

NA9C. NLT 77-91

~~SECRET~~



*JH*  
64304

CENTRAL INTELLIGENCE GROUP

SOVIET OBJECTIVES IN LATIN AMERICA

ORE 16

10 April 1947

COPY NO. 1

~~SECRET~~

10 APRIL 1947

~~SECRET~~COPY NO. 1SOVIET OBJECTIVES IN LATIN AMERICA \*

The Soviet Government anticipates an inevitable conflict with the capitalist world. It therefore seeks to increase its relative power by building up its own strength and undermining that of its assumed antagonists. .... In Latin America, in particular, Soviet and Communist influence will be exerted to the utmost to destroy the influence of the United States and to create antagonisms disruptive to the Pan American system. "

CONSIDERATIONS INFLUENCING SOVIET OBJECTIVES.

The pattern of Soviet objectives in Latin America differs sharply from that in other areas because of the following four considerations, which are to a varying extent peculiar to this area:

a. Latin America as a whole lies within striking distance of US naval and air power, and could be shut off from the outside world by a US naval blockade. The Latin American Republics therefore cannot be of much use to the USSR, either as military allies or as sources of supply, in any future war.

b. The USSR has nothing to gain by integrating its economy with that of Latin America as long-term commercial exchange arrangements would oblige it to do. This is only in small part because Soviet and Latin American import requirements and export surpluses do not dovetail. The imaginative and resourceful Soviet state trading agency could, by careful manipulation of three-cornered trade, make them dovetail, especially since it could include in its calculations the import requirements and export surpluses of the satellite powers with their highly variegated economic resources. The USSR, however, must assume that large-scale Soviet trade arrangements involving Latin America's strategic materials would elicit an immediate and effective answer from the US. Moreover, the post-war USSR realizes that it is not in a

" This report has the concurrence of the intelligence agencies of the War and Navy Departments and of the Army Air Forces. A statement of dissent by the Department of State is contained in Enclosure "A" hereto.

" ORE 1, "Soviet Foreign and Military Policy."

~~SECRET~~

~~SECRET~~

position to compete with the superior productive resources of the US in supplying Latin America's truly urgent import needs. Finally, the notion of economic dependency upon an area from which it would be cut off during a future war is unlikely to comment itself to the security-conscious USSR.

c. The post-war Hemisphere development that the USSR most fears is the negotiation of a Hemisphere Defense Pact that would tie together the armed forces of the 21 American Republics under the US-sponsored standardization program and mobilize Latin America's vast resources, human and material, in any future defensive war against the USSR. So long as differences between the US and Argentina delay the negotiation of such a pact, it is to the advantage of the USSR to press no objectives that might awaken in the Hemisphere the sense of urgency about a future war that the Soviets themselves already feel.

d. The climate of opinion in Latin America calls for propaganda appeals markedly different from those appropriate to the other areas of current interest to the USSR. Majority opinion in the other American Republics is not only Catholic and patriotic and thus inherently anti-Communist, but is also strongly pro-democratic and reformist. It looks in the direction of greater popular control over government, higher living standards for the masses of the people, and increased state intervention in economic processes --- within, however, a predominantly capitalist framework.

#### ANALYSIS OF SOVIET ACTIVITIES.

Analysis of Soviet activities in the Latin American area reveals a clear grasp of the implications of the above considerations with regard to a wise allocation of Soviet effort and resources, as follows:

a. Since for strategic reasons the Latin American Republics can be of scant use as allies or sources of supply in any future war, the emphasis of current Soviet activity in the area is upon measures calculated to undermine the strength of the assumed future antagonist, the US, rather than upon measures calculated to build up the military potential of the USSR itself. These measures are, without exception, of such character that they will continue to pay dividends after an enforced Soviet withdrawal from the area on the eve of any future war. Anything that makes for tension between the US and its future allies in Latin America, and thus tends to delay the negotiation of a Hemisphere Defense Pact, is pure windfall gain for Soviet policy, and as such is skillfully exploited. Thus the strategically situated Argentine Communist Party, which has no more determined enemy than the

~~SECRET~~

present president of Argentina, has over a considerable period given qualified support to his regime, and enthusiastically approves his vigorous campaign for a South American trade bloc.

