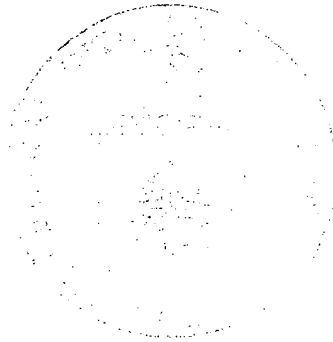


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CIA HISTORICAL REVIEW PROGRAM
RELEASE IN FULL
SOVIET CAPABILITIES AND INTENTIONS
IN LATIN AMERICA

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SOVIET CAPABILITIES AND INTENTIONS IN LATIN AMERICA

SUMMARY

The objective of the USSR in Latin America is presumed to be to impose the greatest possible limitations on the support the US receives from the area. Directly and through local Communists in Latin America, the USSR has capabilities for: (1) winning support of Soviet positions by exploiting certain patterns in Latin American life that facilitate the Communist approach and by taking advantage of specific incidents for propaganda purposes; (2) reducing the extent of Western Hemisphere solidarity by exploiting historical antagonisms, opposed intensely nationalistic sentiments, and conflicting national interests; (3) causing dissension between political factions in some countries (particularly Bolivia, Ecuador, Chile, Cuba, and Guatemala) to the point of impairing political stability and of shifting the balance of power; (4) taking direct military action by harassing sea lines of communication between the US and Latin America through submarine action and by landing sabotage agents and small commando parties; and (5), and most important, reducing Latin American economic support of the US in several important fields. Considerable damage and production losses could be caused by sabotage of the presently vulnerable petroleum installations in Venezuela, Mexico, Argentina, Peru, and the Dutch West Indies, and of the railway and port installations necessary for the shipment of vital materials from Bolivia, Chile, Brazil, Mexico, and Peru. By work stoppages Communists could, particularly during the period short of actual hostilities, seriously reduce for a period of two weeks or more vital shipments from Argentina, Bolivia, Chile, Cuba, Mexico, Peru, and Venezuela. By public agitation of issues already having some degree of popular support Communists in some

countries are in a position to foment mass disturbances and encourage political action limiting the availability of strategic materials.

It is estimated that the USSR intends, largely through local Communists, to make full use of their limited propaganda capabilities to win ideological support by exploiting special incidents and latent anti-US sentiment in Latin America, but that they will not greatly increase their efforts to gain control of such propaganda outlets as newspapers and radio stations. Latin American Communists will attempt to create discord between American nations. Efforts to impair political stability will probably be most accentuated in Bolivia. In Chile, Cuba, and Ecuador, Communists will be more restrained, watching for favorable opportunities rather than initiating action themselves; Guatemalan Communists intend to continue support of the Arévalo government and to try to ensure that the next government is friendly to them. Soviet military capabilities, such as harassing sea lines of communication and attacking vulnerable strategic facilities with landing parties, will probably be reserved for use in wartime. Soviet-directed sabotage will probably also be reserved for the eve or first stages of a US-USSR war, but local Communists will commit isolated acts of sabotage under current circumstances. Strike action during the period short of war will be largely for the purpose of building Communist labor organizations and control of labor, and in wartime to paralyze strategic industries. Communists intend, through public agitation, to reduce the supply of critical and strategic materials by touching off mass disturbances, by exploiting the theme of nationalization, and by encouraging expropriation of foreign-owned properties.

Note: The intelligence organizations of the Departments of State, Army, Navy, and the Air Force have concurred in this report. It contains information available to CIA as of 15 October 1950.

SOVIET CAPABILITIES AND INTENTIONS IN LATIN AMERICA

1. Soviet Objectives in Latin America.

In anticipation of continuing and deepening conflict with the capitalist world, the USSR seeks to increase its relative power by building up its own strength and undermining that of its antagonists. With respect to Latin America, the objective of the USSR must be presumed to be to reduce support of the US as greatly as possible until the sovietization of the area becomes possible and its resources become available directly to augment Soviet strength.

