of the hard terms, as well as preference for Western equipment, Latin American nations were slow to exercise their options, and credits worth only about \$450 million were accepted from Communist countries in this period. Brazil accounted for about three fourths of this amount. Soviet credits of \$55 million to Chile in 1967 included the first direct project aid by a Communist country to Latin America, but this aid was not used until recently. In fact, only a small part of the entire \$450 million had been used by the end of 1969.

The Warming of Economic Relations

Since 1970, the level of Communist aid undertakings in Latin America has expanded. This is largely an outgrowth of relations established with the leftist governments in Peru and Chile. Still, more than \$100 million of economic aid was extended during 1970-72 to Bolivia, Costa Rica, Guyana, and Venezuela, all of which were accepting assistance from Communist countries for the first time. The provision of credits on somewhat easier terms and for the construction of public sector projects made Communist aid offers more attractive.

Allende's Marxist government, which came to power in Chile in November 1970, has been a major target of the Communist economic offensive in Latin America. It has received new aid commitments of some \$370 million, more than half of which came from the USSR. The remainder includes \$95 million from Eastern Europe and \$65 million from China. Since Allende's



Paita, Peru
Site of Soviet aid project.

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election, Chile has signed or renewed trade agreements with all of the Communist countries, and Communist banks have made available at least \$50 million of revolving hard-currency credits to Chile for foreign purchases. For the first time, progress is being made in implementing Communist project aid commitments. The USSR has started constructing a lubricants plant and a pre-fab housing plant, and surveys for port development and several processing plants are under way. Moscow also has begun deliveries on a large number of tractors being purchased under long-term credit.

Peru's military revolutionary government, in power since 1968, has concluded diplomatic, trade, and aid agreements with most of the Communist nations. Lima's first Communist aid, a small supplier-type credit from Czechoslovakia in 1969 was followed by other East European credits totaling about \$50 million, largely to finance capital goods purchases. The USSR has begun to expand port facilities and to construct fish processing factories that will comprise one of Latin America's largest fishing complexes—a project for which it has extended \$26 million in credits. China has begun discussions on assistance for developing Peru's petroleum and mining industries under the \$42-million credit provided last year—China's first development assistance to a Latin American country.

The recent rise in Communist aid activity has resulted in a large increase in Communist technicians in Latin America, especially in Chile. Between 1969 and the first half of 1972, the number of Soviet technicians throughout Latin America has tripled and now totals 250. China's first contingent of technicians in Latin America recently arrived in Guyana. The 25 experts are initiating industrial and agricultural training programs, preparatory to starting actual work on projects under Chinese credits extended to Guyana earlier this year.

Trade Lags Behind

Although overtures to Latin America have increased in the past several years, trade is still



Soviet YAK-40
Visiting Bogota, Colombia

under \$500 million annually—a little more than one percent of total Latin American trade. Argentina and Brazil account for more than half of Latin American trade with the Communist world, although Chile will become a more important trading partner if recent trade and aid agreements are implemented. New trade pacts provide opportunities for increased Latin American exports of such items as bananas, coffee, hides, grain, fish meal, nitrate, copper, iron ore, and tin concentrate in return for machinery, equipment, and ships. However, there probably will be few Latin American equipment purchases not financed under aid agreements. Even if present aid commitments were actively drawn down, they probably would not directly contribute more than \$50-\$100 million a year to trade during the next five years. Repayments for aid deliveries would add only a small fraction to this amount. The resulting trade totals during the next five years will still put Communist nations very low on the list of Latin America's trading partners.

Outlook

Communist countries will continue to provide economic assistance to Latin America where

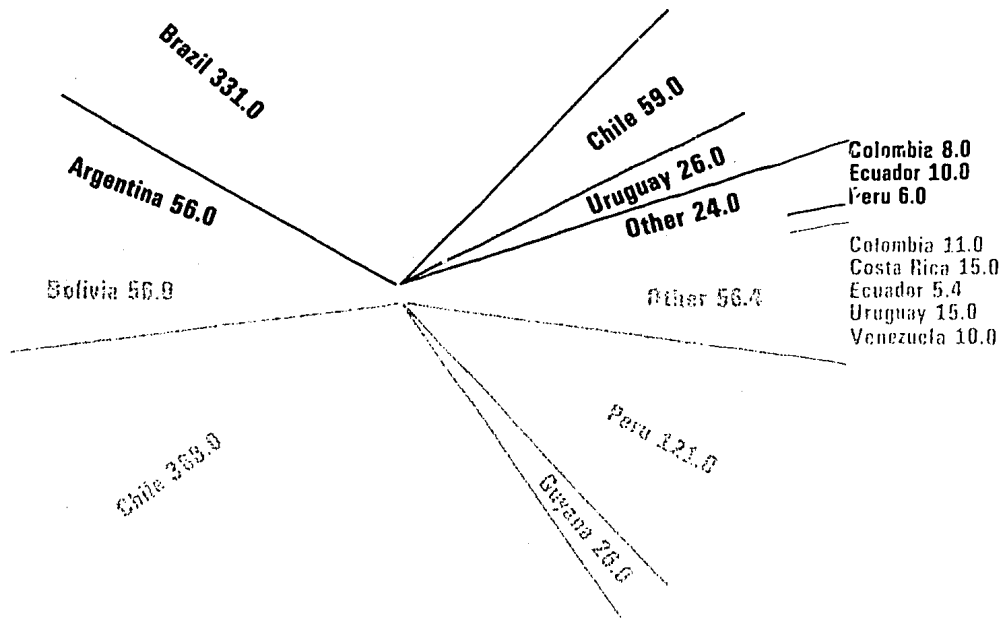
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Communist Aid Extensions to Latin America
(Figures in million US \$)

1954-1969



1970-1972

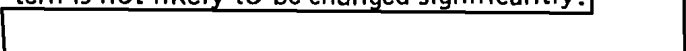


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the returns are of economic or political advantage to them; in turn, the Communists provide the Latin countries with alternative sources of aid. Nevertheless, the Communists will not be able or willing to assume the entire burden or even a large share of Latin America's requirements for foreign assistance. Annual Western aid disbursements to the continent during 1965-70 averaged \$13 billion, more than two and a half times the annual average Communist aid disbursements to all the less-developed countries of the free world in those

years. Western assistance also is provided on more concessionary terms and includes a larger proportion of grants.

Although new trade agreements set high targets, actual trade during the next few years probably will remain a relatively small percent of Latin America's total trade, and the trading pattern is not likely to be changed significantly.



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