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The Director of Central Intelligence
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National Intelligence Council

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MEMORANDUM FOR: Director of Central Intelligence
THROUGH: Chairman, National Intelligence Council
FROM: Fritz W. Ermarth
National Intelligence Officer for USSR
SUBJECT: Soviet Strategy In Latin America and the Caribbean

Attached is a first cut at a memo covering the topic. I have to apologize again for delays occasioned by other developments and, in this case, my own lack of background on the region. Also included is the NIE from 1982, much of which is still valid, and SOVA's monthly from April 1984 which concentrated on the region. Jay said you wanted something to mull over while traveling; I hope this package serves the purpose. On your return, Bob Vickers and I would like to meet with you to get your further thoughts and decide how best to focus the final product for the purpose you intend.


Fritz W. Ermarth

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SOVIET STRATEGY IN LATIN AMERICA AND THE CARIBBEAN: A FIRST CUT

Until the late 1970s, Latin America as a whole tended to be a less important theater of Soviet Third World activity than those regions closer to home, the Middle East, South Asia, and Southeast Asia. In the latter regions, the Soviets had a Russian legacy of involvement or easier strategic access or both, and involvement in them has been more directly relevant to Soviet strategic interests in the East-West and the Sino-Soviet power struggles.

This continued to be the case even after the consolidation of Castro's revolution in Cuba and the establishment of a firm Soviet position there. In the mid-1960s, Castro pressed for a joint strategy of guerrilla-based revolution throughout Latin America, which the Soviets rejected as too risky and unpromising. In the Soviet view, conditions were not ripe; their power in the region too limited; their strategic goals elsewhere overriding.

Even today, Latin America and the Caribbean have a lower strategic priority to Moscow than the Third World regions on the Eurasian periphery in terms of the strategic gains the Soviets can expect to pocket and the long-term value of those gains.

In the last decade, however, the importance of Latin America and the Caribbean has clearly increased in absolute terms and perhaps relative to the other areas because of the remarkable opportunities afforded by developments in the region to challenge American power, and to do so at relatively low risk to Soviet core interests. This has occurred basically for three reasons:

Cuba has not only consolidated as a Marxist-Leninist state, it has become an established member of the Soviet power bloc.

Nicaragua has shown the Soviets the practical possibility for new Marxist-Leninist client-allies in the region.

Both developments represent a powerful challenge to US political and, in some contingencies, military resources which is particularly vexing to a US administration bent on reversing, or at least containing, the outreach of Soviet global power.

The Soviets really have two strategies in the Western Hemisphere at present, working simultaneously toward the long-term goals of extending Soviet influence and reducing that of the United States. The first and most active is on the axis Cuba-Nicaragua-El Salvador. The second, quieter and steadier, but of longer standing, is the official effort -- diplomatic, economic, and military -- to cultivate closer relations with the major states of South America and Mexico. The two strategies conflict to the

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extent Soviet support of revolutionary activities in Central American frightens governments with which the USSR wishes amicable relations. They are mutually supportive to the extent they create conditions which activate anti-Americanism throughout the region and provide new bases for subversive operations against non-communist governments.

Throughout the region, the Soviets seek:

To undermine US influence with established governments and in public opinion;

To establish political, economic, and where possible, military supply relationships that comport with the USSR's image as a global power.

To promote the revolutionary ideas, cadres, and organizations conducive to the eventual appearance of Marxist-Leninist regimes -- prospects for which the Soviets see as promising in Central America, not so promising in South America.

The very proximity and historic involvement of the United States in the region, which makes it correspondingly difficult for the USSR to penetrate, gives the Soviets an added incentive to work the region today: The prospect of leftist revolution and the advance of Soviet-Cuban influence constitutes a challenge which the US cannot ignore, but which taxes its political and, to some extent, military capital. The Soviets believe this can make the US a less effective opponent in other regions where the Soviets also seek to advance.

Central America

Soviet ultimate intentions or desires in Central America are easily stated:

They want the Marxist-Leninist regime to consolidate itself in Nicaragua and to become a base additional to Cuba for expanding revolutionary activities in nearby Central America and elsewhere in the Hemisphere.

They want this pattern to be repeated throughout the region.