2. Soviet-Communist Capabilities and Intentions in Latin America.

a. *Developing Support of Soviet Positions.*

Communism in Latin America is now primarily an instrument of Soviet foreign policy. There are, however, certain factors in Latin American life that facilitate the Communist approach, and such success as the Communists have had in winning ideological support derives largely from their skill in capitalizing upon these factors as well as from their ability to seize upon incidents for propaganda exploitation. Among the factors that have assisted the Communists are the communal economic usages of some countries, the absence of any ideal of non-State-controlled economy, and the extreme maldistribution of wealth. In opposition to the factors that favor support of Communism, however, another group of factors, of which the most important are the influence of the Catholic Church, the relative smallness of the industrial working class, and the influence of the strongly anti-Communist military forces, tends to limit Communist capabilities for winning popular support. The net effect of factors favoring and factors opposing Communist ideology varies from country to country. On the whole, Communist capabilities for gaining general ideological support of the Soviet position are not great but are important as they are reinforced by certain latent anti-US sentiments. In Guatemala, for

example, where Marxism has been important in both official attitudes and policies and where large US businesses have been popular objects of attacks, a small number of Communists, largely by taking the lead in attacking US businesses, gained government favor and access to official press and radio for a time and gained control of the two major labor federations.

The Communists also have some capabilities for gaining support of specific Soviet positions among a few groups in Latin America, usually for limited periods. For example, the Communists, playing upon Argentine isolationism, found a ready response among non-Communists to their incitement against the sending of Argentine troops to Korea. When the US-owned Cuban light company petitioned for an increase in rates, this unpopular move was attacked at once by the Communists, who labeled it an example of "imperialistic exploitation of weaker peoples" by US corporations. Communists were able to magnify the careless behavior of two US sailors in a Cuban park into an incident showing disrespect for the Cuban hero Martí, thereby seriously, if temporarily, lowering popular esteem of the US. Communists have been able to collect thousands of signatures from non-Communists as well as Communists to the so-called Stockholm "peace" appeal.

During the period between the two world wars, the Communists in certain Latin American countries supported and gained some credit from movements in relatively enlightened and democratic directions. The Communists, for example, assisted in the passage of laws favoring labor and conferring social benefits. In addition, the Communists have participated prominently in labor organizational activity, particularly during World War II when Soviet prestige was at its height. A reservoir of good will in Latin America was thereby created for the Communists which has not been entirely dissipated. Moreover, since

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the aspirations of large segments of the population toward a greater degree of democracy remain unfulfilled, the Communists are able to exploit their pose as champion of the people. Today Communists are still tolerated and sometimes welcomed in the educational systems of Chile, Cuba, Guatemala, Mexico, Panama, Uruguay, and Venezuela, and in this way are able to develop student or youth movements susceptible to Soviet influence.

Soviet-Communist efforts to gain support will consist largely of propaganda exploitation of latent anti-US sentiment. Although Communist influence in Latin America has decreased over the last three years, there is no evidence that the Communists intend in the near future to intensify efforts to gain control of such propaganda outlets as newspapers and radio stations.

b. Lessening of Hemisphere Solidarity.

The Communists in Latin America cannot prevent cooperation and mutual support among nations of the Western Hemisphere but they are capable of reducing cooperation and harmony by exploiting historical antagonisms, racial issues, opposed intensely nationalistic sentiments, and conflicting sectional interests. At the moment, Communists in Argentina, Brazil, and Mexico, can add their weight to local isolationism and augment the forces attempting to prevent the governments of those countries from making effective offers of military or other assistance to the UN in Korea. On the issue of a corridor to the sea for Bolivia, Communists can add slightly to the friction between Bolivia, Peru, and Chile, and at the same time increase suspicion of the US; they can help keep alive and develop the issue of the boundary between Ecuador and Peru; they can exploit racial issues, especially in the Caribbean area pointing to racial inequality in the US; they can add their voices to those who oppose colonialism in the Western Hemisphere and who, for example, would like to see Belize made a part of Guatemala or who have sympathy for a movement to "free" Puerto Rico from the US. In such countries as Mexico, Cuba, Chile, and Uruguay, liberal democratic aversion to "dictatorial" rulers can be exploited by the Communists to make relations more difficult between these countries and the

"dictatorships" such as Argentina, Venezuela, Nicaragua, Peru, and the Dominican Republic.