b. Since long-term trade relations with Latin America would involve economic dependency upon an area from which the USSR could be cut off during any future war, the Soviets have made no effective effort to offset the remarkably rapid expansion of US trade in the area since the war. Soviet trade representatives have made overtures to, for example, Argentina, Brazil, Uruguay, and Venezuela; but there is no evidence that these negotiations have led to results that will notably affect the flow of goods across international frontiers. The major occupation of Soviet trade missions in the other American Republics appears to be intelligence activities rather than trade negotiations. "Economic penetration", in the ordinary sense of this term, apparently is not a current Soviet objective in Latin America. Since Soviet-Latin American trade is capable of large-scale development, this must be regarded as a deliberate policy choice on the part of the USSR.

c. Since it is to the advantage of the USSR to press no objectives in Latin America that might awaken US opinion to a sense of urgency about a possible future war, the eight Soviet embassies and legations in Latin America conspicuously devote themselves to diplomacy and culture, avoiding every appearance of an organic relationship either with local Communist parties or with the Soviet's Latin-America-wide intelligence network. No negotiations are on record concerning the placement of Soviet military missions, and up to the present time the USSR has accredited only two military representatives in the entire area.

d. Recognizing the special characteristics of Latin American public opinion, the Communist strategists in the area have adopted a posture of apparent devotion to democratic institutions and the democratic freedoms; have seldom referred to the dictatorship of the proletariat and the dream of a Soviet America; and have followed a propaganda line that lays at the door of the US responsibility for Latin America's extremes of poverty, and conveys the impression that the USSR is a land of freedom and equality. On the strength of this propaganda line, the Communist movement in Latin America is winning members and sympathizers. These gains, however, are made possible primarily by widespread ignorance of and delusions concerning the economic and political character of the USSR and not, as some commentators suggest, by poverty as such. (There is no correlation between the incidence of poverty and the incidence of Communism in Latin America.) Moreover, because of the democratic appeals it employs, the propaganda cannot contribute directly to the Sovietization of the Latin American countries.

The pattern of Soviet activities in Latin America suggests, therefore, that Soviet planners have posed their problem to themselves in the following terms: What, in the time available to us in Latin America, can we do to undermine the military potential of the Western Hemisphere as a fighting unit? Where, without assuming direct responsibility, can we channel our resources and energies in such fashion that the activities we initiate will continue to weaken the US even when we are no longer present to supervise them? What existing diplomatic or political situations, favorable to our long-term purposes, can we exploit --- again without assuming direct responsibility?

#### SOVIET OBJECTIVES.

The USSR has found the answer to its problem in the following four objectives: (1) the development of strong local Communist parties, (2) the Communization of the leadership of the local trade unions, (3) the dissemination of carefully selected propaganda themes which, implanted in the hearts and minds of the Latin Americans themselves, tend to undermine US hegemony in the Hemisphere and make inter-American military cooperation difficult to achieve, and (4) the creation and maintenance of an intelligence network that will obtain for Soviet planners the data they require in order to forward these objectives with a maximum of skill and a minimum expenditure of effort.

All the available evidence indicates that the USSR can already point to advantageous developments with respect to each of these four objectives, as follows:

The local Communist parties. These are strongest in Cuba, in Brazil, and in Chile, but in none of these countries is there any likelihood of an early Communist bid for power. There are several countries, such as Bolivia, Guatemala, Honduras, and El Salvador, where there is at present no Communist party. However, most of the Latin American Republics, and all of the important ones, have alert and vigorous Communist parties which have an impact on day-to-day social and political events entirely out of proportion to their actual numbers.

Communist leadership in the trade unions. Here the main evidence of Soviet progress is the CTAL, or Confederation of Latin American Workers, which has as affiliates the bulk of the trade unions in the area. The top echelons of the Confederation and the leaders of most of the key member-unions are Communist-controlled, with the result that the Confederation's "line" is rarely distinguishable from that of the Communist parties. The head of the Confederation is Vicente Lombardo Toledano, who, despite his assertion that he is not a Communist, is regarded throughout the area as the Communists' spokesman in labor

affairs. He and his lieutenants have been able to dominate the movement because, like Communist labor leaders everywhere, they know what they want, give careful thought to how to get it, and are more diligent than their opponents. There is, moreover, little prospect of their being jockeyed out of their present commanding position, despite the fact that socialist-led labor factions in certain countries, resenting the Confederation's reputation for being Communist-dominated, are now opposing them. Naturally, the unions that extract, process, and transport materials the US would need from Latin America in any future war are major targets for Communist penetration.