And they want the costs to their economic and military resource base to remain tolerable; which means they want somehow to avoid a situation in which the US counterattacks with sufficient force, skill, or tenacity to bring the enterprise down.

These desires do not constitute a strategy or a strategic plan, however. It is obvious that the Soviets face a number of contradictory pressures in Central America, and that it is not easy to pick the right policy balance for managing them. The essential dilemma is that to advance their goals and

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to support their Cuban, Nicaraguan and other clients they have to pose challenges which may trigger effective countervailing action from the US which the USSR will not be able to match. How to manage this dilemma has been at the core of the Soviet-Cuban relationship for two decades, and it now appears to dominate in Soviet interactions with Cuba, the Sandinistas, and other leftist movements in the region.

The Cubans and the Sandinistas are feeling exposed and potentially expendible in the larger US-Soviet struggle. They appreciate the necessity of avoiding gratuitous provocations to the US, and are willing to try various negotiating and compromising tactics to delay or deflect US threats. But they are exceedingly doubtful of their ability to survive by these tactics alone. They want more robust and credible Soviet support. And they have a tendency to believe that, with such Soviet support, they will be safer in a united confrontational posture.

This is a familiar syndrome for Moscow. Over the past generation a series of new revolutionary regimes -- Yugoslavia, China, North Korea, Vietnam, Cuba -- have pressed for aggressive strategies: "Support and arm us; we'll expand the revolution; the Americans will back down." Moscow has generally been obliged to urge caution, pleading military and economic realities, and silently harboring doubts about its ability to control events through the hands of enthusiastic front-line revolutionaries.

It is worth noting that of the above countries, all but Cuba developed their internal and in some cases external revolution with a great deal of political autonomy. Cuba developed in heavy dependence on Soviet political, economic, and military support, and became the nearest thing to a Soviet satellite outside Eastern Europe. The causes of this pattern deserve more examination. It strongly suggests, however, that a consolidated Sandinista regime will be an extension of Soviet power, not some "Titoist" type regime. It also suggests that, while Castro and the Sandinistas have some practical freedom to pursue their own tactics, their actions in pressing the Central American revolution are highly influenced by Soviet direction.

At present, there are two gambits in play on Nicaragua, both having Soviet support and probably both responsive to Soviet direction, or at least encouragement.

On the political level, Nicaragua is attempting to make itself acceptable by proceeding with elections that have a tolerable appearance to the outside world without risking internal control, and by accepting the Contadora process. The latter would have the effect of eliminating US power from the immediate environment while not verifiably preventing Nicaragua or Cuba from supporting nearby insurgency movements. The cost would be some limit -- to be negotiated later -- on Nicaragua's level of armament, and the withdrawal, probably temporary, of Cuban and other advisory support.

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On the military level, the Soviets are arranging for the emplacement in Nicaragua of military capabilities which will enable that country to deal from strength with regional governments and to inflict substantial -- they would hope, deterrent -- costs on any US military intervention.

The Soviets have authoritatively declared their support for the Contadora process. Ideally they would hope it to drag out and present a continuing constraint on US pressure without capping their military deliveries to Nicaragua in the immediate future. Even if the latter occurs, however, it will produce a major gain for the Soviets by internationalizing and legitimizing the security of Nicaragua, in the manner the outcome of the Cuban missile crisis of 1962 gave guarantees to Cuba.

The Soviets probably share Castro's view that the early months of a second Reagan administration will be a period of maximum danger. How exactly they plan to steer through the rapids is unknown to us. They may not be sure themselves. It is quite possible that they see hints of a US-Soviet warming trend, which could follow Gromyko's visit, as a means of inhibiting US action in Central America.

Soviet investments in Central America have put the USSR in a position to win much while risking comparatively little. If the Soviet-supported revolutionary process moves ahead, the US will lose a great deal in terms of global credibility and self-confidence. The Soviets will gain new bases of operation. If the US acts to suppress that process by force, this too will cost the US in Latin American, allied, and domestic opinion, on which the Soviets would hope to capitalize.