Latin American Communists will oppose all strengthening of the inter-American system by arousing suspicions of the US and by allying themselves with isolationist and extreme nationalistic elements in countries where they have influence.

c. Impairing Political Stability.

With the possible exception of the two French islands of Martinique and Guadeloupe, the Communists by themselves do not possess anywhere in the area the capability of gaining firm political control either by peaceful means or by overthrowing a government. Because of special situations in several countries, however, they do have the capability of causing considerable dissension between existing factions to the point of impairing political stability or of shifting the balance of political power by entering into combinations with one of the existing factions. The Communists are also capable in some countries of causing a degree of violence that would embarrass the administration.

The chronically unstable governments in Bolivia and Ecuador continue to exist largely because of dissension among opposition forces, of which Communists are one small group. Communist capabilities are probably slightly greater in Bolivia. A combination between the PIR (the leftist opposition party which includes most local Communists and is thoroughly Marxist in orientation, and commands considerable popular support) and the other opposition party, the rightist MNR, might be strong enough to overthrow the government and would result in chaotic conditions. In Ecuador, the otherwise negligible Communist strength might, if added to an existing opposition coalition, furnish the slight edge necessary to ensure the downfall of the government. The Ecuadoran Communists, however, could not form such a coalition, but could only respond to overtures for their support.

The Communists in Chile might have considerable political power within their grasp if they are successful in combining with other leftist groups. They still have appreciable public support, and, through their labor fol-

lowing, have the capability of augmenting or developing riots and disturbances, the suppression of which might react unfavorably upon the Chilean Government.

Cuban Communists are capable of gaining a measure of political power by joining a combination of parties which could win an election. They are also capable of disrupting some government services from their positions within the administration, particularly in the Havana city government. In addition, Cuban Communists have the capability of intensifying general dissatisfaction with politicians and with many actions of the government. The Communists are capable of instigating riots and of starting some violent actions—such as small-scale demonstrations, assassinations, and political strikes in some ports and sugar mills—but the government would quickly put an end to such disturbances. If the present political situation should change considerably and a serious riotous or revolutionary condition develop, the Communists would have considerable capability for exploiting the situation, because of the large number of militant Communists.

Communist influence has recently been considerably reduced in Guatemala, and Communist control of labor has been challenged. Nevertheless, as long as Communists retain the control of labor they will be able to exert a strong influence on political affairs, though they could not gain control over the government or even seriously threaten its stability.

Communist capabilities for causing political instability in Argentina, Brazil, Colombia, Costa Rica, Mexico, Panama, Venezuela, and Uruguay are at present limited largely to causing annoyance through their propaganda, through increasing disrespect for and antipathy toward the governments, and through small localized demonstrations. In the unlikely event of a breakdown of civil authority, the Communists could, of course, be expected to exploit the situation in a number of these countries. Communist political capabilities are unimportant in the Dominican Republic, El Salvador, Haiti, Honduras, Nicaragua, Paraguay, and Peru.

Communist action to impair political stability will vary from country to country. The

Bolivian Communists will take advantage of any possible cooperation with other opposition groups to overthrow the present government. Chilean and Cuban Communists will watch for favorable opportunities to take advantage of an already strained situation rather than initiate action. Ecuadoran Communists will "lay low" unless an exceptionally favorable opportunity presents itself to ally themselves with what looks like a sure winner. Guatemalan Communists may be expected to continue to support the Arévalo government and to demonstrate violently against any attack, civil or military, against that government; also they obviously intend to exercise their considerable power in trying to ensure that the next government of Guatemala is friendly to them.

d. Taking Direct Military Action.

The most important Soviet military capability in Latin America is the ability to harass sea lines of communication to the US by submarine action. The USSR can also mine approaches to ports and naval bases, can land and pick up saboteurs, or agents and possibly small commando forces to attack military or industrial establishments near the coasts, and probably can shell or bomb certain installations from submarines or submarine-carried aircraft, although the latter type of equipment has not been identified in Soviet hands. The USSR probably intends to exercise these military capabilities only in time of war.