Propaganda themes. By press and radio propaganda through most of the area, the Communists skillfully drive home their major themes: "The USSR is right, the US wrong", whenever there is a clash between them. "The Hemisphere Defense Pact is part of a US plan to fight to the last Latin American in an aggressive imperialist war against the Soviet Union." "The Hemisphere Defense Pact is inconsistent with the United Nations, which is in turn Latin America's only defense against an indefinite future of oppression and exploitation by the United States." "The Good Neighbor Policy died with President Roosevelt." In short, the Communist press and radio in Latin America miss no opportunity to inculcate resentment and distrust of the United States and the Hemisphere Defense Pact, postponement of which the local Communists treat as the Soviet Union's major goal in the area. The resultant distrust and resentment of the United States would remain and be exploited long after the negotiation and signature of the Pact itself.

Intelligence activities. That the Soviet Union today has a Latin-America-wide intelligence network, so related to the local Communist organizations as to enable it to keep the Latin American scene under continuous observation, is attested not only by the weight of the evidence in the possession of US intelligence agencies, but also by the fact that Soviet activities in Latin America are clearly based upon thorough knowledge and deep understanding of the main political and economic trends.

~~SECRET~~

CENTRAL INTELLIGENCE AGENCY

SOVIET OBJECTIVES IN LATIN AMERICA

ORE 16/1

1 November 1947

Copy No. 1

DECLASSIFIED  
E.O. 11652, Sec. 1E) and 11734  
Department of State Records  
PROJECT NLT 77-91  
DATE 6-9-74

~~SECRET~~

HARRY S. TRUMAN LIBRARY  
Papers of  
HARRY S. TRUMAN  
PRESIDENT'S SECRETARY FILE

ORE 16/1

1 November 1947

~~SECRET~~

Copy No. 1

## SOVIET OBJECTIVES IN LATIN AMERICA

### SUMMARY

Since for strategic reasons the Latin American Republics can be of scant use to the USSR as allies or sources of supply in any future war, the emphasis of current Soviet activity in the area has recently shifted to measures that can be counted on to prevent, reduce, or place in doubt US access to the area's strategic materials or military support.

For so long as the US exercises its present role of leadership in the Western Hemisphere, the Communists cannot hope to seize and retain power in any Latin American country, which means that the Communist Parties in Latin America are of interest to the USSR only insofar as they forward objectives other than that of winning power and forming a government, and only insofar as they do not, by becoming too strong, call down upon themselves punitive measures by the Latin American governments. Most of the energies freed by de-emphasizing Party activity as such, appear, however, to have been channeled into preparations for espionage, sabotage, and clandestine operation of the Party in the event of suppression.

The present Communist line apparently rests on the assumption that the USSR's objectives in Latin America can be achieved with the Party's present following, and that it would be unwise to risk alienating that following or to invite suppression by advocating the overthrow of the existing governments. A show-down with the anti-Communist Latin American governments is thus indefinitely postponed.

The Communist Parties in the other American Republics are unlikely to increase their following or extend their influence during the months ahead; in fact, with certain exceptions, they may lose both membership and influence. In many Latin American Communist Parties there is a tendency for intraparty disputes to arise, thereby weakening Party prestige, but the dissenting factions may actually aid Soviet espionage agents to reach sectors of the public not normally available to the Communist Parties themselves. This loss of strength does not mean, however, that the Soviet Union's basic objectives in Latin America are likely, within the near future, to become unrealizable or that it does not still lie within the Soviet Union's power to reverse the present trend.

It is estimated that Communist nonpolitical organization in Latin America has already proceeded so far and so effectively that in the event of war with the US, the USSR can, by merely giving the necessary orders, paralyze the economies of Chile and Cuba and thus deny to the US, at least temporarily, the copper and sugar that they would otherwise contribute to the US war effort. It is further estimated that in other important areas of Latin America, Communist undercover penetration of strategic sectors of the various economies is already such as to permit the USSR, by giving the necessary orders, 1) to withhold from the US its normal peacetime flow of strategic raw materials from Latin America, and 2) to precipitate economic crises in several key Latin American countries.