A defeat for Soviet strategy in Central America as a consequence of US military or para-military actions would not pose intolerable costs to the Soviets. By declaring repeatedly to their clients the limits of Soviet ability to protect them in extremis, the Soviets have preemptively limited the costs of failing to do so. Yet those costs would still be significant. The overthrow of a Marxist-Leninist regime in Nicaragua and, even more so, a major change in the status of Cuba as a consequence of US action in the region would be a blow to the USSR's image as a superpower, to its ideological pretension to be on the side of inexorable historical forces, and to the operational confidence of its leadership.

For these reasons, the Soviets cannot be expected to "stand idly by" should the US decide to move dramatically or through a series of escalatory steps against the Central American threat.

There is a non-trivial chance that the Soviets would respond by some form of "horizontal escalation" in an area of relative Soviet strength. As always, the most obvious target of such Soviet moves is West Berlin. Soviet intent would be to internationalize the crisis and to mobilize European pressure against the US. They would hope either to gain a quick, face-saving solution in Central America or to create new fissures in US-German relations and NATO on which they could later capitalize.

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Another form of linkage which the Soviets might at some point try to establish would connect Central America with a roughly comparable Soviet interest nearby, e.g., Afghanistan. In the face of a major East-West crisis arising out of US and Soviet actions in Central America, one can imagine a Soviet proposal to trade termination of insurgency support and neutralization of clients in both regions. If the US bought it, such an outcome would be of net advantage to the USSR because of the greater strategic importance to both sides of the South Asian-Persian Gulf region. But the USSR is in a relatively weak position to impose such an outcome unless it is willing credibly to threaten a theater-wide war against the Persian Gulf region and Pakistan.

The Rest of the Hemisphere

Short of a country-by-country assessment, which I am not yet in a position to write (beyond the analysis offered in the attached finished products), Soviet strategy toward the rest of Latin America and the Caribbean has to be covered in broad generalities.

Over the region as a whole, one perceives to one degree or another the three-tiered pattern characteristic of Soviet policy throughout the Third World, except where client regimes or a cherished ally (India) are in power. The Soviets tend to work simultaneously at cultivating multifaceted relations with the government, seeking influence, commercial benefit, and respectability; at developing ties with oppositionists who may come to power one day; and at plugging into revolutionary or separatist movements who can put pressure on the regime or prove useful at some time in the future.

Peru is usually cited as a case where the first level of Soviet action is applied. Soviet official diplomatic, economic, and military-supply relations with Peru are more firmly established than in any other South American country. The Soviet presence there is larger than that in the rest of South America combined. With elections impending in 1985, the Soviets have newly emphasized their attention to the partisan political level seeking overt and covert inroads into the leftist APRA party likely to win if elections take place, but also maintaining support to far-left and communist groups.

The Soviets are now making a great effort to expand their ties in Bolivia at the official level. Their hand in supporting subversive groups, via Cuban influence, may be evident as well.

Brazil and Argentina are major targets of Soviet political and commercial diplomacy. Their size and internal politics will keep them such for the indefinite future. Soviet influence in Chile could score a major comeback if the Pinochet regime were overthrown by a popular upheaval. Soviet posture in the Southern Cone would be vastly different today had Allende survived in power. His fall was a major lesson to the Soviets in the requirement of revolutionaries to be disciplined, patient, armed, and utterly intolerant of internal opposition.

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Mexico is a major long-term target for Soviet policy because of its size and importance to the US. Currently Soviet policy stresses the first level of action, with some attention to subversive forces having future potential. Developments in Central America will clearly have a substantial impact on Soviet options in Mexico downstream.

The small, politically volatile countries of the Caribbean offer the Soviets numerous potential targets for overt and covert influence which could open up fairly suddenly. The experience of Grenada suggests, however, that it may be difficult for the Soviets to consolidate influence there unless they establish greater regional military presence or the US faces sharp constraints in using its local power.

In the next iteration of this memo, I hope to give a more fine-grained analysis of Soviet activities by country and a more informed picture of Soviet assessments of political trends in them (derived from contract research on Soviet specialized area literature). I suspect the overall picture presented here will not be substantially altered, however. Much will depend on the future of the Soviet-sponsored revolutionary process in Central America. If it succeeds and consolidates, it will be a new base for Cuban and Soviet penetration operations. If it fails, the Soviets will still work to expand their influence in the region. Their prospects will be considerably influenced by the relationship that development leaves between the United States and its southern neighbors.

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