Local Communists have negligible military capabilities in Latin America, and have accomplished practically no significant infiltration into the local military establishments with the exception of the Ecuadoran army. Local Communists can aid and abet infiltrated saboteurs, give signals to help possible refueling operations of Soviet submarines, and possibly develop secret airfields. They may also be able to sabotage some military installations.

e. Reducing Economic Support of the US.

The Communists can reduce Latin American potential economic value to the US by sabotage, strikes, and public agitation.

Soviet sabotage capabilities in Latin America are probably most dangerous in petroleum installations. The USSR is believed to have infiltrated sabotage experts into the

petroleum industries in both Venezuela and Mexico. Soviet saboteurs may also be present in the petroleum industries in Argentina and Peru. In these four countries, present security measures are inadequate to deter effectively a concentrated Soviet-Communist sabotage effort against vulnerable key points in the petroleum facilities. Other likely targets are the petroleum facilities in Curacao, Aruba, and Trinidad.

Because of the highly vulnerable nature of some of the railway facilities, which could be damaged with only small amounts of equipment or technical ability, the Communists are capable of immobilizing for a month or more vulnerable parts of railways serving the mining areas of Bolivia, Chile, Mexico, Brazil and Peru. Such action would restrict the flow of tin, antimony, and lead in Bolivia; nitrate, iodine, and copper in Chile; antimony, arsenic, fluorspar, lead, zinc, cadmium, copper, graphite, manganese, mercury, mica and tungsten in Mexico; manganese in Brazil; and lead, vanadium, and copper in Peru.

Soviet sabotage agents could use Panamanian territory as a base of operations against Panama Canal installations. Communists in Cuba are believed capable of significant sabotage in the sugar industry by firing cane fields and damaging communication and transport facilities. In other industries and countries, local Communists are capable of minor and sporadic sabotage.

It is estimated that Soviet-directed sabotage will be reserved for the eve or the first stages of a US-USSR war, and that local Communists will perpetrate sporadic and isolated acts of sabotage under current circumstances.

Communists in most Latin American countries can develop labor-management disputes over wages and working conditions into strikes and other types of work stoppages, particularly if their leadership is not too evident. They can also prolong and intensify disputes not of Communist instigation. They cannot, however, develop significant strikes for admittedly Soviet political purposes. Strikes lasting two weeks or more can be effected on such facilities as railways, ports, petroleum instal-

lations, mines, or sugar mills in Argentina, Bolivia, Brazil, Chile, Cuba, Ecuador, Mexico, Peru, Uruguay, and Venezuela. In addition to oil in Venezuela and Mexico strategic materials particularly affected would be manganese in Brazil, copper and iodine in Chile, sugar in Cuba, lead and mercury in Mexico, and tin and antimony in Bolivia. Communist work-stoppage capabilities are greater under present conditions, because the governments concerned, with some minor exceptions, would limit the duration of work-stoppages if not prevent them entirely in times of emergency.

During the period short of war, Communist labor leaders will endeavor to promote strikes largely to maintain or improve their positions of leadership, to test their strength, and to develop situations for propaganda exploitation. In addition, they will promote considerable labor agitation, in some cases causing economic instability. They will not intentionally carry such actions so far as to invite serious government countermeasures. In a war period, however, Communist leaders, if so encouraged by Soviet exhortation, will risk their control of labor organizations and the livelihood of their members in an effort to paralyze strategic industries.

The Latin American Communists can reduce the supply of critical and strategic materials through public agitation. Communists in Brazil have already organized front groups capable of exploiting the theme of nationalization of petroleum, monazite, and other strategic minerals. Although Bolivian Communist strength is not great, the Communists, favored by unstable political conditions that are likely to result in mass disturbances, can probably touch off considerable violence and destruction and stoppage of economic activity and will make every effort to do so. In a number of other Latin American countries, Communists can and will add to agitation for any proposed measures tending to deter possible investments in the area, and they also will add their weight to any local moves toward expropriation of foreign-owned properties and reservation of national materials for exclusively national use.

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