Note: This paper has the concurrence of the intelligence organizations of the Departments of the Army and of the Air Forces. Statements of dissent by the Departments of State and of the Navy are set forth in Enclosures "A" and "B".

HARRY S. TRUMAN LIBRARY  
Papers of  
HARRY S. TRUMAN  
PRESIDENT'S SECRETARY FILE

~~SECRET~~

### SOVIET OBJECTIVES IN LATIN AMERICA

"The Soviet Government anticipates an inevitable conflict with the capitalist world." (ORE 1)

"Since for strategic reasons the Latin American Republics can be of scant use (to the USSR) as allies or sources of supply in any future war, the emphasis of current Soviet activity in the area is upon measures calculated to undermine the strength of the assumed future antagonist, the US, rather than upon measures calculated to build up the military potential of the USSR itself. These measures are, without exception, of such character that they will continue to pay dividends after an enforced Soviet withdrawal from the area on the eve of any future war." (ORE 16)

1. The measures most certain to pay the Soviet Union dividends after an enforced withdrawal from Latin America are those that can be counted on to prevent, reduce, or place in doubt US access to the area's strategic materials or military support.

2. Such measures of course require careful study on the part of the Soviets, and such study cannot proceed in the absence of full, continuous, and dependable intelligence that will lay bare the amount and character of the assistance the US will wish to receive from its Latin American allies in the assumed future war as well as the latter's capabilities and intentions, and the character of their political, economic, and social systems. A prerequisite for such intelligence is an efficient espionage and intelligence-collection service within the area, so organized as to be able to perform its tasks without military or diplomatic protection from the Soviet Union. Without such a service the Soviets, unable to make prior plans for the campaign of slowdowns, strikes, and sabotage that will be the USSR's most effective Latin American weapon during any future war, would have to place their reliance upon uncoordinated local improvisation.

3. The measures in question also call for peacetime concentration of Soviet effort in each Latin American country upon a) the development of the Communist Parties; b) the capture of organized labor with special attention to the trade unions whose members extract, process, and transport materials of vital importance to US war economy; c) achievement of a propaganda position that will assure widespread and continued popular sympathy for the Soviet cause in the war; and d) providing an organizational base for undercover wartime activities and for further propaganda.

4. Of the foregoing objectives the first (the development of the several Latin American Communist Parties) receives major emphasis at present in no country. For so long as the US exercises its present role of leadership in the Western Hemisphere, the Communists cannot hope to seize and retain power in any Latin American country, which means that a) no Latin American Communist Party can realistically look forward to success as a political party in the ordinary sense of the term; b) the Communist Parties in Latin America are of interest to the USSR only insofar as they forward objectives other than that of winning power and forming a government, and only insofar as they do not, by becoming too strong, call down upon themselves punitive measures by the

HARRY S. TRUMAN LIBRARY  
Papers of  
HARRY S. TRUMAN  
PRESIDENT'S SECRETARY FILE

~~SECRET~~

Latin American governments; c) the USSR would be wasting money, time, and energy if it sought to develop the Latin American Communist Parties beyond the limits set by b). These considerations, plus the sharply anti-Communist trend of governmental policy in the several Latin American countries, apparently account for the fact that the local Communist Parties, presumably under guidance from Moscow, have in recent months stepped down the level of intensity of their activities that are appropriate to organizations expecting to become great mass movements and to appeal for majority electoral support. They have, however, continued those efforts directed against the US, and those stressing (a) the Communist Party's devotion to democracy, (b) its non-revolutionary attitude toward the locally established form of government, and (c) its independence, as an indigenous Party organization, *vis-a-vis* Moscow. Most of the energies freed by de-emphasizing the Party as such, appear, however, to have been channeled into preparations for espionage and sabotage (including arming for uprisings in and guerrilla attacks upon areas and facilities of strategic importance) as well as continuing the clandestine life of the Party in the event of suppression.

5. The present propaganda line, save for its anti-US emphasis, largely parallels the Communist Party line during World War II, when it supported all local governments that were aiding the Soviet war effort. The Communists are at this time apparently ready to support any local governments that oppose the "imperialist" US, and to attack any local government that serves US interests. The present line, in short, apparently rests on the assumption that the USSR's objectives in Latin America can be achieved with the Party's present following, and that it would be unwise to risk alienating that following, or to invite suppression by advocating the overthrow of existing governments. While a show-down with the anti-Communist Latin American Governments is thus indefinitely postponed,\* it is clear that this policy has not been successful in avoiding anti-Communist action by various Latin American Governments, and that, with the possible exception of Costa Rica, no Latin American Government is today publicly cooperating with the Communists.

6. To organize and retain control of a subversive political movement in a geographically remote area is, even under the most favorable conditions, a difficult enterprise and one that calls for both trained personnel and large expenditures of funds. In the course of the months since April 1947 the USSR has nevertheless withdrawn much of its experienced diplomatic personnel from Latin America, and through the same period it has become increasingly evident that no considerable sums of money are being spent on Communist activities in the area. The one exception among the other American Republics in this respect appears to be Argentina, where the available data point to continued generous investment of both men and money. (Argentina, alone among the Latin American Governments, is to some extent in a position to oppose US leadership in this area. The USSR therefore has a reason for treating Argentina as qualitatively different from the other countries.) During the months since April 1947, moreover, there have been increasingly numerous reports of internecine disputes, struggles for control, and disputes in Latin America's Communist Parties. A peculiar

\* The Communist-led strike in the Chilean coal fields in October 1947 does not appear to have been intended by the Communists as a show-down, although President González Videla of Chile alleged that such was the case.

~~SECRET~~

~~SECRET~~

feature of the reports is that the sources from which they were obtained invariably offer only the most superficial guesses regarding the cause of these difficulties, which are without precedent in the recent history of Latin American Communism. Perhaps because of concern over the issues between the contending parties, none of the sources has yet seen the probable connection between the lapse of discipline within the parties on one hand and the USSR's niggardliness with men and money on the other hand, one unavoidable result of which would, naturally, be a relaxation of control from Moscow.

7. Under such circumstances, the Communist Parties in the other American Republics are unlikely to increase their following or extend their influence during the months ahead. It is, indeed, possible that they are entering upon a period during which they will actually lose both membership and influence. But this does not mean, in any sense, that the Soviet Union's basic objectives in Latin America are likely, within the near future, to become unrealizable, or that it does not still lie within the Soviet Union's power, by resuming large-scale expenditures of men and money, to reverse the present trend. Rather it is estimated that, so long as it retains its grip on the strategic sections of the Latin American labor movement, the USSR has good reason to regard that trend as favorable. (The Communists do face, however, increasing opposition to their control of key Labor groups, and may find it desirable at some point to revise their tactics in order to maintain their position.) National authorities in the several countries are unlikely to maintain strict surveillance over a Communist movement, which is notoriously weakened by internal dissension. For espionage purposes, moreover, a Communist movement split into many factions independent *vis-a-vis* one another would not only be extremely difficult to liquidate in a moment of crisis, but also might well, through varied appeals, reach sectors of the population that could not otherwise be mobilized for Communist purposes. There is, therefore, some reason to believe recent unconfirmed reports that the USSR is encouraging the present fissiparous tendency in the Latin American Communist movement. Furthermore, there is evidence that the USSR has given express orders for the creation of a whole new series of ostensibly non-Communist political and cultural groups. These groups, operating under secret Communist control, would make their appeal to persons in general sympathy with the declared objectives of the Communist Party who have nevertheless opposed it hitherto.\*

8. The defeat of Soviet espionage in Canada in 1946, though partial, could hardly have failed to impress Soviet planners with the necessity of reconsidering the whole problem of the comparative value of the traditional Communist Parties, upon which reliance had been placed with such disastrous results in Canada, and of "front" organizations, which might well have provided a more effective cover for clandestine operations. The emerging new pattern of Communist activities in Latin America may, therefore, have been influenced by the lessons learned in Canada. If so, however, a natural inference would be that in Latin America today, as in Canada in connection with the atomic bomb, clandestine operations are, or are about to become, the order of the day.

\* In this connection the USSR has placed particular emphasis on winning over the persons of Slavic descent now resident in Latin America. The Slavic colony in the River Plate area is unusually large and has been the target of extensive organization under Soviet direction.

HARRY S. TRUMAN LIBRARY  
Papers of  
HARRY S. TRUMAN  
PRESIDENT'S SECRETARY FILE

~~SECRET~~

9. It is estimated that the Communist nonpolitical organization in Latin America (that is, the organization for other than straight political Party purposes) has already proceeded so far and so effectively that in the event of war with the US, the USSR could a) receive an extensive flow of reasonably accurate information from Latin America, b) recruit sabotage agents, and c) by merely giving the necessary orders, paralyze the economies of two countries (Chile and Cuba) that are normally important US suppliers. Thus the USSR could deny to the US, through at least the crucial early months of the war, the militarily important copper and sugar these two countries would otherwise contribute to the US war effort. It is further estimated that in the remaining Latin American countries (excepting only Argentina, Mexico, Paraguay, the Dominican Republic, Honduras, and El Salvador), Communist undercover penetration of strategic spheres of the various economies is already such as to permit the USSR, by merely giving the necessary orders a) to withhold from the US at least, for a limited period, its normal peacetime flow of strategic raw materials from Latin America, b) to precipitate, in the several Latin American countries, economic crises that would oblige the US to choose between fiscally expensive programs of emergency aid on the one hand, and the politically expensive step of denying such aid on the other hand. Specifically, the USSR could today interrupt the flow of Latin American supplies of tin, quartz crystal, natural rubber, quinine, and oil to the US.

10. CIA estimates that none of the Latin American countries, again excepting Argentina, Mexico, Paraguay, the Dominican Republic, Honduras, and El Salvador (plus, perhaps, Peru), is today capable, by its own governmental action, of preventing the success of a Communist attempt either to a) interrupt the flow of supplies to the US, or b) disrupt the domestic economy of the country involved.

~~SECRET~~

HARRY S. TRUMAN LIBRARY  
Papers of  
HARRY S. TRUMAN  
PRESIDENT'S SECRETARY FILE

~~SECRET~~

ENCLOSURE "A"

DISSENT OF THE INTELLIGENCE ORGANIZATION  
DEPARTMENT OF STATE

The Intelligence Organization of the Department of State finds itself unable to concur completely in this estimate. Certain internal inconsistencies and a failure to distinguish sufficiently between long-range Soviet objectives and short-range tactics, especially as applied generally to the various Latin American countries, tend to establish an erroneous concept of the mechanics and strength of Soviet influence in Latin America.

The paper insufficiently distinguishes between assumed broad Soviet objectives deduced from the theoretical logic of the situation, and the varying tactical objectives of local Communist Parties. This confusion conceals the facts that Latin America for the present seems to be low on the Soviet target list, and that local Communist activities seem largely to be conditioned now by local economic and political situations and personal ambitions.

In particular, it is logical deduction from standard Kremlin tactics rather than reasoning from available evidence to suggest that

- a. The USSR has adopted new priorities or strategy in its policy towards Latin America.
- b. Tendencies of Communist Parties to split up have recently increased.
- c. Undercover activities of Communists have increased (except in Brazil where the Party has been outlawed).

HARRY S. TRUMAN LIBRARY  
Papers of  
HARRY S. TRUMAN  
PRESIDENT'S SECRETARY FILE

~~SECRET~~

ENCLOSURE "B"

DISSENT OF THE OFFICE OF NAVAL INTELLIGENCE,  
NAVY DEPARTMENT

The Office of Naval Intelligence is unable fully to concur in the findings of this paper. It is felt that the subject has not yet been thoroughly explored and that, in this paper, too much emphasis is placed on factors presumably working towards the realization of Soviet objectives and little or none placed on those counter-forces whose present and potential ability is patent. While it is agreed that the Soviet objectives in Latin America are to deny strategic materials to the US in time of war, ONI nonetheless believes that the realization of this objective is remote if not impossible. In other words, the real or latent danger from Communism in Latin America, as expressed in this paper, seems exaggerated.

In considering Communism in Latin America it is believed that some attention should be paid to the obvious distinction between the European Communist and the Latin American Communist. In the latter case, the majority of the adherents are not die-hard Marxists but people of a very low economic, social, and cultural scale. These would be the first to desert the Party banner in the event of war between the US and USSR and go along with the masses who would probably rally around each government. Naturally there would be some who would attempt and commit acts of sabotage, but such acts would probably be sporadic and more in the nature of an irritant which can be liquidated rather than a persistent serious threat.

The Office of Naval Intelligence would give in this paper consideration to the forces working against Soviet objectives in Latin America such as the Catholic Church; the ultra-conservative armed forces, the real key to civilian power; the influence of the US and other western powers; the Hemispheric Defense Plan; and the economic dependence of Latin America on the US, especially in time of war, which means that the US would greatly influence the internal and foreign policies of the various countries.

It is not believed by the Office of Naval Intelligence that the Soviets will place emphasis on espionage and the collection of intelligence, but rather on sabotage in the form of strikes, etc. It is a matter of public record what strategic materials are produced in Latin America and the Soviets should assume that we will take the maximum output. It is doubted that the Communists in Cuba, in time of war, could paralyze the economic life of that country. Cuba is too close geographically and too economically mortgaged to the US to permit this to happen.

For reasons stated above, the Office of Naval Intelligence cannot envisage Communist armed uprisings or guerrilla attacks on areas of strategic importance in Latin America. Isolated acts of strategic importance could be expected but certainly no really concerted action.

The Office of Naval Intelligence is not prepared at this time to agree that none of the Latin American countries (excepting Argentina, Mexico, the Dominican Republic, Paraguay, Honduras, El Salvador and, possibly, Peru) is today capable of preventing the success, by its own governmental action, of a Communist attempt either to (a) interrupt the flow of supplies to the US, or (b) to disrupt the domestic economy

HARRY S. TRUMAN LIBRARY  
Papers of  
HARRY S. TRUMAN  
PRESIDENT'S SECRETARY FILE

~~SECRET~~

of the country involved. The tenor of the CIA paper is based on the assumption of an inevitable conflict in the unforeseeable future between the Soviets and the capitalist world, so the ability or inability of the Latin American nations today to cope with the situations appears not to bear on the problem. If anything, the passage of time might well increase the effectiveness of the various nations to put down Communist disorders in their respective countries, at least in this Hemisphere.

~~SECRET~~

48

~~SECRET~~

File *AK*

2 March 1948

MEMORANDUM TO THE DIRECTOR, CENTRAL INTELLIGENCE

SUBJECT: Disturbances in Central America and Antarctica

1. Attached hereto is a brief appreciation of subject situations.

*W. H. C. C. C.*  
 A. H. C. C. C. C., Capt., USN  
 Deputy Assistant Director  
 Reports and Estimates

~~SECRET~~

Declassified by 058375  
 date 20 FEB 1976

*J*

~~TOP SECRET~~

49

Disturbances in Central America  
Antarctic Situation

Summary: CIA estimates that the most serious Central American revolutionary situation at present exists in Costa Rica, where a civil disobedience strike as a result of the present political impasse is likely. There are no new developments since special memorandum of 27 February in the revolutionary situation in Guatemala, Honduras, and Nicaragua. Although disorderly anti-British activity in Guatemala exists as a consequence of the dispatch of British warships to Belize, a deepening political rift within Guatemala will, it is estimated, reduce the likelihood of a retaliatory show of force by Guatemala against British garrisons in Belize. There has been no important new development on the Antarctic controversy since the article in CIA Weekly Summary of 20 February.

Chances of revolution in Costa Rica: The 1 March vote by the Costa Rican Congress voiding the recent presidential elections has created a revolutionary situation. The Electoral Tribunal by a two to one vote had previously declared the Opposition candidate Ulate the winner. Unless a last minute compromise can be effected, a civil disobedience strike -- which will force all banks and many business establishments to close their doors and which will impair the functioning of the country's major public utilities -- is to be expected.

Guatemala and British Honduras: There have been no new developments respecting Guatemalan-British relations vis-a-vis the Belize controversy since CIA Daily Summaries of 28 February and 1 March. Anti-British disturbances persist in Guatemala. CIA estimates that political conditions there now make it even less likely that Guatemala will participate in a retaliatory show of force against British garrisons in Belize; deepening political rivalry between the Radical PAR and the more moderate FPL will make Guatemalan Chief of the Armed Forces Araña, a moderate, more reluctant than ever to move forces out of Guatemala City toward the frontier of British Honduras; such a move would leave the capital in the hands of PAR extremists, who would then be able to take over complete control of the government and oust him from office.

2 March 1948

~~TOP SECRET~~